

## JOINDER TO METACARTEL VENTURES LLC PACT

This JOINDER (this “*Joinder*”) to the OFFICIAL GRIMOIRE OF THE SACRED & INVIOABLE PACT OF THE METACARTEL VENTURES DAO (the “*Pact*”), a copy of which is attached hereto as Exhibit A, is being made and entered into by the Person indicated on the signature page hereto (the “*Candidate*”). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Pact.

WHEREAS, subject to the terms and conditions of this Joinder and the Pact, if the Membership Proposal for the Candidate is approved by the Members, the Candidate will become a Member of the Org and will receive Shares or Loot, as applicable; and

WHEREAS, the Pact requires the Candidate, as a condition precedent to becoming a Member, to become a party to the Pact and abide by all of the terms and conditions of the Pact, and the Candidate agrees to do so in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Candidate, intending to be legally bound, hereby agrees as follows:

1. Agreement to be Bound. The Candidate acknowledges that he, she or it has received and reviewed a complete copy of the Pact. The Candidate agrees that upon execution and delivery of this Joinder and approval of the Candidate’s Membership Proposal resulting in the Candidate becoming entitled to receive any Shares or Loot, the Candidate shall become a party to the Pact as a Member and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Pact as though an original party thereto. The Candidate shall not have any rights or obligations under the Pact, and shall not become a Member, in the event that the Candidate’s Membership Proposal is not approved by the Members.

2. Miscellaneous. Section 7 of the Pact is incorporated herein by reference and shall apply to the terms and provisions of this Joinder, *mutatis mutandis*.

The Candidate has caused this Joinder to be executed and delivered as of the date indicated below.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**THE PACT**



**OFFICIAL GRIMOIRE**  
**SETTING FORTH**  
**THE SACRED & INVOLABLE PACT**  
**OF**  
**THE METACARTELVENTURES DAO**

Date of Pact: February 14, 2020

Date of Last Amendment to Pact: N/A

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## EXHIBITS AND SCHEDULES

### EXHIBITS

Exhibit A	Designated Smart Contract Source Code
Exhibit B	Joinder Agreement
Exhibit C	Accredited Investor Questionnaire
Exhibit D	Disclosure of Risk Factors
Exhibit E	Book of Rituals

## OFFICIAL GRIMOIRE OF THE SACRED & INVOLABLE PACT OF THE METACARTEL VENTURES DAO

This **OFFICIAL GRIMOIRE OF THE SACRED & INVOLABLE PACT OF THE METACARTEL VENTURES DAO** (this “*Pact*”) sets forth the sacred & inviolable pact among MetaCartel Ventures DAO LLC, a Delaware limited company (the “*Org*”) and the members of the Org. The Org is also known as the “MetaCartel Ventures DAO” and thus occasionally referred to herein or in other documents or communications relating to the Org as the “*DAO*”. This Pact constitutes a binding and enforceable agreement under the laws of man, nature and magick.

### BACKGROUND

A. The Org has been formed for the purposes contemplated by this Pact by the filing with the Secretary of State of the State of Delaware of a Certificate of Formation (the “*Certificate*”) in accordance with the Delaware Limited Liability Company Act (the “*Delaware LLC Act*”).

B. This Pact is being entered into for the purposes organizing and establishing the governance and operations of the Org and the rights and obligations of membership in the Org.

### THE PACT

In consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby covenant and agree as follows:

#### 1. ORGANIZATIONAL MATTERS

##### 1.1 Terms and Conditions of Membership.

(a) Nature of Pact. This Pact constitutes the Org’s limited liability company agreement (as defined in the Delaware LLC Act).

(b) Governing Terms. All rights, powers and obligations of the Members relating to the Org shall be governed and determined in accordance with: (i) the terms and conditions of this Pact; and (ii) the Delaware LLC Act.

(c) Relationship of this Pact to the Delaware LLC Act. To the extent that: (i) any provision of the Delaware LLC Act provides that such provision or any right, power or obligation specified therein or in the Delaware LLC Act shall apply “unless otherwise provided in a limited liability company agreement” or words of similar import or Delaware law permits a limited liability company agreement to restrict or expand any provision of the Delaware LLC Act and (ii) this Pact directly or indirectly provides otherwise with respect to the subject matter of such provision or such right, power or obligation, then such subject matter, right, power or obligation shall be determined in accordance with this Pact and not such provision of the Delaware LLC Act.

(d) Relationship of the DAO to the Org. “MetaCartel Ventures DAO” is a “DBA,” alias or manner of describing certain cultural aspects of the activities and operations of the Org and signifies, among other things, that the governance and operations of the Org are augmented by the Designated Smart Contracts. All activities and other matters with respect to the DAO shall be conducted exclusively by or on behalf of the Org. No reference to the DAO in publicity or other materials or any private or public communication shall be deemed or construed to imply that there

exists any partnership, organization, association or venture of the Members separate and apart from the Org.

**1.2 Name of Org** The name of the Org shall be “MetaCartel Ventures, LLC” or such other name as may be determined from time to time in accordance with this Pact. The Org’s business maybe conducted under its name, under the name “MetaCartel Ventures DAO” and/or under any other name or names approved or such purpose from time to time in accordance with this Pact.

**1.3 Place of Business; Registered Office.** The Org has no fixed offices or place of business. The Org’s activities are directed, controlled, and coordinated primarily through the Designated Blockchain Network and other electronic communications networks by Members located throughout the world. The registered office and registered agent of the Org required by the Delaware LLC Act to be maintained in the State of Delaware shall be the office and registered agent named in the Certificate or such other office (which need not be a place of business of the Org) or registered agent as may be designated from time to time in accordance with this Pact.

**1.4 Purposes.** The purposes and business of the Org shall be to engage in any other lawful acts or activities for which limited liability companies may be organized under the Delaware LLC Act, as determined from time to time in accordance with this Pact. Without limiting the generality of the immediately preceding sentence, certain of the principles of and purposes and business to be conducted or promoted by the Org are described in the MCV Whitepaper at <https://github.com/metacartel/MCV/blob/master/MCV-Whitepaper.md>, as it may be amended from time to time.

**1.5 Term.** The term and existence of the Org commenced upon the filing of the Certificate and shall respectively continue until the dissolution, if any, of the Org and cancellation of the Certificate, if ever, in accordance with this Pact.

**1.6 Tax Partnership.** The Members intend that the Org shall be treated as a partnership for federal and, if applicable, state or local income tax purposes; each Member and the Org shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

**1.7 Securities Law Partnership.** The Members intend that the Org shall be treated as a partnership for federal and, if applicable, state or local securities law purposes; each Member and the Org shall actively participate in the management and entrepreneurial efforts of the Org in a manner consistent with such treatment.

**1.8 Not An Investment Company.** The Org is not intended to be or become an Entity required to register as an “investment company” as defined in Section 3(a)(1)(A) the Investment Company Act of 1940, as amended (the “*Investment Company Act*”). The Org is intended to be a private investment company exempt from such registration requirements pursuant to Section 3(c)(1) of the Investment Company Act, , which exempts from registration an Entity the outstanding securities of which are beneficially owned by not more than 100 Persons and that is not making and does not presently to propose to make a public offering of its securities. Each Member shall manage the Org in a manner that will not cause the Org to be an investment company under the Investment Company Act, including by limiting the number of Members to 100 Persons (with certain exceptions, such as “knowledgeable persons” as defined in the Investment Company Act) and not making or proposing to make a public offering of any of its Membership Interests or other securities.



**1.9 Illegal Distributions; Maintaining Sufficient Net Assets For RageQuits and GuildKicks.** §18-607 of the Delaware LLC Act provides as follows:

A limited liability company shall not make a distribution to a member to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the limited liability company, other than liabilities to members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specified property of the limited liability company, exceed the fair value of the assets of the limited liability company, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the limited liability company only to the extent that the fair value of that property exceeds that liability. For purposes of this subsection (a), the term “distribution” shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

Accordingly, in order to preserve the Members’ right of “free exit” by allowing for Org Property to be legally distributable to Members upon a RageQuit or GuildKick, the Org is intended to be managed in a such a manner that the Org does not maintain Liabilities. Nevertheless, the Org may from time to time incur Liabilities. Accordingly, each Member, prior to exercising a RageQuit or approving a GuildKick, shall use reasonable care to ensure that the resulting distributions of Org Property will not cause the Liabilities of the Org to exceed the fair value of the remaining Org Property. In the event that a Member knowingly receives a distribution in violation of §18-607 of the Delaware LLC Act, such Member may be personally liable to return the relevant Org Property or the fair value thereof to the Org or a creditor of the Org.

**1.10 Blockchain-Based Governance Mechanisms.**

(a) Definitions. The following defined terms have the definitions that are ascribed to them below

(i) **“Confirmation”** of a transaction shall be deemed to have occurred if and only if such transaction has been recorded on the Designated Blockchain in accordance with the Consensus Rules in a valid block whose hashed header is referenced by a commercially reasonable number of subsequent valid blocks on the Designated Blockchain, as determined from time to time by the Mages. The initial number of such blocks shall be 12.

(ii) **“Contract”** means any written, oral, implied or other agreement, contract, understanding, arrangement, instrument, note, guaranty, indemnity, representation, warranty, deed, assignment, power of attorney, certificate, purchase order, work order, insurance policy, benefit plan, commitment, covenant, assurance or undertaking of any nature.

(iii) **“Consensus Attack”** means an attack that: (A) is undertaken by or on behalf of a block producer who controls, or group of cooperating block producers who collectively control, a preponderance of the means of block production on the Designated Blockchain Network; and (B) has the actual or intended effect of: (1) reversing any transaction made to or by any Designated Smart Contract after Confirmation of such transaction, including any “double spend” attack having or intended to have such effect; or (2) preventing inclusion in blocks or Confirmation of any transaction made to or by any Designated Smart Contract, including any “censorship attack,” “transaction withholding attack” or “block withholding attack” having or intended to have such effect.

(iv) “**Consensus Rules**” means the rules for transaction validity, block validity and determination of the canonical blockchain that are embodied in the Designated Blockchain Client.

(v) “**Designated Blockchain**” means at any given time, the version of the digital blockchain ledger that at least a majority of nodes running the Designated Blockchain Client on the Designated Blockchain Network recognize as canonical as of such time in accordance with the Consensus Rules. The initial Designated Blockchain shall be the Ethereum blockchain (i.e., the blockchain identified as **chainID:1**) as recognized by the Designated Blockchain Client on the Designated Blockchain Network.

(vi) “**Designated Blockchain Client**” means the blockchain software client designated as the “Designated Blockchain Client” by the Members. The initial Designated Blockchain Client shall be “geth” aka the Official Go implementation of the Ethereum protocol available at <https://github.com/ethereum/go-ethereum>,” as it may be updated from time to time.

(vii) “**Designated Blockchain Network**” means the blockchain network designated as the “Designated Blockchain Network” by the Members. The initial Designated Blockchain Network shall be the Ethereum mainnet (i.e., the network identified as **networkID:1**) as recognized by the Designated Blockchain Client.

(viii) “**Designated Blockchain Network Account Address**” means a public key address on the Designated Blockchain Network that is uniquely associated with a single private key, and at which no smart contract has been deployed.

(ix) “**Designated Smart Contract**” means a “smart contract” (as such term is commonly understood and used by software engineers expert in developing software for use on the Designated Blockchain Network) that is: (A) designated by the Members to serve as a ‘Designated Smart Contract’ for one of more specified purposes under this Pact, and (B) deployed to a specified public key address as recognized by the Designated Client on the Designated Blockchain Network. The initial Designated Smart Contract for augmenting the governance of the Org, including with respect to the admission, resignation and expulsion of Members, the minting, issuance and accounting for Membership Interests, the submission, voting and passage of Proposals and the escrow, release allocation of Tokens owned by the Org or the Members is the instance of the applicable Designated Smart Contract Source Code deployed to the Designated Blockchain at [ADDRESS], as recognized by the Designated Client on the Designated Blockchain Network (the “**Designated Governance Smart Contract**”).

(x) “**Designated Smart Contract Source Code**” means the source code that has been designated by the Members to be deployed as a Designated Smart Contract. The initial Designated Smart Contract Source Code for the Designated Governance Smart Contract is the **Moloch.sol** source attached hereto as Exhibit A.

(xi) “**Distributed Org Property**” means any asset, right or property that was once Org Property and has been distributed or allocated to a Member or former Member, including any **userTokenBalance(s)** of a Member or former Member that has not yet been withdrawn from the Designated Governance Smart Contract.

(xii) “**Order**” means any restraining order, preliminary or permanent injunction, stay or other order, writ, injunction, judgment or decree that either: (A) is issued by a court of competent jurisdiction, or (B) arises by operation of applicable law as if issued by a court

of competent jurisdiction, including, in the case of clause “(B)” an automatic stay imposed by applicable law upon the filing of a petition for bankruptcy.

(xiii) “**Legal Proceeding**” means any private or governmental action, suit, litigation, arbitration, claim, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other governmental entity or any arbitrator or arbitration panel.

(xiv) “**Legal Requirement**” means any federal, state, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, ruling, directive, pronouncement, requirement, specification, determination, decision, opinion or interpretation issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Body.

(xv) “**Liability**” means any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, inchoate derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with generally accepted accounting principles and regardless of whether such debt, obligation, duty or liability is immediately due and payable. To be “Liable” means to have, suffer, incur, be obligated for or be subject to a Liability.

(xvi) “**Lien**” means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, equity, trust, equitable interest, claim, preference, right of possession, lease, tenancy, license, encroachment, covenant, infringement, interference, Order, proxy, option, right of first refusal, preemptive right, community property interest, legend, defect, impediment, exception, reservation, limitation, impairment, imperfection of title, condition or restriction of any nature.

(xvii) A “**Material Adverse Exception Event**” on a Designated Smart Contract means that one or more of the following has occurred, is occurring or would reasonably be expected to occur:

(A) a Consensus Attack adversely affecting the results or operations of such Designated Smart Contract;

(B) a change to the Consensus Rules or Designated Blockchain Client that could reasonably be expected to adversely affect the results or operations of such Designated Smart Contract or could reasonably be expected to result in a “contentious hard fork” (as such term is commonly understood and used by software engineers expert in developing blockchain protocol software clients) of the Designated Blockchain;

(C) a “reorganization” (as such term is commonly understood and used by software engineers expert in developing blockchain protocol software clients) of the Designated Blockchain that could reasonably be expected to adversely affect the results or operations of such Designated Smart Contract;

(D) such Designated Smart Contract having become inoperable, inaccessible or unusable, or any Tokens under the control of such Designated Smart Contract having become permanently “frozen,” “stuck” or non-transferable (where such a

condition shall be deemed “permanent” if such condition would persist except in the event of a change to the Consensus Rules that is not reasonably expected to occur in the near future), including as the result of any code library or repository incorporated by reference into such Designated Smart Contract or any other smart contract or oracle on which such Designated Smart Contract depends in whole or in part having become inoperable, inaccessible or unusable or having itself suffered a Material Adverse Exception Event, *mutatis mutandis*;

(E) a material and adverse effect on the use, functionality or performance of such Designated Smart Contract as the result of a clear and manifest bug, defect or error in such Designated Smart Contract, as evidenced by the failure of such Designated Smart Contract to function in accordance with provisions of this Agreement expressly pertaining to such Designated Smart Contract or by documentation or other evidence prepared contemporaneously with the Designated Smart Contract Source Code demonstrating that the intended functioning of such Designated Smart Contract differs materially from the actual functioning as a result of such bug, defect or error;

(F) any unauthorized use of an administrative function or privilege of such Designated Smart Contract, including: (1) any use of any administrative credential, key, password, account or address by a Person who has misappropriated or gained unauthorized access to such administrative credential, key, password, account or address or (2) any unauthorized use of an administrative function or privilege by a Person who ordinarily is authorized to use such administrative function or privilege but in a single instance or series of instance exceeds such Person’s authority to use such administrative function or privilege; *provided, however*, that it is acknowledged and agreed by the Members that the initial Designated Governance Smart Contract does not have any administrative function or privilege, and thus this clause “(F)” shall be inapplicable to the initial Designated Governance Smart Contract; or

(G) (1) (aa) such Designated Smart Contract or any of the Org Property or other Tokens controlled by such Designated Smart Contract becomes subject to an Order or applicable Legal Requirement that permanently or temporarily prohibits or restrains such Designated Smart Contract (or that, if such Designated Smart Contract were a Person, would prohibit or restrain such Designated Smart Contract) from executing any function or operation it would otherwise reasonably be expected to execute or (bb) permanently or temporarily orders or directs such Designated Smart Contract (or that, if such Designated Smart Contract were a Person, would order or direct such Designated Smart Contract) to take an action or bring about a circumstance it would otherwise not reasonably be expected to take or bring about; or (2) the Org or any Member becomes subject to an Order or applicable Legal Requirement requiring the Org or such Member to cause such Designated Smart Contract to take or refrain from taking any action or requiring the Org or such Member to take or refrain from taking any action with respect to any of the Org Property or other Tokens controlled by such Designated Smart Contract, in each case, which it is not within the power of the Org or such Member to comply with.

(xviii) “**Order**” means any: (A) order, judgment, temporary restraining order, temporary or permanent injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, verdict, sentence, subpoena, writ or award issued, made, entered, rendered or otherwise put into effect by or under the authority of any court, administrative agency or other Governmental Body or any arbitrator or arbitration panel; or (B) Contract with any Governmental Body entered into in connection with any Legal Proceeding.

(xix) “**Org Property**” means any Token or other asset, right or property owned by the Org and, in the case of Tokens, shall include all Tokens allocated to the **userTokenBalance[GUILD]** account of the Designated Governance Smart Contract.

(xx) “**Person**” means: (A) any human being/individual/natural person, Entity or Governmental Body; and (B) any other thing recognized as a legal person under applicable Legal Requirements.

(xxi) “**Token**” means a digital unit that is recognized by the Designated Blockchain Client on the Designated Blockchain Network as capable of: (A) being uniquely associated with or “owned” by a particular public-key address on the Designated Blockchain Network at each particular block height; and (B) having Transfers of such digital unit recorded on the Designated Blockchain.

(b) Qualified Exclusivity of Designated Smart Contracts. Except as otherwise provided in this Pact in connection with a Material Adverse Exception Event, the Members shall utilize and cause the Org to utilize the Designated Smart Contracts as the exclusive method of (i) holding, allocating among the Members and spending or otherwise distributing any Tokens that are Org Property, (ii) creating and assigning Membership Interests, (iii) minting and issuing Shares and Loot and of holding and (iv) making Proposals and recording votes of the Members on Proposals. The Members may also utilize the Designated Smart Contracts to administer and facilitate certain other arrangements and transactions involving the Org, the Members and/or third parties, as approved by the Members from time to time pursuant to Proposals.

(c) Qualified Deference to Results of Designated Smart Contract. Except as otherwise provided in this Pact in connection with a Material Adverse Exception Event, among any or all of the Org and the Members, the results of operation of the Designated Smart Contracts shall be determinative of the rights and obligations of, and shall be final, binding upon and not permitted to be contested or disputed by, the Org and each of the Members with respect to the Org and all matters relating to the Org or the Members in their capacities as Members (including the management powers and duties of Members), and shall not be contested (in a Legal Proceeding or otherwise) by any of them; *provided, however*, that the foregoing shall not prohibit or limit any Legal Proceeding brought by or on behalf of the Org or any Member(s) (the “**Plaintiff(s)**”) against the Org, any other Member(s) or any other Person(s) (the “**Defendant(s)**”) to the extent that:

(i) a prohibition or limitation of such Legal Proceeding would be illegal or unenforceable under the laws of the State of Delaware or any applicable U.S. federal law; or

(ii) such Legal Proceeding satisfies the condition set forth in the following clause “(A)” and the condition set forth in the following clause “(B)”:

(A) such Legal Proceeding is based on or arises from a Material Adverse Exception Event that either:

(1) resulted directly or indirectly, in whole or in part, from the fraud, willful misconduct or knowing violation of any applicable Legal Requirement or applicable Order by the Defendant(s); or

(2) resulted in an improper personal benefit to the Defendant(s) (which may include receipt of a distribution in violation of §18-607(a) of the Delaware LLC Act to the extent the Defendant(s) may be

liable therefor pursuant to §§18-607(b)-(c) of the Delaware LLC Act) directly or indirectly, in whole or in part, as a result of such Material Adverse Exception Event; and

(B) Plaintiff(s) suffered or incurred Damages as a result of such Material Adverse Exception Event.

The provisions of this clause “(c)” shall continue to apply to a Person who was a Member after such Person is no longer a Member.

(d) Handling of Material Adverse Exception Events.

(i) *Exception Notice.* If any Member becomes aware that there is a Material Adverse Exception Event, such Member (the “**Sending Member**”) shall deliver or cause to be delivered to the other Members and, to the extent their interests may be implicated, any former Members (the “**Receiving Members**”) a written notice (an “**Exception Notice**”):

(A) certifying that the Sending Member believes in good faith that there is a Material Adverse Exception Event;

(B) describing in reasonable detail the events, facts, circumstances and reasons forming the basis of such belief;

(C) if so desired by such Member, describing in reasonable detail a proposal by such Member of the actions to be taken, the agreements to be entered into, and the remedies to be sought by the Members or the Org in response to the Material Adverse Exception Event an “**Exception Handling Proposal**”; and

(D) including copies of any written evidence or other material written information, and summaries of any other evidence, relevant to, and material for the consideration of, the Material Adverse Exception Event and the other matters referred to in the Exception Notice.

(ii) *Exception Standstill.* During the period starting on the date of delivery of an Exception Notice and ending at the time an Exception Handling Determination is made in accordance with clause “(iii)” of this Section 1.10(d) (the “**Standstill Period**”), each Member and former Member shall: (A) safeguard, set aside and hold in trust for the Org and the other Members any Distributed Org Property that may have been received by such Member or former Member as a result of the Material Adverse Exception Event and otherwise treat such Distributed Org Property as if it continued to be Org Property, including by refraining from withdrawing any **userTokenBalance(s)** that may have been allocated to such Member or former Member as a result of the Material Adverse Exception Event that have not yet been withdrawn; and (B) refrain from using the Designated Smart Contract in a manner that would reasonably be expected to be affected by the Material Adverse Exception Event as described in the Exception Notice.

(iii) *Determination of Exception Handling.* The term “**Exception Handling Determination**” means a determination by the Members, as expressed in an Extraordinary Proposal approved by the Members, as to: (A) the existence or non-existence of a Material Adverse Exception Event and (B) if a Material Adverse Exception Event has been determined to exist, the actions to be taken, the agreements to be entered into, and the remedies to be sought by the Org and the Members in response thereto. Each of the Members shall act in accordance with the Exception Handling Determination. If any amendment to this Pact is required by the Exception Handling

Determination, the Members shall promptly cause the Org to engage legal counsel to draft such amendment for approval by the Members as an Extraordinary Proposal.

(e) Compromise by Members. The provisions of this Section 1.10 shall constitute a compromise to which all Members have consented within the meaning of the Delaware LLC Act. Any violation or breach of this Section 1.10, including the covenant not to sue set forth in clause “(c)” of this Section 1.10, shall entitle the applicable Plaintiff(s) to any Damages that are not remote or unforeseeable from the Defendant(s), including reasonable costs of defense arising from breach or violation of the covenant not to sue. Each Member to whom the protections of California law may apply: (i) represents, warrants and acknowledges that such Member has been fully advised of the contents of Section 1542 of the Civil Code of the State of California; and (ii) to the extent that such Section may otherwise limit the effect of the provisions of this Section 1.10, hereby expressly waives the benefits of such Section and any rights that the Member may have thereunder. Section 1542 of the Civil Code of the State of California provides as follows: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.” Each Member hereby waives the benefits of, and any rights that the undersigned may have under, any statute or common law regarding protection of release of unknown claims in any jurisdiction to the extent that the foregoing would otherwise limit the effect of the provisions of this Section 1.10.

## **2. ADMISSION, EXPULSION, RIGHTS AND OBLIGATIONS OF MEMBERS.**

**2.1 Certain Defined Terms.** The following defined terms have the definitions that are set forth for them below:

(a) “*Affiliate*” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly through one or more intermediaries, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities or interests, the ability to exercise voting power, by contract or otherwise.

(b) “*Charter Documents*” of an Entity means such Entity’s certificate of incorporation, bylaws, articles or memorandum of association or similar formation or governing documents, including all amendments thereto.

(c) “*Consent*” means any approval, consent, ratification, permission, waiver, authorization or affirmative vote.

(d) “*Entity*” means any corporation (including any non-profit corporation), *aktiengesellschaft*, general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, cooperative, foundation, society, political party, union, company (including any limited liability company or joint stock company), firm, autonomous organization, “smart contract” or other enterprise, association, organization or entity.

(e) “*Governmental Body*” means any: (i) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign or other government; (iii) governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council,

board, instrumentality, officer, official, representative, organization, unit, body or Entity and any court or other tribunal); (iv) multi-national organization or body; or (v) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing.

(f) **“Loot”** of or held by a Member means the units of account that are tracked by the **loot** field of the Member Struct of such Member. The Loot held by Member represents the Member’s Membership Interest. Loot held by a Member does not entitle a Member to vote.

(g) **“Member”** means any member (as defined in the Delaware LLC Act) of the Org.

(h) **“Member Struct”** of a Member shall mean data that: (i) is of type **Member** struct (as defined in the Designated Governance Smart Contract Source Code) with all applicable fields of the struct having been assigned values corresponding to such Member’s information; and (ii) has been stored on and is readable from the Designated Blockchain by the Designated Governance Smart Contract. For example, the Member Struct of a Member may include values for a Member’s public-key/address on the Designated Blockchain Network, the number of Shares and Loot held by such Member and the index number of the latest Proposal on which such Member voted **Yes**.

(i) **“Member Economic Percentage”** means the percentage of the Membership Interests of the Org held by a Member, which at each time shall equal: (i) (A) (1) the value of the **shares** field of the Member Struct of such Member at such time; *plus* (2) the value of the **loot** field of the Member Struct of such Member at such time; *divided by* (B) (1) the value of the **totalShares** variable of the Designated Governance Smart Contract at such time (it being understood that the value described in this clause “(B)” is intended to equal the aggregate of all values of the **shares** fields of all Member Structs at such time); *plus* (2) the value of the **totalLoot** variable of the Designated Governance Smart Contract at such time (it being understood that the value described in this clause “(B)” is intended to equal the aggregate of all values of the **loot** fields of all Member Structs at such time); *multiplied by* (ii) 100.

(j) **“Member Voting Percentage”** means the percentage of issued and outstanding Shares held by a Member; for the avoidance of doubt, the Member Voting Percentage of a Member shall at each time equal: (i) (A) the value of the **shares** field of the Member Struct of such Member at such time; *divided by* (B) the value of the **totalShares** variable of the Designated Governance Smart Contract at such time (it being understood that the value described in this clause “(B)” is intended to equal the aggregate of all values of the **shares** fields of all Member Structs at such time); *multiplied by* (ii) 100.

(k) **“Membership Interest”** shall mean a Member’s share of the profits and losses of the Org and the Member’s right to receive distributions of the Org’s assets.

(l) **“Representatives”** of a Person means officers, directors, managers, employees, agents, attorneys, accountants, advisors and representatives of such Person.

(m) **“Shares”** of or held by a Member means the value of the **shares** field of the Member Struct of such Member. The Shares held by Member represent the Member’s Membership Interest. Shares held by a Member entitle the Member to vote.

(n) **“Subsidiary”** shall mean, with respect to any Person, any Entity of which at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such Entity is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries.

## 2.2 Admission of Members.



(a) Admission as a Member. The sole and exclusive method for the admission of Members shall be the approval by the Members of an Ordinary Proposal for the admission of such Person as a Member made pursuant to Section 4.3(a) (a “**Membership Proposal**”) resulting in the allocation of Shares or Loot, as applicable, to such Person in the Membership Struct representing such Person as recognized by the Designated Governance Smart Contract.

(b) Procedure for Membership Proposals. Procedures for making Membership Proposals shall be established from time to time by the Mages, in consultation with one another and the other Members, and shall be reflected in the Book of Rituals. In any event, the Mages shall use reasonable best efforts to ensure that each Person wishing to become a Member, prior to the Membership Proposal for such Person being submitted for a vote of the Members:

(i) receives an accurate and complete copy of, and has sufficient opportunity to review and ask questions regarding, this Pact;

(ii) duly executes and delivers to the Org a Joinder Agreement in substantially the form attached hereto as Exhibit B, agreeing to automatically and without further action of any Person become a party to, be bound by and perform this Pact in the event that such Person’s Membership Proposal is approved;

(iii) duly completes and delivers to the Org all identity verification, KYC and AML verification and background checks required for admission of Members to the Org, as determined by the Mages and set forth in the Book of Rituals;

(iv) duly completes, executes and delivers to the Org a Form W-9 or Form W-8BEN, as applicable, and any other forms that are necessary or desirable to be obtained from the Members under applicable Legal Requirements relating to taxes;

(v) either:

(A) duly completes, executes and delivers to the Org an Accredited Investor Questionnaire substantially in the form attached hereto as Exhibit C and provides evidence reasonably satisfactory to the Mages of the accuracy thereof demonstrating that such Person is an “accredited investor” as such term is defined in Rule 501 of Regulation D under the Securities Act; or

(B) establishes to the satisfaction of the Mages that another exemption to the registration requirements of the Securities Act applies to such Person’s acquisition of Shares or Loot, as applicable; and

(vi) offers evidence satisfactory to the Mages of the accuracy of the representations and warranties of such Person would be making pursuant to Section 2.4.

(c) Curing Failure to Follow Procedures. In the event that any Member learns that any Person has received Shares or Loot (and thus become a Member) before completing all required procedures for Membership Proposals, such Member shall provide written notice thereof to the Mages as promptly as reasonably practicable, and the Mages shall use reasonable best efforts to cause such defects to be cured as promptly as reasonably practicable after receiving such notice. In the event any material defect cannot be cured or is not promptly cured, the Mages shall use reasonable best efforts to cause the Person who has not completed the required procedures to be GuildKicked.

## **2.3 Termination of Membership.**

(a) No Resignation While Holding Shares or Loot. Without limiting clause “(b)” of this Section 2.3 or any Member’s right to Ragequit pursuant to Section 5.4(a), so long as a Member continues to hold any Shares or Loot, such Member shall not have the right or power to withdraw, resign as or otherwise voluntarily cease to be a Member prior to the dissolution and winding up of the Org; any actual or attempted withdrawal, resignation or other cessation of membership in violation of the foregoing shall be null and void *ab initio* and shall have no force or effect.

(b) Automatic Termination of Membership Upon Certain Events. Any Person who is a Member shall automatically and without further action of any Person cease to be a Member: (i) at the first time as of which such Person no longer holds any Shares and no longer holds any Loot; (ii) upon such Person being adjudged to be incompetent to serve as a Member or manage such Person’s person or property by a court of competent jurisdiction; or (iii) upon the death of such Person. Notwithstanding that payment on account of a termination of membership may be made after the effective time of such termination, any Person who has ceased to be a Member will not be considered a Member for any purpose after the applicable event described in the preceding sentence. In the case of a partial redemption of Shares or Loot, a Member’s Capital Account (and any other rights corresponding to the redeemed Shares or Loot) shall be correspondingly reduced for all purposes of this Pact.

(c) No Termination of Membership Due to Bankruptcy Etc.; Obligation to Notify Mages of Such Events. The happening of any the events of membership cessation specified in §18-304 of the Delaware LLC Act with respect to a Person (including such Person suffering the bankruptcy- or insolvency-related events set forth therein) shall not, in and of itself, result in the termination of the Membership of such Person. A Member suffering any such events shall promptly notify the Mages.

## **2.4 Representations and Warranties of Members.**

Each Person who is proposing to become or actually becomes a Member (the “**Representing Person**”), hereby represents and warrants, to and for the benefit of the Org and each Member of the Org, on each date on which such Person is the subject of a pending Membership Proposal or is a Member, as follows:

(a) Capacity, Authority, Etc. The Representing Person has all requisite power, authority and capacity to enter into this Pact and to enter into the transactions and conduct the activities contemplated by this Pact. If the Representing Person is an Entity, the execution, delivery and performance of this Pact by the Representing Person, and the entry into the transactions and the conduct of the activities contemplated by this Pact by the Representing Person, have been duly authorized by all necessary action on the part of the Representing Person and its board of directors (or, if the Representing Person does not have a board of directors, equivalent body or manager), and no other proceedings on the part of the Representing Person are necessary to authorize any of the aforementioned matters.

(b) Due Execution. This Pact has been duly executed and delivered by the Representing Person, and constitutes the legal, valid and binding obligation of the Representing Person, enforceable against the Representing Person in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and rules of law governing specific performance, injunctive relief and other equitable remedies.

(c) Non-Contravention. The execution and delivery of this Pact does not, and the entry into the transactions and the conduct of the activities contemplated by this Pact will not: (i) if the Representing Person is an Entity, conflict with or violate any of its Charter Documents, or any resolution adopted by its stockholders or other holders of voting securities, board of directors (or other similar body) or any committee of the board of directors (or other similar body) of the Representing Person; (ii) conflict with or violate any applicable Legal Requirement to which the Representing Person or the Org is subject;

(iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair the rights of the Representing Person or alter the rights or obligations of any Person under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties or assets of the Representing Person pursuant to, any Contract to which the Representing Person is a party or by which it is bound; or (iv) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Permit that is held by the Representing Person.

(d) Consents. No Consent from or filing with any Governmental Body or under any Contract to which the Representing Person is a party or by which it is bound is required to be obtained or made, and the Representing Person is not or will not be required to give any notice to, any Person in connection with the execution, delivery or performance of this Pact or entry into the transactions and the conduct of the activities contemplated by this Pact.

(e) Absence of Litigation. There is no Legal Proceeding pending, or, to the knowledge of the Representing Person, threatened against the Representing Person: (i) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the entry into, performance of, compliance with and enforcement of any of the obligations of the Representing Person or any other Person under this Pact. No event has occurred, and no claim, dispute or other condition or circumstance exists, that will or could reasonably be expected to give rise to or serve as a basis for the commencement of any such Legal Proceeding.

(f) Title and Ownership of Tribute Tokens. The Representing Person is the record and beneficial owner of, and has sole and has exclusive good, valid and marketable title to all Tribute Tokens contributed or to-be-contributed to the Org by the Representing Person, free and clear of all Liens. The Representing Person is not a party to any option, warrant, purchase right or other Contract that could require the Representing Person to Transfer any Tribute Tokens (other than this Pact).

(g) Accredited Investor Status. Unless the Representing Person is a Mage in compliance in all material respects with the Mage Law: (i) the Representing Person is an accredited investor as such term is defined in Rule 501 of Regulation D under the Securities Act; (ii) the Representing Person has completed and delivered to the Org an Accredited Investor Questionnaire in the form requested by the Org; and (iii) the statements and information provided in the Accredited Investor Questionnaire are accurate.

(h) No “Bad Actor” Disqualification. Neither the Representing Person nor any other Person (including any direct or indirect holders of equity interests in the Representing Person) who would become a beneficial owner of any Membership Interests (and any Shares or Loot representing Membership Interests) by virtue of the Representing Person’s ownership thereof (in accordance with Rule 506(d) of the Securities Act) is subject to any of the “bad actor” disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act or (d)(3) under the Securities Act.

(i) Non-Transferability of Membership Interests. The Representing Person has been advised and acknowledges and understands that the Membership Interests (and any Shares or Loot representing Membership Interests) have not been registered under the Securities Act, or any U.S. state or non-U.S. securities laws and, therefore, in addition to the restrictions on Transfer provided by the terms and conditions of this Pact, cannot be resold unless they are registered under the Securities Act and applicable U.S. state and non-U.S. securities laws or unless an exemption from such registration requirements is available. The Representing Person has been advised and acknowledges and understands that any transfer of Membership Interests (or any Shares or Loot representing Membership Interests) in violation of Section

5 of this Pact may result in highly consequences to the Member, the Org and the other Members under applicable Legal Requirements, including:

(i) violating or causing the Org to violate applicable securities Laws, including the registration requirements of the Securities Act, or causing the Org to become subject to the public company reporting requirements under Rule 12(g)(1) promulgated under the Securities Exchange Act of 1934, as amended;

(ii) causing the Org to be considered a “publicly traded partnership” under Section 7704(b) of the Code within the meaning of Treasury Regulations Section 1.7704-1(h)(1)(ii), including the look-through rule in Treasury Regulations Section 1.7704-1(h)(3);

(iii) adversely affecting the Org’s existence or qualification as a limited liability company under the Delaware LLC Act;

(iv) causing the Org to lose its status as a partnership for federal income tax purposes;

(v) causing the Org to be required to register as an investment company under the Investment Company Act of 1940;

(vi) causing the Org to be in violation or breach of anti-money-laundering, sanctions, export/import controls or other applicable financial, trade or commercial Laws; or

(vii) causing the assets of the Org to be deemed “Plan Assets” as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any “prohibited transaction” thereunder involving the Org.

(j) Purchase For Own Account. The Representing Person is purchasing the Membership Interests (and any Shares or Loot representing Membership Interests) for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution or other Transfer thereof, and the Representing Person has no present intention of selling, granting any participation in, or otherwise distributing or Transferring any Membership Interests (and any Shares or Loot representing Membership Interests).

(k) Sophistication; Ability to Bear Loss of Investment; Reliance Solely on Own Due Diligence.

(i) The Representing Person has received and carefully reviewed a copy of this Pact and all other documents and agreements referred to herein, including the Designated Smart Contract Source Code and the disclosure of risk factors attached hereto as Exhibit D, sufficiently in advance of becoming a Member to make an informed decision regarding becoming a Member. The Representing Person has been given a full and fair opportunity to: (A) to ask questions of, and to receive answers from, the other Member regarding the subject matter of this Charter and the Designated Smart Contracts and (B) to obtain any additional information that is necessary to evaluate this Charter and the matters contemplated thereby

(ii) The Representing Person is a Person who is, or in connection with this Pact and the matters contemplated thereby has received the advice of Persons who are, knowledgeable, sophisticated and experienced in making, and qualified to make, evaluations and decisions with respect to the quality, security and intended and expected functionality of the Designated Smart Contracts and the other matters contemplated by this Pact. The Representing

Person has such knowledge and experience in financial and business matters that the Representing Person is capable of evaluating the merits and risks of this Pact and an investment in the Org, is able to incur a complete loss of such investment without impairing the Representing Person's financial condition and is able to bear the economic risk of such investment for an indefinite period of time. The Representing Person is relying solely on its own due diligence and analysis in determining to become a Member and enter into and perform this Pact. Neither the Representing Person nor any of its Representatives or Affiliates has relied on any statement, information, representation or warranty (including oral statements, due diligence presentations, etc.), or any omission of any statement, information, representation or warranty, made by the Org, any Member (other than the representations and warranties of the other Members set forth in this Section 2.4) or any representative of the Org or any Member, in determining to become a Member or enter into or perform this instrument or any of the transactions contemplated by this Pact. The Member understands that the Org is not making and has not made any representation, warranty or other statement, or any omission of any representation, warranty or other statement, intended to be relied upon or to give rise to any claim, obligation or liability based on the accuracy or completeness thereof, and that no Member or other Person is authorized to make any such representation, warranty or other statement on behalf of the Org or any of the Members.

**(I) KYC/AML; No Money Laundering or Sanctions.** All information provided to the Org and/or its third-party designees for purposes of the Org's required KYC (Know-Your-Customer) and AML (Anti-Money-Laundering) checks, including its address and social security number or tax ID number, is accurate and complete. The Tribute Tokens pledged by the Representing Person to acquire Membership Interests (and any Shares or Loot representing Membership Interests) were not and are not directly or indirectly derived from any activities that contravene any law, rule, regulation or order (including anti-money laundering laws and regulations) applicable to the Representing Person or the Org. None of: (i) the Representing Person; (ii) any Person controlling or controlled by the Representing Person; (iii) any Person having a beneficial interest in the Representing Person; or (iv) any Person for whom the Representing Person is acting as agent or nominee in connection with this instrument is: (A) a country, territory, entity or individual named on an OFAC list as provided at <http://www.treas.gov/ofac>, or a person or entity prohibited under the OFAC Programs, regardless of whether or not they appear on the OFAC list; or (B) a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure.

**2.5 No Personal Liability.** Except as otherwise provided in the Delaware LLC Act, by applicable Legal Requirement or expressly in this Pact (including Section 1.10(c)), no Member will be obligated personally for any debt, obligation, or other Liability of the Org or any other Member, whether arising in contract, tort, or otherwise, solely by reason of being a Member or Manager or Representative of the Org. Except as otherwise provided in this Pact, a Member's Liability (in its capacity as such) for debts, obligations and other Liabilities of the Org shall be limited to such Member's Member Economic Percentage of the Org Property. The immediately preceding sentence shall constitute a compromise to which all Members have consented within the meaning of the Delaware LLC Act. Notwithstanding anything contained herein to the contrary, the failure of the Org to observe any formalities or requirements relating to the exercise of its powers or management of its business and affairs under this Pact or the Delaware LLC Act shall not be grounds for imposing personal Liability on any Member for any Liability of the Org, except to the extent constituting fraud, willful misconduct or a knowing violation of any applicable Legal Requirement or applicable Order by such Member.

**2.6 No Right of Partition.** No Member shall have the right to seek or obtain partition by court decree or operation of law of, or the right to personally own or use, any Org Property. The immediately preceding sentence shall not be deemed to limit any rights of a Member to receive distributions of Org Property in connection with a RageQuit or GuildKick.

**2.7 No Appraisal Rights.** No Member shall have any appraisal or dissenters' rights in connection with a merger, consolidation or other acquisition of the Org or the assets of the Org, and §18-210 of the Delaware LLC Act (entitled "Contractual Appraisal Rights") shall not apply to the Org.

## **2.8 Information Rights and Obligations**

(a) Members' Information Rights. Subject to clause "(b)" of this Section 2.8, each Member shall have the right to obtain from the Org from time to time, upon reasonable demand for any purpose reasonably related to the Member's interest as a member (or, to the extent applicable, position as manager) of the Org, the information and documents such Member has the right to so obtain pursuant to §18-305(a)-(b) of the Delaware LLC Act, as amended and in effect on the date of the demand. Without limiting or expanding the immediately preceding sentence, it is acknowledged and agreed that as of the date of this Pact such information and documents may include:

(i) true and full information regarding the status of the business and financial condition of the Org;

(ii) promptly after becoming available, a copy of the Org's federal, state and local income tax returns for each year;

(iii) a current list of the name and last known business, residence or mailing address of each Member;

(iv) a copy of this Pact and all amendments thereto and the certificate of formation of the Org and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the limited liability company agreement and any certificate and all amendments thereto have been executed;

(v) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member; and

(vi) such other information regarding the affairs of the Org as is just and reasonable.

(b) Conditions to Members' Information Rights. The Mages shall have the right to keep confidential from the other Members, for such period of time as the Mages deem reasonable, any personally identifiable or sensitive information regarding other Members, the disclosure of which the Mages in good faith believe is not in the best interest of the Org or could reasonably be expected to result in the Org suffering or incurring Damages or which the Org is required by applicable Legal Requirement or Contract with a third party to keep confidential.

### **(c) Confidentiality Obligations.**

(i) **"Confidential Information"** means any and all confidential, proprietary or non-public information, knowledge, data, Intellectual Property, test results, research, business plans, budgets, forecasts, projections, documents, reports, records, files, forms and materials (in each case, regardless of: (A) whether invented, recorded or made available prior to or after the date of this Pact, (B) the form thereof (whether written, unwritten, oral, electronic, tangible or intangible); and (C) the Person(s) by or on behalf of whom created) (collectively, **"Information"**): (1) made available to any Member by or on behalf of, or belonging to, the Org or another Member;

or (2) substantially related to the business or operations of the Org, in each case, including any such Information provided to the Org by Entities or other Persons in connection with the Org's due diligence into potential investment opportunities or received pursuant to the Org's information rights with the Entities or other Persons in which the Org has invested; *provided, however*, that Confidential Information shall not include any of the foregoing that is or becomes generally available to the public other than as a result of or in connection with any breach of this Section 2.8(c).

(ii) Except as authorized by the Org, each Member shall not disclose or make available to Persons (other than the Org and other Members) or otherwise fail to protect the confidentiality of, or fail to use commercially reasonable efforts to protect and maintain the confidentiality of, any Confidential Information received by or accessible to such Member.

(iii) Notwithstanding anything to the contrary set forth in the preceding clause "(ii)" of this Section 2.8(c), such clause shall not apply to any Confidential Information the extent that such Confidential Information: (A) was made available to the Org or a Member on a non-confidential basis by a third party prior to the date of this Pact, provided that at the time of such disclosure the third party was not bound by any contractual or other obligation of confidentiality or use restriction with respect thereto; or (B) is required to be disclosed by Order of a Governmental Body (provided that the Org and the Mages are notified of such Order as far in advance of such disclosure, making available or failure as reasonably practicable and afforded the opportunity to seek (at its own expense) a protective Order or similar remedy limiting or mitigating the effects of such Order.

## **2.9 Exculpation of Members and Elimination of Fiduciary Duties; No Indemnification.**

(a) Exculpation of Members. No Member shall be liable to the Org or any other Member for any Damages incurred or suffered by reason of any action taken or omitted to be taken by such Member in his, her, or its capacity as a Member, so long as such action or omission does not constitute fraud, willful misconduct or a knowing violation of any applicable Legal Requirement or applicable Order by such Member.

### **(b) Liabilities and Duties of Members.**

(i) This Pact is not intended to, and does not, create or impose any fiduciary or (except for the contractual duty to perform the express provisions of this Pact, including the implied contractual covenant of good faith and fair dealing) other duty on any Member relating to the Org or any its assets, operations or affairs or any of the other matters contemplated by this Pact. Furthermore, except to the extent prohibited by applicable Legal Requirements, each of the Members and the Org hereby waives and agrees to the elimination of any and all fiduciary and (except for the contractual duty to perform the express provisions of this Pact, including the implied contractual covenant of good faith and fair dealing) other duties that, absent such waiver, may be implied by any applicable Legal Requirement or otherwise, and in doing so, acknowledges and agrees that the duties and obligation of each Member to each other and to the Org are only as expressly set forth in this Pact. The provisions of this Pact, to the extent that they restrict the duties and Liabilities of a Member otherwise existing at law or in equity or otherwise under applicable Legal Requirements, are agreed by the Members to replace such other duties and Liabilities of such Member.

(ii) Whenever in this Pact a Member is permitted or required to make a decision (including a decision that is in such Member's "discretion" or under a grant of similar

authority or latitude), the Member shall be entitled to consider only such interests and factors as such Member desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Org or any other Person. Whenever in this Pact a Member is permitted or required to make a decision in such Member's "good faith," the Member shall act under such express standard and shall not be subject to any other or different standard imposed by this Pact or any other applicable Legal Requirement.

(iii) Members: (A) shall be permitted to have, and may presently or in the future have, investments or other business relationships, ventures, agreements, or arrangements with other Entities engaged in the business of the Org (an "***Other Business***"); (B) may have or may develop a strategic relationship with businesses that are or may be competitive with the Org; (C) shall not be prohibited by virtue of the Members' investments in the Org from pursuing and engaging in any such activities; (D) shall not be obligated to inform the Org or any Member of any such opportunity, relationship, or investment (a "***Org Opportunity***") or to present Org Opportunity, and the Org hereby renounces any interest in a Org Opportunity and any expectancy that a Org Opportunity will be offered to it; (E) shall not be limited, prohibited, or restricted by this Pact from serving on the board of directors or other governing body or committee of any Other Business; and (f) shall not be required to offer the Org or any other Member any option on or opportunity to acquire, or any entitlement to any interest or participation in any Other Business. The parties hereto expressly authorize and consent to the involvement of the Members in any Other Business. The parties hereto expressly waive, to the fullest extent permitted by applicable Legal Requirement, any rights to assert any claim that such involvement breaches any fiduciary or other duty or obligation owed to the Org or any Member or to assert that such involvement constitutes a conflict of interest by any Member with respect to the Org or any other Member.

(c) No Indemnification. Neither the Org nor any Member or Members of the Org shall be required to indemnify, compensate, reimburse, defend, hold harmless or advance any expenses to any Member for, from or against any loss, damage, injury, decline in value, lost opportunity, Liability, claim, settlement, judgment, award, fine, penalty, tax, fee, charge, cost or expense of any nature ("***Damages***") incurred or suffered or expected to incurred or suffered, by any Member or any Affiliate or Representative of any Member, or any Legal Proceeding by or against any Member or any Affiliate or Representative of any Member.

### 3. MATTERS RELATING TO CAPITAL ACCOUNTS

#### 3.1 Initial Capital Contributions.

(a) "***Capital Contributions***" means any Tokens that a Member contributes or is deemed to have contributed to the Org in exchange for Membership Interests represented as Shares or Loot.

(b) The Tribute Tokens pledged as part of a Member's approved Membership Proposal constitute a Capital Contribution made to the Org in exchange for the Membership Interest (represented as Shares or Loot) issued to the applicable Member as recorded in the Member's Membership Struct. All such Capital Contributions are property of and are owned by the Org. All such Membership Interests (and Shares or Loot representing Membership Interest) are personal property of and are owned by the applicable Member.

#### 3.2 Additional Capital Contributions.



(a) No Member shall be required to make any additional Capital Contributions to the Org. Any future Capital Contributions made after a Member's initial Membership Proposal shall be made by additional Membership Proposal tied to the same Membership Struct.

(b) No Member shall be required to lend any funds to the Org, and no Member shall have any personal liability for the payment or repayment of any Capital Contribution by or to any other Member. In the event that any Member lends funds to the Org, such funds shall not be deemed Capital Contributions and shall not increase the Member's Capital Account.

### **3.3 Maintenance of Capital Accounts.**

(a) Establishment of Capital Accounts. The Org shall establish and maintain for each Member a separate capital account (a "**Capital Account**") on its books and records in accordance with this Section 3.3. Each Capital Account shall be established and maintained in accordance with the following provisions.

(b) Increases to Capital Accounts. Each Member's Capital Account shall be increased by the amount of (i) such Member's Capital Contributions; and (ii) any income or gains of the Org allocated to such Member based on such Member's Membership Interest.

(c) Decreases to Capital Accounts. Each Member's Capital Account shall be decreased: (i) the fair market value of any Tokens distributed to such Member on account of such Member's Membership Interest; and (ii) any losses or deductions of the Org allocated to such Member based on such Member's Membership Interest.

(d) Succession to Capital Accounts by Transfer of Membership Interests. In the event that any Membership Interests (whether in the form of Shares or Loot) are Transferred in accordance with the terms of this Pact, the Transferee shall succeed to the Capital Account of the Transferor.

(e) Negative Capital Accounts. In the event that any Member shall have a deficit balance in his, her or its Capital Account, such Member shall have no obligation, during the term of the Org or upon dissolution or liquidation thereof, to restore such negative balance or make any Capital Contributions to the Org by reason thereof, except as may be required by applicable Legal Requirement or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Pact.

(f) No Withdrawal from Capital Accounts. No Member shall be entitled to withdraw any part of his, her or its Capital Account or to receive any Distribution from the Org, except upon a redemption of Membership Interests pursuant to Section 5.4. No Member shall receive any interest, salary, or drawing with respect to its Capital Contributions or its Capital Account. The Capital Accounts are maintained for the sole purpose of allocating items of income, gain, loss, and deduction among the Members based on their Membership Interests, and shall have no effect on the amount of any Distributions to any Members, in liquidation or otherwise.

(g) Modifications. The foregoing provisions and the other provisions of this Pact relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. The Mages are authorized to make or cause to be made changes to such provisions to ensure compliance with such Treasury Regulations.

### 3.4 Allocation of Profits and Losses.

For each Fiscal Year (or portion thereof) income, gain, loss, and deductions of the Org shall be allocated among the Members in a manner such that the Capital Account balance of each Member is, as nearly as possible, equal to the Distributions that would be made to such Member if the Org were dissolved, its affairs wound up and its assets sold for cash equal to their Book Value, all Liabilities of the Org were satisfied (limited with respect to each nonrecourse liability to the Book Value of the assets securing such Liability), and the net assets of the Org were Distributed to the Members immediately, computed immediately prior to the hypothetical sale of assets. “**Book Value**” means, with respect to any Org Property, the Org’s adjusted basis for federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulation Section 1.704-1(b)(2)(iv)(d)-(g).

## 4. MANAGEMENT AND VOTING.

**4.1 Definitions.** The following defined terms shall have the definitions that are ascribed to them below:

(a) “**Extraordinary Proposal**” means any Proposal for the Org to, or for the Org to enter into any Contract providing for the Org to:

(i) amend, modify or waive the Certificate of Formation or this Pact, other than a deemed amendment expressly provided for by the provisions of this Pact;

(ii) change the Designated Blockchain, the Designated Blockchain Client, the Designated Blockchain Network, or any Designated Smart Contract or Designated Smart Contract Source Code;

(iii) accept any loan or other indebtedness for borrowed money, pledge or grant Liens on any assets or indemnify, guaranty, assume, endorse or otherwise become responsible for the obligations or Liabilities of any other Person;

(iv) establish a Subsidiary or enter into any state-law partnership, joint venture or similar business arrangement;

(v) commence or settle any lawsuit, action, dispute or other Legal Proceeding or agree to the provision of any equitable relief by the Org;

(vi) initiate or consummate an initial public offering or make a public offering and sale of the Membership Interests or any other securities; or

(vii) make an Exception Handling Determination.

(b) “**GuildKick Proposal**” means a Proposal to expel a Member from membership in the Org.

(c) “**Liquidation Proposal**” means:

(i) any liquidation, dissolution or winding up of the Org;

(ii) a merger or consolidation in which the Org is a constituent party; or

(iii) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Org of all or substantially all the assets of the Org, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Org.

(d) “**Ordinary Proposal**” means any Proposal that is neither an Extraordinary Proposal nor a Liquidation Proposal.

(e) “**Proposal**” shall mean a proposal to be voted upon by the Members.

(f) “**Proposal Struct**” of a Proposal shall mean data that: (i) is of type Proposal struct (as defined in the Designated Governance Smart Contract Source Code) with all relevant variables of the struct having been assigned values corresponding to such Proposal’s information; and (ii) has been stored on and is readable from the Designated Blockchain by the Designated Governance Smart Contract. For example, the Proposal Struct of a Proposal may include values for the number and types of Tokens or the number of Shares or Loot to be received by and/or paid out or issued by the Org if the Proposal is approved, the Designated Blockchain Network Account Address of the Person making the Proposal, the Designated Blockchain Network Account Address of the Member sponsoring the Proposal, the Designated Blockchain Network Account Address of the Person, if any, who would become a Member if the Proposal is approved, and flags and/or strings indicating the nature of the Proposal.

(g) “**Summoner**” means the Person appointed by the Members to control the private key corresponding to the **address\_summoner** parameter of the Designated Governance Smart Contract and the Share allocated to such address. The initial Summoner shall be Peter Pan.

(h) “**Whitelist Proposal**” means a Proposal to approve a type of Token (identified by reference to the address on the Designated Blockchain Network of the smart contract responsible for minting and tracking balances of such Token) for deposit into and/or spending by the Designated Governance Smart Contract by mapping such address to a **true** Boolean value on the **tokenWhiteList** and adding such address to the **approvedTokens** array of the Designated Governance Smart Contract.

## 4.2 Management of the Org.

(a) Management by Members Holding Shares. Upon the terms and subject to the conditions set forth in this Pact, the Members holding Shares collectively shall have: (i) the full, exclusive and complete right, power, authority and discretion to manage the operations and affairs of the Org and to make all decisions regarding the business of the Org; and (ii) all other rights, powers, authority and discretion of a manager (as defined in §18-101(12) of the Delaware LLC Act). Neither the Org nor any Member, individually or together with any other Member(s), shall have any right, power, authority or discretion to act for or on behalf of the Org in any manner, to do any act that would be (or could be construed as) binding on the Org, in any manner or way, or to make any expenditures on behalf of the Org, except to the extent expressly granted to and not revoked by virtue of a Proposal that is:

(i) with respect to an Ordinary Proposal, Whitelist Proposal or GuildKick Proposal, approved by affirmative vote of at least a simple majority of the Shares that in fact are voted upon such Proposal during the Voting Period for such Proposal;

(ii) with respect to an Extraordinary Proposal, approved by affirmative vote of the holders at least 2/3rds of the Shares that are issued and outstanding during the Voting Period for such Proposal; or

(iii) with respect to a Liquidation Proposal, approved by affirmative vote of the holders of at least 90% of the Shares that are issued and outstanding during the Voting Period for such Proposal.

(b) Voting Power of Each Member. Each Member shall be entitled to one vote per Share held by such Member on each Proposal.

(c) Binding Effect of Authorized Actions. Any action taken by one or more Members in accordance with a Proposal that has been approved by the Members in accordance with this Pact shall constitute the act of and serve to bind the Org.

(d) Mages and Goblins.

(i) Certain Persons may be admitted as Members of the Org based primarily on their managerial expertise with respect to one or more areas of the Org's business and on the condition that they actively and consistently participate in the management of the Org in accordance with minimum activity standards and practices for Mages set forth in the Book of Rituals. Such Members are referred to as "**Mages**" and such standards and practices are referred to as the "**MageLaw**". In certain cases, Mage status may be required in order for a Person to be a Member in accordance with applicable Legal Requirements. Each Mage must be a Member who holds Shares. Mages shall constitute a class of managers. Mages shall not be permitted to delegate their management responsibilities, notwithstanding §18-407 of the Delaware LLC Act.

(ii) A Person may become a Mage solely by one of the following methods:

(A) If the Membership Proposal for a Person proposes that such Person receive Shares and indicates that such Person wishes to be admitted as a Mage, then if that Membership Proposal is approved by the Members, such Person shall be deemed to be a Mage.

(B) If a Person who is already a Member which holds Shares but is not a Mage wishes to become a Mage, such Person may submit an Ordinary Proposal indicating that such Person wishes to become a Mage. If such Proposal is approved by the Members, such Person shall be deemed to be a Mage.

No Person shall become a Mage without the knowledge and express Consent of such Person.

(iii) A Person shall cease to be a Mage upon the first to occur of the following events:

(A) such Person provides written notice to the Org that such Person is resigning as a Mage, which resignation shall have immediate effect unless a later date of the effectiveness of resignation is indicated in such notice, in which case such resignation shall become effective as of such later date;

(B) such Person no longer holds any Shares;

(C) such Person has been demoted to Goblin in accordance with clause "(viii)(A)" of this Section 4.2(d) or in accordance with an Ordinary Proposal approved by the Members;

(D) such Person has been adjudged to be incompetent to serve as a Mage or Member or manage such Person's person or property by a court of competent jurisdiction; or

(E) the death of such Person.

(iv) “**Lead Mage**” means a Mage appointed by a majority of the Mages to implement the Mages’ decisions, principles and procedures and to coordinate decision-making among the Mages. The initial Lead Mage shall be Peter Pan. A proposal to appoint a new Lead Mage should be submitted to the Designated Governance Smart Contract as a Proposal with “proposal to appoint new Lead Mage” or words of similar import included in the **details** field of the Proposal Struct. If such an Ordinary Proposal is approved by a majority of Mages (voting per capita), then the prior Lead Mage shall automatically be deemed to have resigned and shall provide all assistance to the new Lead Mage to assume the powers and responsibilities of the Lead Mage.

(v) A Member who is not a Mage is referred to as a “**Goblin**.” Without limiting the generality of the foregoing, any Member who holds only Loot is a Goblin.

(vi) A Person intending to become a Mage shall indicate such fact in the **details** field of the Proposal Struct for the Person’s Membership Proposal. Each Mage shall use reasonable best efforts to monitor the other Mages’ active exercise of their managerial duties and other compliance with the MageLaw.

(vii) Wherever this Agreement requires or permit actions solely “by the Mages” or words of similar effect (rather than requiring the approval or action of the Members generally), such actions may be taken either by the Lead Mage in good faith after consultation with and taking into account the reasonable views of the other Mages, or by any Mage authorized by Proposal approved by at least a majority of the Mages, voting *per capita* as a class of managers pursuant to s. 18-404(b) of the Delaware LLC Act.

(viii) In the event one or more Mages becomes aware that another Mage has materially breached, violated or failed to comply with the MageLaw as applicable to such Mage, the offending Mage shall be promptly be notified such breach, violation or non-compliance and may be given up to 30 days to cure such breach, violation or non-compliance (for the first offense within a 365-day period) and up to 15 days to cure such breach, violation or non-compliance (for the second offense within a 365-day period). If the breach, violation or non-compliance has not been cured within the applicable cure period, or in the event of a third offense within a 365-day period, then either:

(A) if the Mage is eligible to remain a Member as a Goblin in accordance with applicable Legal Requirements, such Member shall be demoted to the status of a Goblin, which demotion shall become immediately effective upon delivery of written notice to such Member from the Lead Mage that such Person is no longer eligible to serve as a Mage; or

(B) if the Mage is not eligible to be a Goblin (whether as a result of eligibility requirements under applicable Legal Requirement or otherwise), it shall be the responsibility of the Mages collectively and individually to use their respective reasonable best efforts to make a GuildKick Proposal to expel the offending Mage from the Org, vote in favor of such GuildKick Proposal and encourage the other Members holding Shares to vote in favor of such GuildKick Proposal. The cure periods set forth above are optional

maximum cure periods for a breach, violation or non-compliance with the MageLaw, and nothing set forth in this clause “(viii)” is intended to or shall be deemed to limit the right of the Members holding Shares to make and vote in favor of a GuildKick Proposal with respect to a Mage at any time, for any reason or no reason, in their sole and absolute discretion.

(e) Administrative Matters; Book of Rituals. General policies and procedures relating to the day-to-day administration and operations of the Org shall be established from time to time by the Mages, acting in consultation with one another and the other Members. Such policies and procedures shall be written in the “**Book of Rituals**,” the initial version of which is attached hereto as Exhibit E. The Book of Rituals shall set forth information such as the URL of the preferred website through which Members should review and vote upon Proposals and interact with the Designated Smart Contracts, contact information of the Mages, the details of messaging channels and other forum in which Members may interact with one another pursuant to the Org’s business, regular meeting times and venues, due diligence standards for investments, and other information as reasonably determined by the Mages.

### 4.3 Voting Procedures

(a) Proposal Submission. Except if there is a Material Adverse Exception Event affecting the voting mechanics of the Designated Governance Smart Contract, each Proposal shall be made as follows, as Confirmed on the Designated Blockchain. The Person submitting the Proposal or causing the Proposal to be submitted for potential consideration of the Members (the “**Proposer**”) and the Member sponsoring the Proposal for voting by the Members (the “**Sponsor**”) shall be solely responsible for ensuring that the Proposal is accurately and completely described and complies with the terms and conditions of this Pact. The Proposer and the Sponsor may be, but are not required to be, the same Person. The Proposer may be, but is not required to be, a Member.

(i) The address for the Proposer on the Designated Blockchain Network shall be designated as the value of the “applicant” field in the Proposal Struct.

(ii) If the Proposal contemplates any Person investing any Tokens in or paying any Tokens to the Org (such Tokens, “**Tribute Tokens**”), amount and type of the Tribute Tokens shall be designated as the values of the **tributeOffered** and **tributeToken** fields in the Proposal Struct. The Tribute Tokens must have previously been the subject of a Whitelist Proposal approved by the Members.

(iii) If the Proposal contemplates any Person receiving any Tokens from the Org as payment (*e.g.*, for services rendered or to-be-rendered) (such Tokens, “**Payment Tokens**”), the amount and type of the Payment Tokens shall be designated as the values of the **paymentRequested** and **paymentToken** fields in the Proposal Struct. The Payment Tokens must have previously been the subject of a Whitelist Proposal approved by the Members and the Designated Governance Smart Contract must hold a sufficient amount of the Payment Tokens for the Proposal to be approved.

(iv) If the Proposal contemplates the Proposer receiving any Shares, the amount of such Shares shall be designated as the value of the **sharesRequested** field in the Proposal Struct.

(v) If the Proposal contemplates the Proposer receiving any Loot, the amount of such Loot shall be designated as the value of the **lootRequested** field in the Proposal Struct.

(vi) If the Proposal is a GuildKick Proposal, the address of the Member proposed to be expelled, as represented in the **members** mapping of the Designated Smart Contract.

(vii) If the Proposal is a WhiteList Proposal, the address on the Designated Blockchain Network of the smart contract responsible for minting and tracking balances of such Token.

(viii) If the Proposal contemplates any matters beyond the allocation, purchase/sale or payment of Shares, Loot and/or Tokens, all relevant information for such other matters shall be accurately and completely set forth in string form as the value of the **details** field in the Proposal Struct; *provided, however*, that such information may be supplied by means of a web URL or other link to information off the Designated Blockchain Network, provided that the **keccak256** hash of such information is included in the **details** field and the information remains continuously available to and accessible by all Members in unaltered form at all times from the time of the submission of the Proposal through and including the end of the Grace Period.

(ix) The Proposer shall submit the Proposal for potential consideration by the Members by calling:

(A) in the case of an Ordinary Proposal, an Extraordinary Proposal or a Liquidation Proposal, the **submitProposal** function on the Designated Smart Contract (with the Proposal Struct values referred to in clauses “(i)” through “(v)” above being supplied as the arguments of such function call), with the result that the **proposalId** (an index number uniquely corresponding to the Proposal) shall be added to the “proposals” mapping of the Designated Governance Smart Contract;

(B) in the case of a GuildKick Proposal, the “submitGuildKickProposal” function on the Designated Governance Smart Contract; or

(C) in the case of a WhiteList Proposal, the “submitWhiteListProposal” function on the Designated Governance Smart Contract.

(x) The Sponsor shall submit the Proposal to be voted upon by the Members by calling the **sponsorProposal** function on the Designated Governance Smart Contract (with the **proposalId** corresponding to the Proposal being supplied as the argument of such function call), together with an amount of ETH equal to the **proposalDeposit** value for the Designated Governance Smart Contract (such ETH, the “**Sponsorship Tokens**”). The actions of a Sponsor as described in the preceding sentence are referred to herein as “**Sponsorship**”.

(xi) The Proposer may cancel the Proposal at any time prior to Sponsorship thereof by calling the **cancelProposal** function on the Designated Governance Smart Contract (with the **proposalId** corresponding to the Proposal being supplied as the argument of such function call).

(b) Proposal Period. A Proposal that has been submitted and sponsored in accordance with the preceding clause “(a)” of this Section 4.3 shall be open for voting by the Members holding Shares for a period starting at a time determined by the value of the **startingPeriod** field of the Proposal Struct for such Proposal and lasting for an amount of time determined by the value of the **votingPeriodLength** parameter for the Designated Governance Smart Contract (the total amount of time during which the Proposal may be voted on through the Designated Governance Smart Contract, the “**Voting Period**”). If a Proposal is approved by the Members, then, following the Voting Period for such Proposal, there shall be a period determined by the value of the **gracePeriodLength** parameter for the Designated Governance Smart Contract prior to the Proposal being given effect by the Designated Governance Smart Contract or any of

the Members (the “**Grace Period**”). The purpose of the Grace Period is to enable the Members who did not vote in favor of a Proposal that has been approved by other Members in accordance with Section 4.4 an opportunity to evaluate the effects of the approved Proposal and redeem all or a portion of their Shares or Loot prior to the approved Proposal being given effect. For each Proposal, the period beginning at the start of the Voting Period for such Proposal and ending at the end of the Grace Period for such Proposal is referred to as the “**Proposal Period**” for such Proposal.

(c) Proposal Voting.

(i) Except if there is a Material Adverse Exception Event affecting the voting mechanics of the Designated Governance Smart Contract, a Member may the vote the Shares held by such Member on any Proposal which has been sponsored in accordance with Section 4.3(a)(x) by calling the **submitVote** function on the Designated Governance Smart Contract during the Voting Period for such Proposal (with the Proposal and the Member’s desired vote upon such Proposal being supplied as the arguments of such function call). A Member may only vote **Yes** or **No** on a given Proposal. All Shares held by a voting Member will be voted in the manner indicated in the **submitVote** function call; a Member shall not be permitted to vote less than all of the Member’s Shares on a Proposal. A Members shall not be permitted to vote **Yes** with some of the Member’s Shares and **No** with other of the Member’s Shares on any single Proposal.

(ii) Each vote by a Member upon a Proposal shall be final and irrevocable. The calling of **submitVote** on the Designated Governance Smart Contract from a Member’s applicable address on the Designated Blockchain Network shall be conclusive evidence of the Member’s vote upon a particular Proposal. There shall be no cancellations, revocations or re-votes held on account of a mistaken **submitVote** call by a Member.

**4.4 Proposal Approval and Processing.**

(a) Proposal Approval Thresholds. The Members shall be deemed to have approved a Proposal if:

(i) in the case of an Ordinary Proposal, a GuildKick Proposal or a WhiteList Proposal:

(A) the number of Shares that were voted **Yes** on such Ordinary Proposal during the applicable Voting Period exceeds the number of Shares that were voted **No** on such Ordinary Proposal during the applicable Voting Period (*i.e.*, the Proposal passed); and

(B) the Proposal is successfully processed in accordance with clause “(b)(iii)” of this Section 4.4;

(ii) in the case of an Extraordinary Proposal, at least two-thirds of the total Shares of the Org voted **Yes** on such Extraordinary Proposal during the applicable Voting Period (*i.e.*, the Proposal passed); and

(iii) in the case of a Liquidation Proposal, all of the Shares of the Org voted **Yes** on such Liquidation Proposal during the applicable Voting Period (*i.e.*, the Proposal passed).

(b) Proposal Processing. After the completion of the Proposal Period for a Proposal, any Member may cause the Proposal to be processed by calling **processProposal** (or, in the case of a GuildKick Proposal, **processGuildKickProposal** or, in the case of a WhiteList Proposal,



`processWhiteListProposal`) on the Designated Governance Smart Contract (with the `proposalIndex` corresponding to the Proposal being supplied as the argument of such function call), with the result that, by operation of the Designated Governance Smart Contract:

(i) such Member shall receive a portion of the Sponsorship Tokens equal to the value of the `processingReward` parameter for the Designated Governance Smart Contract at the address from which the Member called the `processProposal` function;

(ii) the Sponsor shall receive the Sponsorship Tokens, *minus* the `processingReward` referred to in the preceding clause “(i),” at the address from which the Sponsor called the `sponsorProposal` function on the Designated Governance Smart Contract;

(iii) if the Proposal passed:

(A) any Tribute Tokens pledged as part of such Proposal shall be transferred to the Designated Governance Smart Contract and shall automatically and without any further action of any Person be deemed capital contributions to the Org;

(B) any Payment Tokens requested as part of such Proposal shall become payable to the Proposer out of the Designated Governance Smart Contract;

(C) any Shares requested as part of such Proposal shall be minted by the Designated Governance Smart Contract and added to the value of the `shares` field of the Membership Struct for the Proposer;

(D) any Loot requested as part of such Proposal shall be minted by the Designated Governance Smart Contract and added to the value of the `loot` field of the Membership Struct for the Proposer;

(iv) if the Proposal did not pass:

(A) any Tribute Tokens pledged as part of such Proposal shall be transferred to the address from which the Proposer called the `submitProposal` function on the Designated Governance Smart Contract; and

(B) none of the requested Payment Tokens, Shares or Loot shall become payable to or be issued to the Proposer.

**4.5 Alternative Voting Mechanics in Material Adverse Exception Event.** If there is a Material Adverse Exception Event affecting the use of the Designated Governance Smart Contract as set forth in this Section 4, the Mages shall use reasonable best efforts to create temporary emergency mechanisms approximating, as nearly as reasonably practicable under the circumstances, the relevant mechanisms of the Designated Governance Smart Contract. Such mechanisms shall replace the mechanisms of the Designated Governance Smart Contract set forth in the other provisions of this Section 4 until such Material Adverse Exception Event is cured.

## **5. TRANSFERS AND REDEMPTIONS OF MEMBERSHIP INTERESTS.**

**5.1 General Prohibition Against Transfers.** Except as set forth in Section 5.2 or Section 5.4, no Member shall directly or indirectly sell, transfer, assign, pledge, mortgage, exchange, hypothecate, grant a security interest in, or otherwise directly or indirectly dispose of or encumber any Membership Interests, Shares or Loot or any direct or indirect record or beneficial economic, voting or other interest therein or

right with respect thereto (including by operation of law) or enter into any contract, option or other arrangement or understanding providing for any of the foregoing (each transaction described in this Section 5.1, a “**Transfer**”). Without limiting the generality of the foregoing, a Member providing any other Person with, or a Person otherwise obtaining, access to, a copy of or knowledge of the private key controlling such Member’s member address (*i.e.*, the value of the **applicant** field from such Member’s original approved Membership Proposal) or such Member’s **delegateKey** address shall be automatically deemed a prohibited “**Transfer**” of such Member’s Membership Interests, Shares and Loot, as applicable, unless the Org has been furnished with a written and signed legal agreement, in form and substance reasonably satisfactory to the Lead Mage, binding such other Person to only use private key under the personal supervision of and in accordance with specific instructions from such Member. For purposes of the Uniform Commercial Code and any similar state statute, Membership Interests, Shares and Loot are nonnegotiable and are not subject to Article 8 of the Uniform Commercial Code.

**5.2 Exception for Inheritance.** Notwithstanding Section 5.1, but subject to the other clauses of this Section 5.2, a Member’s economic rights in its Membership Interest may be Transferred as a result of such Member’s death to:

- (a) such Member’s spouse;
- (b) any of such Member’s lineal descendants or antecedents, siblings, aunts, uncles, cousins, nieces and nephews (including adoptive relationships and step relationships); or
- (c) any of the lineal descendants or antecedents, siblings, cousins, aunts, uncles, nieces and nephews of Member’s spouse or domestic partner. shall be exempt from the restriction set forth in Section 5.1.

For the avoidance of doubt, such Transfer shall be solely a transfer of the economic rights with respect to the Member’s Membership Interests, and shall not entitle the Transferee to become a Member or to receive or exercise any voting, informational, managerial or other rights or powers of a Member. All non-economic rights and powers of a Person who was a Member at the time of such Person’s death shall automatically and without further action of any Person be deemed terminated, canceled, null and void upon such Person’s death. As promptly as reasonably practicable after learning of the death of a Member who held Shares, the other Members shall cause such Member to be GuildKicked with the result that such Member’s Shares are converted into Loot or redeemed for Tokens.

**5.3 Unpermitted Transfers Are Void Or Solely Of Economic Interests.** Any Transfer or purported or attempted Transfer in violation or contravention this Section 5 shall be void *ab initio* and of no force or effect. In the event that any restriction on Transfer set forth herein is unenforceable under applicable Legal Requirement such that a prohibited Transfer is nevertheless given legal effect (an “**Unavoidable Transfer**”), then, to the maximum extent permitted by applicable Legal Requirement, such Transfer shall be solely a transfer of the economic rights with respect to the Membership Interests, and shall not entitle the Transferee to become a Member or to receive or exercise any voting, informational, managerial or other rights or powers of a Member, and all such non-economic rights and powers of the Transferring Member shall automatically and without further action of any Person be deemed terminated, canceled, null and void.

#### **5.4 Redemptions of Membership Interests.**

- (a) RageQuits.
  - (i) Each Member may at any time (other than during the Proposal Period with respect to any passed Proposal on which the Member has voted **Yes**) voluntarily and irrevocably

cause all or a portion of the Member's Membership Interests represented in the form of Shares or Loot to be redeemed by the Org by calling the **ragequit** function on the Designated Governance Smart Contract (with the number of Shares or Loot to be redeemed being specified as the value of the **sharesToBurn** or **lootToBurn** parameter of such function call). A successful call of the **ragequit** function is referred to in this Pact as a "**RageQuit**."

(ii) In exchange for the redeemed Membership Interests of a RageQuitting Member, such Member shall be entitled to receive only the following:

(A) such Member's Economic Membership Interest Percentage of each Token held in the **userTokenBalance[GUILD]** account of the Designated Governance Smart Contract at the time of the RageQuit, as determined by the **\_rageQuit** function of the Designated Governance Smart Contract; and

(B) if any of the Org Property is not either a Token or legally represented by a Token allocated to the **userTokenBalance[GUILD]** account of the Designated Governance Smart Contract, the Member's Economic Membership Interest Percentage of such other Org Property; *provided, however*, that this clause "(B)" shall not apply to, and no Member shall have any right or entitlement to, any intellectual property, information, files, servers, computer system, accounts (such as web, app, bank, brokerage or other accounts), real property title or leases, insurance policies, Contracts, Consents, permits or other non-cash and non-investment assets included in the Org Property or that is necessary or desirable for the general conduct of the Org's business or operations (for example, the logo of the Org, the name and any DBAs of the Org, trademarks and other branding of the Org, licenses to another Person's intellectual property held by the Org, email accounts of the Org, AWS accounts of the Org, websites of the Org, etc.), which shall remain the sole and exclusive property of the Org unless provided otherwise in a license or assignment agreement from the Org to one or more Members that is approved by the Members in an Extraordinary Proposal.

(iii) Transfer of ownership of the Org Property to which a Member or former Member is entitled pursuant to the preceding clause "(ii)" of this Section 5.4(a) shall be made solely as follows:

(A) the Designated Governance Smart Contract shall allocate the Tokens to which such Member or former Member is so entitled to such Member or former Member by transferring such Tokens to the **userTokenBalance[memberAddress]** account of the Designated Governance Smart Contract (where **memberAddress** is the value of the **applicant** field from such Member's original approved Membership Proposal), and such allocation shall be deemed a complete and final assignment and transfer of all of the Org's right, title and ownership in and to such Tokens to such Member or former Member, regardless of whether or when such Member or former Member actually withdraws or receives possession or control of such Tokens; and

(B) the Mages shall use reasonable best efforts to cause the Org to allocate, set aside and hold in trust for such Member or former Member any other Org Property to which such Member or former Member is so entitled, and such allocation shall be deemed a complete and final assignment, transfer and conveyance of all right, title and ownership in and to such Org Property to such Member or former Member, and such setting aside and holding in trust shall be deemed a complete and final assignment and transfer of all of the Org's right, title and ownership in and to such Org Property to such Member or

former Member, regardless of whether or when such Member or former Member actually collects or receives possession or control of such Org Property.

(iv) Conveyance of possession and control of the Org Property to which a Member or former Member is entitled pursuant to the preceding clause “(ii)” of this Section 5.4(a) shall be made by or on behalf of the Org solely as follows:

(A) except to the extent limited with respect to any particular Token by restrictions on the transfer of such Token under the smart contract governing such Token on the Designated Blockchain Network or by applicable Legal Requirements, such Member or former Member may withdraw the Tokens to which such Member or former Member is so entitled from the `userTokenBalance[memberAddress]` account of the Designated Governance Smart Contract by calling the `withdrawBalance` function or `withdrawBalances` function of the Designated Governance Smart Contract from the `memberAddress`, where `memberAddress` is the value of the `applicant` field from such Member’s original approved Membership Proposal; and

(B) the Mages shall use reasonable best efforts to cause the Org to distribute to or make available for collection by such Member or former Member any other Org Property to which such Member or former Member is so entitled by any commercially reasonable means; *provided, however*, that any fees, costs or other expenses of such conveyance shall be borne exclusively by such Member or former Member, and either: (1) such fees, costs or other expenses (or the fair value thereof) may be deducted and withheld by the Org from such Org Property as a setoff to the amounts otherwise payable to such Member or former Member or (B) the Org may delay conveyance of such Org Property and continue to hold such Org Property in trust pursuant to the preceding clause “(iii)(B)” of this Section 5.4(a) until such Member or former Member has advanced to the Org any such fees, costs and other expenses the Org has reasonably requested that such Member or former Member pay.

(v) For the avoidance of doubt, pursuant to Section 2.3(b), a Member who has Ragequit with respect to all of the Member’s Shares and Loot shall cease to be a Member.

(vi) The allocation of the Tokens and other Org Property to a RageQuitting Member in accordance with this clause “(iii)” shall be deemed full, final and fair payment for the Member’s Membership Interests, Shares and Loot, equal to or greater than the fair market value thereof, and such a redemption and fair market value shall be deemed final, binding and non-appealable by the RageQuitting Member and all other Members and the Org, and shall not be contested by or on behalf of any of them except to the extent permitted by Section 1.10(c). THE MEMBERS ACKNOWLEDGE AND AGREE THAT THE DESIGNATED GOVERNANCE SMART CONTRACT AND ANY OTHER SMART CONTRACTS GOVERNING THE ALLOCATION AND TRANSFER OF THE TOKENS ARE AUTONOMOUS PERSISTENT SCRIPTS RUNNING PERMISSIONLESSLY AND FOR ALL PRACTICAL PURPOSES UNALTERABLY ON THE DESIGNATED BLOCKCHAIN NETWORK AND ARE NOT UNDER THE CONTROL OF THE MEMBERS OR THE ORG. ACCORDINGLY, THE MEMBERS HEREBY ACKNOWLEDGE AND AGREE THAT THE ABILITY OF A MEMBER TO WITHDRAW TOKENS CANNOT BE GUARANTEED, AND ALL RISK OF NON-DELIVERY OR NON-RECEIPT OF THE TOKENS TO WHICH A MEMBER IS OR MAY BECOME ENTITLED SHALL BE BORNE EXCLUSIVELY BY AND IS HEREBY FULLY AND VOLUNTARILY ASSUMED BY SUCH MEMBER. No failure or delay on the part of a Member or former Member to receive or withdraw from Designated Governance Smart Contract

the Tokens allocated to such Member or to collect or otherwise receive possession of the other Org Property allocated to such Member shall be deemed to invalidate, void, reverse, delay, revoke or otherwise limit the redemption of such Member's Membership Interests, Shares or Loot.

(b) GuildKicks. Each Member may at any time make a GuildKick Proposal. A GuildKick Proposal that is approved by the Members will expel another Member from the Org by causing all of such Member's Shares and Loot to be redeemed by the Org through the Designated Governance Smart Contract. GuildKick Proposals shall be made by calling the `submitGuildKickProposal` function on the Designated Governance Smart Contract and following the other procedures for the submission of a GuildKick Proposal in accordance with Section 4. There shall be no prohibition or limit, by virtue of conflict or interest or otherwise, on a Member voting or refraining from voting in any manner (**Yes**, **No**, or abstaining) on a GuildKick Proposal relating to the Member's own expulsion. If a GuildKick Proposal is approved by the Members (referred to as a "**GuildKick**"), all of the GuildKicked Member's Shares and Loot shall be redeemed by the Org in accordance with the clauses "(a)(ii)(ii)" through "(a)(ii)(vi)" of this Section 5.4, *mutatis mutandis*.

(c) Alternative Redemption Mechanics in Material Adverse Exception Event. If there is a Material Adverse Exception Event affecting the use of the Designated Governance Smart Contract as set forth in this Section 5.4, the Mages shall use reasonable best efforts to create temporary emergency mechanisms approximately, as nearly as reasonably practicable under the circumstances, the relevant mechanisms of the Designated Governance Smart Contract. Such mechanisms shall replace the mechanisms of the Designated Governance Smart Contract set forth in the other provisions of this Section 5.4 until such Material Adverse Exception Event is cured.

## **6. DISSOLUTION AND WINDING UP.**

**6.1 No Automatic Dissolutions.** Except as otherwise set forth in this Section 6, the Org is intended to have perpetual existence. The admission of any additional Member(s), the expulsion or resignation of any Member(s), or the death, or the retirement, expulsion, bankruptcy or dissolution of any Member(s), shall not in itself cause or require a dissolution of the Org.

**6.2 Dissolution.** The Org shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (a) upon approval by the Members of a Liquidation Proposal providing for the dissolution and winding up the affairs of the Org; and (b) the entry of a decree of judicial dissolution of the Org under §18-802 of the Delaware LLC Act or an administrative dissolution under §18-802 of the Delaware LLC Act.

**6.3 Liquidation and Termination.** On the dissolution of the Org, the Mages shall act as liquidators or may appoint one or more other Persons to act as liquidators. The liquidators shall proceed diligently to wind up the affairs of the Org and make final distributions as provided herein and in the Delaware LLC Act. The costs of liquidation shall be borne as an expense of the Org. Until final distribution, the liquidators shall continue to operate the Org with all of the power and authority of the Members. The steps to be accomplished by the liquidators are as follows:

(a) The liquidators shall use reasonable best efforts to pay, satisfy or discharge from funds of the Org all of the debts, liabilities and obligations of the Org (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidators may reasonably determine).

(b) As promptly as reasonably practicable after dissolution, the liquidators shall use reasonable best efforts to cause all Members to be GuildKicked with the result that all Tokens under the control of the Designated Governance Smart Contract are distributed pro rata to the Members in accordance with their Membership Interests.

(c) The distribution of cash and/or property to a Member in accordance with the provisions of this Section 6 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its interest in the Org and all Org property and constitutes a compromise to which all Members have consented within the meaning of the Delaware LLC Act. To the extent that a Member returns funds to the Org, it has no claim against any other Member for those funds.

**6.4 Cancellation of Certificate.** On completion of the distribution of Org assets and all other activities necessary for the winding-up of the Org as provided herein, the Org shall be terminated (and the Org shall not be terminated prior to such time), and the liquidators shall file a certificate of cancellation with the Secretary of State of the State of Delaware, cancel any other filings made pursuant to this Pact that are or should be canceled, and take such other actions as may be necessary to terminate the Org. The Org shall be deemed to continue in existence for all purposes of this Pact until it is terminated pursuant to this Section 6.4.

**6.5 Reasonable Time for Winding Up.** A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Org and the liquidation of its assets pursuant to Section 6.3 in order to minimize any losses otherwise attendant upon such winding up.

**6.6 No Personal Liability of Liquidators.** The liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from Org assets

## **7. MISCELLANEOUS PROVISIONS.**

**7.1 Notices.** Any notice or other communication required or permitted to be delivered to any Party in connection with this Pact shall be in writing and shall be deemed properly delivered, given and received to such Party: (a) if delivered to such Party by hand, when so delivered; (b) if sent by email, one Business Day after being sent; and (c) if sent by overnight delivery via a national courier service, one Business Day after being sent, in each case, to the address set forth for such Party in the Book of Rituals (or to such other address as such Party shall have specified in a written notice given to the Org or the Mages). This provision may be modified or supplemented from time to time by the Book of Rituals. “**Business Day**” means any day other than: (i) a Saturday, Sunday or national holiday in the jurisdiction of the recipient; or (ii) a day on which commercial banks in the jurisdiction of the recipient are authorized or required to be closed.

**7.2 Headings.** The headings and captions contained in this Pact are for convenience of reference only, shall not be deemed to be a part of this Pact and shall not be referred to in connection with the construction or interpretation of this Pact.

**7.3 Counterparts and Exchanges by Electronic Delivery.** This Pact may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement. Signatures may be provided by electronic delivery in .pdf format, which shall be sufficient to bind the parties to the terms and conditions of this Pact.

**7.4 Governing Law.** This Pact shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware irrespective of the choice of laws principles of the State

of Delaware, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies and in respect of the statute of limitations or any other limitations period applicable to any claim, controversy or dispute.

**7.5 Venue.** Any action, suit or other legal proceeding relating to this Pact or the matters contemplated by this Pact, including any dispute involving any Member in its capacity as such, shall be brought or otherwise commenced exclusively in the Court of Chancery of the State of Delaware (unless the federal courts have exclusive jurisdiction over such suit, action or proceeding, in which case such suit, action or proceeding shall be brought or otherwise commenced exclusively in the United States District Court for the District of Delaware). Each Member and other Person who benefits from or is bound by this Pact: (a) expressly and irrevocably consents and submits to the jurisdiction of the Court of Chancery of the State of Delaware (and the Delaware Supreme Court to the extent any judgment or order of the Court of Chancery of the State of Delaware is appealed thereto) (unless the federal courts have exclusive jurisdiction over such suit, action or proceeding, in which case each party hereto consents and submits to the jurisdiction of the United States District Court for the District of Delaware (and the United States Court of Appeals for the Third Circuit to the extent any judgment or order of such District Court is appealed thereto)) in connection with any such suit, action or proceeding; (b) agrees that each of the courts referred to in the preceding clause “(a)” shall be deemed to be a convenient forum; (c) agrees not to assert (by way of motion, as a defense or otherwise), in any such suit, action or proceeding commenced in any of the courts referred to in the preceding clause “(a)” that such party hereto is not subject personally to the jurisdiction of such court, that such suit, action or proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Pact or the subject matter of this Pact may not be enforced in or by such court; and (d) irrevocably consents to service of process by first class certified mail, return receipt requested, postage prepaid, to the address at which Securityholder or the Purchaser, as the case may be, is to receive notice in accordance with Section 7.1.

**7.6 Successors and Assigns; Parties in Interest.**

(a) This Pact shall be binding upon: (i) each Member; and (ii) each Member’s heirs, executors, successors, assigns and delegates (if any). This Pact shall inure to the benefit of the Members.

(b) No Member shall be permitted to assign any of its rights or delegate any of its obligations under this Pact without the prior written consent of the other Members hereto. Any attempted assignment or delegation in violation of this Section 7.6(b) shall be null and void *ab initio*.

(c) None of the provisions of this Pact is intended to provide any rights or remedies to any Person other than the Members. Without limiting the generality of the foregoing, no creditor of any Member shall have any rights under this Pact.

**7.7 Amendments.** Except as otherwise expressly provided herein, this Pact may not be amended, modified, altered or supplemented other than by means of a written instrument approved by the Members in an Extraordinary Proposal.

**7.8 Title to Org’s Assets.** The Org’s assets shall be deemed to be owned by the Org as an entity, and the Org shall have legal title thereto, and no Member, individually or collectively, shall have any ownership interest in such Org assets or any portion thereof.

**7.9 Severability.** In the event that any provision of this Pact, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Pact, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable,



shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law. If a judicial determination is made that any provision of this Pact (or part of any provision of this Pact) is unenforceable, such provision (or part thereof) shall be rendered void only to the extent that such judicial determination finds such provision unenforceable. In this regard, the Org and the Members hereby acknowledge and agree that any such judicial authority construing this Pact shall be empowered to sever any provision or portion thereof and to apply the remaining provisions of this Pact not so severed.

**7.10 Entire Agreement.** This Pact sets forth the entire understanding of the parties relating to the subject matter thereof and supersedes all prior agreements and understandings among or between the Members relating to the subject matter thereof.

**7.11 Force Majeure.** “*Force Majeure Event*” means, in respect of any Person, any act, omission or occurrence whatsoever, whether similar or dissimilar to those referred to in this paragraph, which is beyond the reasonable control of that Person, including a Material Adverse Exception Event, strike, lockout or other labor dispute or disturbance, act of nature, fire, flood, lightning, severe weather, shortage of materials, rationing, utility failure, failure of or delay by any Person from which such party must obtain information in order to perform its obligations hereunder (other than an Affiliate or Representative of such party), failure or delay in any system, plant or machinery, earthquake, war, revolution, terrorist act, epidemic, pandemic, civil commotion, act of a public enemy, blockade, embargo, or any Order or Legal Requirement Legal Requirement. Neither the Org nor any Member shall be liable for any delay in performing any of its obligations under this Pact if such delay arises out of or is caused by a Force Majeure Event. To the extent that any Force Majeure Event prevents the Org or any Member from performing any of its obligations under this Pact, the Org or such Member (or any Member on behalf of the Org or any group of Members) affected by such Force Majeure Event shall inform the other Members promptly in writing specifying the Force Majeure Event and, to the extent practicable, the expected duration of and performance obligations adversely affected by the Force Majeure Event. The affected Persons shall be excused from performing the affected obligations to the extent the Force Majeure Event prevents such performance, but shall use commercially reasonable efforts to limit the period during which the Force Majeure Event prevents such performance.

**7.12 Construction.**

(a) For purposes of this Pact, whenever the context requires: (i) the singular number shall include the plural, and vice versa; (ii) the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; (iii) the neuter gender shall include the masculine and feminine genders; and (iv) “either” shall mean “either or both.”

(b) Terms styled as **redFont** and not otherwise defined in this Pact are intended to refer to functions, variables or other data structures of Designated Smart Contracts by reference to the names given to such functions, variables or other data structures in the applicable Designated Smart Contract Source Code.

(c) The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Pact or the other the documents and agreements referred to herein. Each of the parties hereto acknowledge that it has received independent legal advice in connection with the negotiation and execution of this Pact and the other the documents and agreements referred to herein.



(d) As used in this Pact, the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.”

(e) As used in this Pact, the word “or” shall not be deemed to be “exclusive or”, but rather shall be deemed to be the “inclusive or” (i.e., “and/or”), unless it is qualified by the word “alternatively,” in which case it shall be deemed to be “exclusive or”.

(f) Except as otherwise indicated, all references in this Pact and the Exhibits to this Pact to “Sections,” “Exhibits” and “Schedules” are intended to refer to Sections of this Pact, Exhibits to this Pact and Schedules to this Pact.

**EXHIBIT A**

**DESIGNATED SMART CONTRACT SOURCE CODE**

```

pragma solidity 0.5.3;

import "./oz/SafeMath.sol";
import "./oz/IERC20.sol";
import "./oz/ReentrancyGuard.sol";

contract Moloch is ReentrancyGuard {
    using SafeMath for uint256;

    /*****
    GLOBAL CONSTANTS
    *****/
    uint256 public periodDuration; // default = 17280 = 4.8 hours in seconds (5 periods per day)
    uint256 public votingPeriodLength; // default = 35 periods (7 days)
    uint256 public gracePeriodLength; // default = 35 periods (7 days)
    uint256 public proposalDeposit; // default = 10 ETH (~$1,000 worth of ETH at contract deployment)
    uint256 public dilutionBound; // default = 3 - maximum multiplier a YES voter will be obligated
to pay in case of mass ragequit
    uint256 public processingReward; // default = 0.1 - amount of ETH to give to whoever processes a
proposal
    uint256 public summoningTime; // needed to determine the current period

    address public depositToken; // deposit token contract reference; default = wETH

    // HARD-CODED LIMITS
    // These numbers are quite arbitrary; they are small enough to avoid overflows when doing
calculations
    // with periods or shares, yet big enough to not limit reasonable use cases.
    uint256 constant MAX_VOTING_PERIOD_LENGTH = 10**18; // maximum length of voting period
    uint256 constant MAX_GRACE_PERIOD_LENGTH = 10**18; // maximum length of grace period
    uint256 constant MAX_DILUTION_BOUND = 10**18; // maximum dilution bound
    uint256 constant MAX_NUMBER_OF_SHARES_AND_LOOT = 10**18; // maximum number of shares that can be
minted
    uint256 constant MAX_TOKEN_WHITELIST_COUNT = 9001; // maximum number of whitelisted tokens
    uint256 constant MAX_TOKEN_GUILDBANK_COUNT = 300; // maximum number of tokens with non-zero
balance in guildbank

    // ****
    // EVENTS
    // ****
    event SubmitProposal(uint256 proposalIndex, address indexed delegateKey, address indexed
memberAddress, address indexed applicant, uint256 sharesRequested, uint256 lootRequested, uint256
tributeOffered, address tributeToken, uint256 paymentRequested, address paymentToken);
    event SponsorProposal(address indexed delegateKey, address indexed memberAddress, uint256
proposalIndex, uint256 proposalQueueIndex, uint256 startingPeriod);
    event SubmitVote(uint256 indexed proposalIndex, address indexed delegateKey, address indexed
memberAddress, uint8 uintVote);
    event ProcessProposal(uint256 indexed proposalIndex, uint256 indexed proposalId, bool didPass);
    event Ragequit(address indexed memberAddress, uint256 sharesToBurn, uint256 lootToBurn);
    event CancelProposal(uint256 indexed proposalIndex, address applicantAddress);
    event UpdateDelegateKey(address indexed memberAddress, address newDelegateKey);
    event SummonComplete(address indexed summoner, uint256 shares);

    // ****
    // INTERNAL ACCOUNTING
    // ****
    uint256 public proposalCount = 0; // total proposals submitted
    uint256 public totalShares = 0; // total shares across all members
    uint256 public totalLoot = 0; // total loot across all members

    uint256 public totalGuildBankTokens = 0; // total tokens with non-zero balance in guild bank

    address public constant GUILD = address(0xdead);
    address public constant ESCROW = address(0xbeef);

```

```

mapping (address => mapping(address => uint256)) public userTokenBalances; //
userTokenBalances[userAddress][tokenAddress]

enum Vote {
    Null, // default value, counted as abstention
    Yes,
    No
}

struct Member {
    address delegateKey; // the key responsible for submitting proposals and voting - defaults to
member address unless updated
    uint256 shares; // the # of voting shares assigned to this member
    uint256 loot; // the loot amount available to this member (combined with shares on ragequit)
    bool exists; // always true once a member has been created
    uint256 highestIndexYesVote; // highest proposal index # on which the member voted YES
    uint256 jailed; // set to proposalIndex of a passing guild kick proposal for this member,
prevents voting on and sponsoring proposals
}

struct Proposal {
    address applicant; // the applicant who wishes to become a member - this key will be used for
withdrawals (doubles as guild kick target for gkick proposals)
    address proposer; // the account that submitted the proposal (can be non-member)
    address sponsor; // the member that sponsored the proposal (moving it into the queue)
    uint256 sharesRequested; // the # of shares the applicant is requesting
    uint256 lootRequested; // the amount of loot the applicant is requesting
    uint256 tributeOffered; // amount of tokens offered as tribute
    address tributeToken; // tribute token contract reference
    uint256 paymentRequested; // amount of tokens requested as payment
    address paymentToken; // payment token contract reference
    uint256 startingPeriod; // the period in which voting can start for this proposal
    uint256 yesVotes; // the total number of YES votes for this proposal
    uint256 noVotes; // the total number of NO votes for this proposal
    bool[6] flags; // [sponsored, processed, didPass, cancelled, whitelist, guildkick]
    string details; // proposal details - could be IPFS hash, plaintext, or JSON
    uint256 maxTotalSharesAndLootAtYesVote; // the maximum # of total shares encountered at a yes
vote on this proposal
    mapping(address => Vote) votesByMember; // the votes on this proposal by each member
}

mapping(address => bool) public tokenWhitelist;
address[] public approvedTokens;

mapping(address => bool) public proposedToWhitelist;
mapping(address => bool) public proposedToKick;

mapping(address => Member) public members;
mapping(address => address) public memberAddressByDelegateKey;

mapping(uint256 => Proposal) public proposals;

uint256[] public proposalQueue;

modifier onlyMember {
    require(members[msg.sender].shares > 0 || members[msg.sender].loot > 0, "not a member");
    _;
}

modifier onlyShareholder {
    require(members[msg.sender].shares > 0, "not a shareholder");
    _;
}

modifier onlyDelegate {

```

```

        require(members[memberAddressByDelegateKey[msg.sender]].shares > 0, "not a delegate");
        _;
    }

    constructor(
        address _summoner,
        address[] memory _approvedTokens,
        uint256 _periodDuration,
        uint256 _votingPeriodLength,
        uint256 _gracePeriodLength,
        uint256 _proposalDeposit,
        uint256 _dilutionBound,
        uint256 _processingReward
    ) public {
        require(_summoner != address(0), "summoner cannot be 0");
        require(_periodDuration > 0, "_periodDuration cannot be 0");
        require(_votingPeriodLength > 0, "_votingPeriodLength cannot be 0");
        require(_votingPeriodLength <= MAX_VOTING_PERIOD_LENGTH, "_votingPeriodLength exceeds
limit");
        require(_gracePeriodLength <= MAX_GRACE_PERIOD_LENGTH, "_gracePeriodLength exceeds limit");
        require(_dilutionBound > 0, "_dilutionBound cannot be 0");
        require(_dilutionBound <= MAX_DILUTION_BOUND, "_dilutionBound exceeds limit");
        require(_approvedTokens.length > 0, "need at least one approved token");
        require(_approvedTokens.length <= MAX_TOKEN_WHITELIST_COUNT, "too many tokens");
        require(_proposalDeposit >= _processingReward, "_proposalDeposit cannot be smaller than
_processingReward");

        depositToken = _approvedTokens[0];

        for (uint256 i = 0; i < _approvedTokens.length; i++) {
            require(_approvedTokens[i] != address(0), "_approvedToken cannot be 0");
            require(!tokenWhitelist[_approvedTokens[i]], "duplicate approved token");
            tokenWhitelist[_approvedTokens[i]] = true;
            approvedTokens.push(_approvedTokens[i]);
        }

        periodDuration = _periodDuration;
        votingPeriodLength = _votingPeriodLength;
        gracePeriodLength = _gracePeriodLength;
        proposalDeposit = _proposalDeposit;
        dilutionBound = _dilutionBound;
        processingReward = _processingReward;

        summoningTime = now;

        members[_summoner] = Member(_summoner, 1, 0, true, 0, 0);
        memberAddressByDelegateKey[_summoner] = _summoner;
        totalShares = 1;

        emit SummonComplete(_summoner, 1);
    }

    /*****
    PROPOSAL FUNCTIONS
    *****/
    function submitProposal(
        address applicant,
        uint256 sharesRequested,
        uint256 lootRequested,
        uint256 tributeOffered,
        address tributeToken,
        uint256 paymentRequested,
        address paymentToken,
        string memory details
    ) public nonReentrant returns (uint256 proposalId) {

```

```

require(sharesRequested.add(lootRequested) <= MAX_NUMBER_OF_SHARES_AND_LOOT, "too many shares
requested");
require(tokenWhitelist[tributeToken], "tributeToken is not whitelisted");
require(tokenWhitelist[paymentToken], "payment is not whitelisted");
require(applicant != address(0), "applicant cannot be 0");
require(members[applicant].jailed == 0, "proposal applicant must not be jailed");

// TODO test
if (tributeOffered > 0 && getUserTokenBalance[GUILD][tributeToken] == 0) {
    require(totalGuildBankTokens < MAX_TOKEN_GUILDBANK_COUNT, 'cannot submit more tribute
proposals for new tokens - guildbank is full');
}

// collect tribute from proposer and store it in the Moloch until the proposal is processed
require(IERC20(tributeToken).transferFrom(msg.sender, address(this), tributeOffered),
"tribute token transfer failed");
unsafeAddToBalance(ESCROW, tributeToken, tributeOffered);

bool[6] memory flags; // [sponsored, processed, didPass, cancelled, whitelist, guildkick]

_submitProposal(applicant, sharesRequested, lootRequested, tributeOffered, tributeToken,
paymentRequested, paymentToken, details, flags);
return proposalCount - 1; // return proposalId - contracts calling submit might want it
}

function submitWhitelistProposal(address tokenToWhitelist, string memory details) public
nonReentrant returns (uint256 proposalId) {
    require(tokenToWhitelist != address(0), "must provide token address");
    require(!tokenWhitelist[tokenToWhitelist], "cannot already have whitelisted the token");
    require(approvedTokens.length < MAX_TOKEN_WHITELIST_COUNT, "cannot submit more whitelist
proposals");

    bool[6] memory flags; // [sponsored, processed, didPass, cancelled, whitelist, guildkick]
    flags[4] = true; // whitelist

    _submitProposal(address(0), 0, 0, 0, tokenToWhitelist, 0, address(0), details, flags);
    return proposalCount - 1;
}

function submitGuildKickProposal(address memberToKick, string memory details) public nonReentrant
returns (uint256 proposalId) {
    Member memory member = members[memberToKick];

    require(member.shares > 0 || member.loot > 0, "member must have at least one share or one
loot");
    require(members[memberToKick].jailed == 0, "member must not already be jailed");

    bool[6] memory flags; // [sponsored, processed, didPass, cancelled, whitelist, guildkick]
    flags[5] = true; // guild kick

    _submitProposal(memberToKick, 0, 0, 0, address(0), 0, address(0), details, flags);
    return proposalCount - 1;
}

function _submitProposal(
    address applicant,
    uint256 sharesRequested,
    uint256 lootRequested,
    uint256 tributeOffered,
    address tributeToken,
    uint256 paymentRequested,
    address paymentToken,
    string memory details,
    bool[6] memory flags
) internal {

```

```

Proposal memory proposal = Proposal({
    applicant : applicant,
    proposer : msg.sender,
    sponsor : address(0),
    sharesRequested : sharesRequested,
    lootRequested : lootRequested,
    tributeOffered : tributeOffered,
    tributeToken : tributeToken,
    paymentRequested : paymentRequested,
    paymentToken : paymentToken,
    startingPeriod : 0,
    yesVotes : 0,
    noVotes : 0,
    flags : flags,
    details : details,
    maxTotalSharesAndLootAtYesVote : 0
});

proposals[proposalCount] = proposal;
address memberAddress = memberAddressByDelegateKey[msg.sender];
emit SubmitProposal(proposalCount, msg.sender, memberAddress, applicant, sharesRequested,
lootRequested, tributeOffered, tributeToken, paymentRequested, paymentToken);
proposalCount += 1;
}

function sponsorProposal(uint256 proposalId) public nonReentrant onlyDelegate {
    // collect proposal deposit from sponsor and store it in the Moloch until the proposal is
    processed
    require(IERC20(depositToken).transferFrom(msg.sender, address(this), proposalDeposit),
"proposal deposit token transfer failed");
    unsafeAddToBalance(ESCROW, depositToken, proposalDeposit);

    Proposal storage proposal = proposals[proposalId];

    require(proposal.proposer != address(0), 'proposal must have been proposed');
    require(!proposal.flags[0], "proposal has already been sponsored");
    require(!proposal.flags[3], "proposal has been cancelled");
    require(members[proposal.applicant].jailed == 0, "proposal applicant must not be jailed");

    // TODO test
    if (tributeOffered > 0 && getUserTokenBalance[GUILD][tributeToken] == 0) {
        require(totalGuildBankTokens < MAX_TOKEN_GUILDBANK_COUNT, 'cannot sponsor more tribute
proposals for new tokens - guildbank is full');
    }

    // whitelist proposal
    if (proposal.flags[4]) {
        require(!tokenWhitelist[address(proposal.tributeToken)], "cannot already have whitelisted
the token");
        require(!proposedToWhitelist[address(proposal.tributeToken)], 'already proposed to
whitelist');
        require(approvedTokens.length < MAX_TOKEN_WHITELIST_COUNT, "cannot sponsor more whitelist
proposals");
        proposedToWhitelist[address(proposal.tributeToken)] = true;

    // guild kick proposal
    } else if (proposal.flags[5]) {
        require(!proposedToKick[proposal.applicant], 'already proposed to kick');
        proposedToKick[proposal.applicant] = true;
    }

    // compute startingPeriod for proposal
    uint256 startingPeriod = max(
        getCurrentPeriod(),
        proposalQueue.length == 0 ? 0 :

```

```

proposals[proposalQueue[proposalQueue.length.sub(1)]].startingPeriod
    ).add(1);

    proposal.startingPeriod = startingPeriod;

    address memberAddress = memberAddressByDelegateKey[msg.sender];
    proposal.sponsor = memberAddress;

    proposal.flags[0] = true; // sponsored

    // append proposal to the queue
    proposalQueue.push(proposalId);
    emit SponsorProposal(msg.sender, memberAddress, proposalId, proposalQueue.length.sub(1),
startingPeriod);
    }

function submitVote(uint256 proposalIndex, uint8 uintVote) public nonReentrant onlyDelegate {
    address memberAddress = memberAddressByDelegateKey[msg.sender];
    Member storage member = members[memberAddress];

    require(proposalIndex < proposalQueue.length, "proposal does not exist");
    Proposal storage proposal = proposals[proposalQueue[proposalIndex]];

    require(uintVote < 3, "must be less than 3");
    Vote vote = Vote(uintVote);

    require(getCurrentPeriod() >= proposal.startingPeriod, "voting period has not started");
    require(!hasVotingPeriodExpired(proposal.startingPeriod), "proposal voting period has
expired");
    require(proposal.votesByMember[memberAddress] == Vote.Null, "member has already voted");
    require(vote == Vote.Yes || vote == Vote.No, "vote must be either Yes or No");

    proposal.votesByMember[memberAddress] = vote;

    if (vote == Vote.Yes) {
        proposal.yesVotes = proposal.yesVotes.add(member.shares);

        // set highest index (latest) yes vote - must be processed for member to ragequit
        if (proposalIndex > member.highestIndexYesVote) {
            member.highestIndexYesVote = proposalIndex;
        }

        // set maximum of total shares encountered at a yes vote - used to bound dilution for yes
voters
        if (totalShares.add(totalLoot) > proposal.maxTotalSharesAndLootAtYesVote) {
            proposal.maxTotalSharesAndLootAtYesVote = totalShares.add(totalLoot);
        }

    } else if (vote == Vote.No) {
        proposal.noVotes = proposal.noVotes.add(member.shares);
    }

    emit SubmitVote(proposalIndex, msg.sender, memberAddress, uintVote);
}

function processProposal(uint256 proposalIndex) public nonReentrant {
    _validateProposalForProcessing(proposalIndex);

    uint256 proposalId = proposalQueue[proposalIndex];
    Proposal storage proposal = proposals[proposalId];

    require(!proposal.flags[4] && !proposal.flags[5], "must be a standard proposal");

    proposal.flags[1] = true; // processed

```



```

    bool didPass = _didPass(proposalIndex);

    // Make the proposal fail if the new total number of shares and loot exceeds the limit
    if (totalShares.add(totalLoot).add(proposal.sharesRequested).add(proposal.lootRequested) >
MAX_NUMBER_OF_SHARES_AND_LOOT) {
        didPass = false;
    }

    // Make the proposal fail if it is requesting more tokens as payment than the available guild
bank balance
    if (proposal.paymentToken != address(0) && proposal.paymentRequested >
userTokenBalances[GUILD][proposal.paymentToken]) {
        didPass = false;
    }

    // Make the proposal fail if it would result in too many tokens with non-zero balance in
guild bank
    // TODO test
    if (tributeOffered > 0 && getUserTokenBalance[GUILD][tributeToken] == 0 &&
totalGuildBankTokens >= MAX_TOKEN_GUILDBANK_COUNT) {
        didPass = false;
    }

    // PROPOSAL PASSED
    if (didPass) {
        proposal.flags[2] = true; // didPass

        // if the applicant is already a member, add to their existing shares & loot
        if (members[proposal.applicant].exists) {
            members[proposal.applicant].shares =
members[proposal.applicant].shares.add(proposal.sharesRequested);
            members[proposal.applicant].loot =
members[proposal.applicant].loot.add(proposal.lootRequested);

            // the applicant is a new member, create a new record for them
        } else {
            // if the applicant address is already taken by a member's delegateKey, reset it to
their member address
            if (members[memberAddressByDelegateKey[proposal.applicant]].exists) {
                address memberToOverride = memberAddressByDelegateKey[proposal.applicant];
                memberAddressByDelegateKey[memberToOverride] = memberToOverride;
                members[memberToOverride].delegateKey = memberToOverride;
            }

            // use applicant address as delegateKey by default
            members[proposal.applicant] = Member(proposal.applicant, proposal.sharesRequested,
proposal.lootRequested, true, 0, 0);
            memberAddressByDelegateKey[proposal.applicant] = proposal.applicant;
        }

        // mint new shares & loot
        totalShares = totalShares.add(proposal.sharesRequested);
        totalLoot = totalLoot.add(proposal.lootRequested);

        // if the proposal tribute is the first tokens of its kind to make it into the guild
bank, increment total guild bank tokens
        if (getUserTokenBalance[GUILD][proposal.tributeToken] == 0 && proposal.tributeOffered >
0) {
            totalGuildBankTokens += 1;
        }

        unsafeInternalTransfer(ESCROW, GUILD, proposal.tributeToken, proposal.tributeOffered);
        unsafeInternalTransfer(GUILD, proposal.applicant, proposal.paymentToken,
proposal.paymentRequested);
    }

```

```

        // if the proposal spends 100% of guild bank balance for a token, decrement total guild
        bank tokens
        // NOTE - it's possible that the tribute offered and payment requested cancel each other
        out, which is why we put this at the end
        if (getUserTokenBalance[GUILD][proposal.tributeToken] == 0) {
            totalGuildBankTokens -= 1;
        }

        // PROPOSAL FAILED
    } else {
        // return all tokens to the applicant
        unsafeInternalTransfer(ESCROW, proposal.applicant, proposal.tributeToken,
proposal.tributeOffered);
    }

    _returnDeposit(proposal.sponsor);

    emit ProcessProposal(proposalIndex, proposalId, didPass);
}

function processWhitelistProposal(uint256 proposalIndex) public nonReentrant {
    _validateProposalForProcessing(proposalIndex);

    uint256 proposalId = proposalQueue[proposalIndex];
    Proposal storage proposal = proposals[proposalId];

    require(proposal.flags[4], "must be a whitelist proposal");

    proposal.flags[1] = true; // processed

    bool didPass = _didPass(proposalIndex);

    if (approvedTokens.length >= MAX_TOKEN_WHITELIST_COUNT) {
        didPass = false;
    }

    if (didPass) {
        proposal.flags[2] = true; // didPass

        tokenWhitelist[address(proposal.tributeToken)] = true;
        approvedTokens.push(proposal.tributeToken);
    }

    proposedToWhitelist[address(proposal.tributeToken)] = false;

    _returnDeposit(proposal.sponsor);

    emit ProcessProposal(proposalIndex, proposalId, didPass);
}

function processGuildKickProposal(uint256 proposalIndex) public nonReentrant {
    _validateProposalForProcessing(proposalIndex);

    uint256 proposalId = proposalQueue[proposalIndex];
    Proposal storage proposal = proposals[proposalId];

    require(proposal.flags[5], "must be a guild kick proposal");

    proposal.flags[1] = true; // processed

    bool didPass = _didPass(proposalIndex);

    if (didPass) {
        proposal.flags[2] = true; // didPass
        Member storage member = members[proposal.applicant];

```

```

        member.jailed = proposalIndex;

        // transfer shares to loot
        member.loot = member.loot.add(member.shares);
        totalShares = totalShares.sub(member.shares);
        totalLoot = totalLoot.add(member.shares);
        member.shares = 0; // revoke all shares
    }

    proposedToKick[proposal.applicant] = false;

    _returnDeposit(proposal.sponsor);

    emit ProcessProposal(proposalIndex, proposalId, didPass);
}

function _didPass(uint256 proposalIndex) internal returns (bool didPass) {
    Proposal memory proposal = proposals[proposalQueue[proposalIndex]];

    didPass = proposal.yesVotes > proposal.noVotes;

    // Make the proposal fail if the dilutionBound is exceeded
    if ((totalShares.add(totalLoot)).mul(dilutionBound) <
proposal.maxTotalSharesAndLootAtYesVote) {
        didPass = false;
    }

    // Make the proposal fail if the applicant is jailed
    // - for standard proposals, we don't want the applicant to get any shares/loot/payment
    // - for guild kick proposals, we should never be able to propose to kick a jailed member (or
have two kick proposals active), so it doesn't matter
    if (members[proposal.applicant].jailed != 0) {
        didPass = false;
    }

    return didPass;
}

function _validateProposalForProcessing(uint256 proposalIndex) internal view {
    require(proposalIndex < proposalQueue.length, "proposal does not exist");
    Proposal memory proposal = proposals[proposalQueue[proposalIndex]];

    require(getCurrentPeriod() >=
proposal.startingPeriod.add(votingPeriodLength).add(gracePeriodLength), "proposal is not ready to be
processed");
    require(proposal.flags[1] == false, "proposal has already been processed");
    require(proposalIndex == 0 || proposals[proposalQueue[proposalIndex.sub(1)]] .flags[1],
"previous proposal must be processed");
}

function _returnDeposit(address sponsor) internal {
    unsafeInternalTransfer(ESCROW, msg.sender, depositToken, processingReward);
    unsafeInternalTransfer(ESCROW, sponsor, depositToken, proposalDeposit.sub(processingReward));
}

function ragequit(uint256 sharesToBurn, uint256 lootToBurn) public nonReentrant onlyMember {
    _ragequit(msg.sender, sharesToBurn, lootToBurn, approvedTokens);
}

function _ragequit(address memberAddress, uint256 sharesToBurn, uint256 lootToBurn, address[]
memory tokens) internal {
    uint256 initialTotalSharesAndLoot = totalShares.add(totalLoot);

    Member storage member = members[memberAddress];

```

```

require(member.shares >= sharesToBurn, "insufficient shares");
require(member.loot >= lootToBurn, "insufficient loot");

require(canRagequit(member.highestIndexYesVote), "cannot ragequit until highest index
proposal member voted YES on is processed");

uint256 sharesAndLootToBurn = sharesToBurn.add(lootToBurn);

// burn shares and loot
member.shares = member.shares.sub(sharesToBurn);
member.loot = member.loot.sub(lootToBurn);
totalShares = totalShares.sub(sharesToBurn);
totalLoot = totalLoot.sub(lootToBurn);

for (uint256 i = 0; i < tokens.length; i++) {
    uint256 amountToRagequit = fairShare(userTokenBalances[GUILD][tokens[i]],
sharesAndLootToBurn, initialTotalSharesAndLoot);
    if (amountToRagequit > 0) { // gas optimization to allow a higher maximum token limit
        // deliberately not using safemath here to keep overflows from preventing the
function execution (which would break ragekicks)
        // if a token overflows, it is because the supply was artificially inflated to
oblivion, so we probably don't care about it anyways
        userTokenBalances[GUILD][tokens[i]] -= amountToRagequit;
        userTokenBalances[memberAddress][tokens[i]] += amountToRagequit;
    }
}

emit Ragequit(msg.sender, sharesToBurn, lootToBurn);
}

function ragekick(address memberToKick) public nonReentrant {
    Member storage member = members[memberToKick];

    require(member.jailed != 0, "member must be in jail");
    require(member.loot > 0, "member must have some loot"); // note - should be impossible for
jailed member to have shares
    require(canRagequit(member.highestIndexYesVote), "cannot ragequit until highest index
proposal member voted YES on is processed");

    _ragequit(memberToKick, 0, member.loot, approvedTokens);
}

function withdrawBalance(address token, uint256 amount) public nonReentrant {
    _withdrawBalance(token, amount);
}

function withdrawBalances(address[] memory tokens, uint256[] memory amounts, bool max) public
nonReentrant {
    require(tokens.length == amounts.length, "tokens and amounts arrays must be matching
lengths");

    for (uint256 i=0; i < tokens.length; i++) {
        uint256 withdrawAmount = amounts[i];
        if (max) { // withdraw the maximum balance
            withdrawAmount = userTokenBalances[msg.sender][tokens[i]];
        }

        _withdrawBalance(tokens[i], withdrawAmount);
    }
}

function _withdrawBalance(address token, uint256 amount) internal {
    require(userTokenBalances[msg.sender][token] >= amount, "insufficient balance");
    unsafeSubtractFromBalance(msg.sender, token, amount);
    require(IERC20(token).transfer(msg.sender, amount), "transfer failed");
}

```

```

    }

    function cancelProposal(uint256 proposalId) public nonReentrant {
        Proposal storage proposal = proposals[proposalId];
        require(!proposal.flags[0], "proposal has already been sponsored");
        require(!proposal.flags[3], "proposal has already been cancelled");
        require(msg.sender == proposal.proposer, "solely the proposer can cancel");

        proposal.flags[3] = true; // cancelled

        unsafeInternalTransfer(ESCROW, proposal.proposer, proposal.tributeToken,
proposal.tributeOffered);
        emit CancelProposal(proposalId, msg.sender);
    }

    function updateDelegateKey(address newDelegateKey) public nonReentrant onlyShareholder {
        require(newDelegateKey != address(0), "newDelegateKey cannot be 0");

        // skip checks if member is setting the delegate key to their member address
        if (newDelegateKey != msg.sender) {
            require(!members[newDelegateKey].exists, "cannot overwrite existing members");
            require(!members[memberAddressByDelegateKey[newDelegateKey]].exists, "cannot overwrite
existing delegate keys");
        }

        Member storage member = members[msg.sender];
        memberAddressByDelegateKey[member.delegateKey] = address(0);
        memberAddressByDelegateKey[newDelegateKey] = msg.sender;
        member.delegateKey = newDelegateKey;

        emit UpdateDelegateKey(msg.sender, newDelegateKey);
    }

    // can only ragequit if the latest proposal you voted YES on has been processed
    function canRagequit(uint256 highestIndexYesVote) public view returns (bool) {
        require(highestIndexYesVote < proposalQueue.length, "proposal does not exist");
        return proposals[proposalQueue[highestIndexYesVote]].flags[1];
    }

    function hasVotingPeriodExpired(uint256 startingPeriod) public view returns (bool) {
        return getCurrentPeriod() >= startingPeriod.add(votingPeriodLength);
    }

    /*****
    GETTER FUNCTIONS
    *****/

    function max(uint256 x, uint256 y) internal pure returns (uint256) {
        return x >= y ? x : y;
    }

    function getCurrentPeriod() public view returns (uint256) {
        return now.sub(summoningTime).div(periodDuration);
    }

    function getProposalQueueLength() public view returns (uint256) {
        return proposalQueue.length;
    }

    function getProposalFlags(uint256 proposalId) public view returns (bool[6] memory) {
        return proposals[proposalId].flags;
    }

    function getUserTokenBalance(address user, address token) public view returns (uint256) {
        return userTokenBalances[user][token];
    }

```

```

    }

    function getMemberProposalVote(address memberAddress, uint256 proposalIndex) public view returns
(Vote) {
        require(members[memberAddress].exists, "member does not exist");
        require(proposalIndex < proposalQueue.length, "proposal does not exist");
        return proposals[proposalQueue[proposalIndex]].votesByMember[memberAddress];
    }

    function getTokenCount() public view returns (uint256) {
        return approvedTokens.length;
    }

    /*****
    HELPER FUNCTIONS
    *****/
    function unsafeAddToBalance(address user, address token, uint256 amount) internal {
        userTokenBalances[user][token] += amount;
    }

    function unsafeSubtractFromBalance(address user, address token, uint256 amount) internal {
        userTokenBalances[user][token] -= amount;
    }

    function unsafeInternalTransfer(address from, address to, address token, uint256 amount) internal
{
        unsafeSubtractFromBalance(from, token, amount);
        unsafeAddToBalance(to, token, amount);
    }

    function fairShare(uint256 balance, uint256 shares, uint256 totalShares) internal pure returns
(uint256) {
        require(totalShares != 0);

        if (balance == 0) { return 0; }

        uint256 prod = balance * shares;

        if (prod / balance == shares) { // no overflow in multiplication above?
            return prod / totalShares;
        }

        return (balance / totalShares) * shares;
    }
}

```

```
pragma solidity ^0.5.2;

library SafeMath {
    function mul(uint256 a, uint256 b) internal pure returns (uint256) {
        if (a == 0) {
            return 0;
        }

        uint256 c = a * b;
        require(c / a == b);

        return c;
    }

    function div(uint256 a, uint256 b) internal pure returns (uint256) {

        require(b > 0);
        uint256 c = a / b;

        return c;
    }

    function sub(uint256 a, uint256 b) internal pure returns (uint256) {
        require(b <= a);
        uint256 c = a - b;

        return c;
    }

    function add(uint256 a, uint256 b) internal pure returns (uint256) {
        uint256 c = a + b;
        require(c >= a);

        return c;
    }
}
```

```
pragma solidity ^0.5.2;

interface IERC20 {
    function transfer(address to, uint256 value) external returns (bool);

    function approve(address spender, uint256 value) external returns (bool);

    function transferFrom(address from, address to, uint256 value) external returns (bool);

    function totalSupply() external view returns (uint256);

    function balanceOf(address who) external view returns (uint256);

    function allowance(address owner, address spender) external view returns (uint256);

    event Transfer(address indexed from, address indexed to, uint256 value);

    event Approval(address indexed owner, address indexed spender, uint256 value);
}
```



```

pragma solidity ^0.5.0;

/**
 * @dev Contract module that helps prevent reentrant calls to a function.
 *
 * Inheriting from `ReentrancyGuard` will make the {nonReentrant} modifier
 * available, which can be applied to functions to make sure there are no nested
 * (reentrant) calls to them.
 *
 * Note that because there is a single `nonReentrant` guard, functions marked as
 * `nonReentrant` may not call one another. This can be worked around by making
 * those functions `private`, and then adding `external` `nonReentrant` entry
 * points to them.
 *
 * _Since v2.5.0:_ this module is now much more gas efficient, given net gas
 * metering changes introduced in the Istanbul hardfork.
 */
contract ReentrancyGuard {
    bool private _notEntered;

    constructor () internal {
        // Storing an initial non-zero value makes deployment a bit more
        // expensive, but in exchange the refund on every call to nonReentrant
        // will be lower in amount. Since refunds are capped to a percentage of
        // the total transaction's gas, it is best to keep them low in cases
        // like this one, to increase the likelihood of the full refund coming
        // into effect.
        _notEntered = true;
    }

    /**
     * @dev Prevents a contract from calling itself, directly or indirectly.
     * Calling a `nonReentrant` function from another `nonReentrant`
     * function is not supported. It is possible to prevent this from happening
     * by making the `nonReentrant` function external, and make it call a
     * `private` function that does the actual work.
     */
    modifier nonReentrant() {
        // On the first call to nonReentrant, _notEntered will be true
        require(_notEntered, "ReentrancyGuard: reentrant call");

        // Any calls to nonReentrant after this point will fail
        _notEntered = false;

        _;

        // By storing the original value once again, a refund is triggered (see
        // https://eips.ethereum.org/EIPS/eip-2200)
        _notEntered = true;
    }
}

```

## EXHIBIT B

### JOINDER AGREEMENT

#### JOINDER TO METACARTEL VENTURES LLC PACT

This JOINDER (this “*Joinder*”) to the OFFICIAL GRIMOIRE OF THE SACRED & INVOLABLE PACT OF THE METACARTEL VENTURES DAO (the “*Pact*”), a copy of which has been made available to you, is being made and entered into by the Person indicated on the signature page hereto (the “*Candidate*”). Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Pact.

**WHEREAS**, subject to the terms and conditions of this Joinder and the Pact, if the Membership Proposal for the Candidate is approved by the Members, the Candidate will become a Member of the Org and will receive Shares or Loot, as applicable; and

**WHEREAS**, the Pact requires the Candidate, as a condition precedent to becoming a Member, to become a party to the Pact and abide by all of the terms and conditions of the Pact, and the Candidate agrees to do so in accordance with the terms hereof.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Candidate, intending to be legally bound, hereby agrees as follows:

1. Agreement to be Bound. The Candidate acknowledges that he, she or it has received and reviewed a complete copy of the Pact. The Candidate agrees that upon execution and delivery of this Joinder and approval of the Candidate’s Membership Proposal resulting in the Candidate becoming entitled to receive any Shares or Loot, the Candidate shall become a party to the Pact as a Member and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Pact as though an original party thereto. The Candidate shall not have any rights or obligations under the Pact, and shall not become a Member, in the event that the Candidate’s Membership Proposal is not approved by the Members.

2. Miscellaneous. Section 7 of the Pact is incorporated herein by reference and shall apply to the terms and provisions of this Joinder, *mutatis mutandis*.

The Candidate has caused this Joinder to be executed and delivered as of the date indicated below.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C**

**ACCREDITED INVESTOR QUESTIONNAIRE**

## ACCREDITED INVESTOR QUESTIONNAIRE

The information elicited by this Accredited Investor Questionnaire (this “Questionnaire”) will be used to enable MetaCartel Ventures, LLC, a Delaware corporation (the “Company”), to determine whether you or the prospective subscriber on whose behalf you are providing this information, as the case may be, meets the suitability requirements for purchasers under Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and similar requirements of other applicable securities laws. The Company will rely upon the information contained herein for the purpose of making such determination and for the purpose of offering the Company’s securities (the “Securities”). The request to complete this Questionnaire does not constitute an offer to sell or the solicitation of an offer to acquire the Securities.

### INSTRUCTIONS:

Your answers will, at all times, be kept strictly confidential; however, you agree that the Company may present this Questionnaire to such persons as it deems appropriate in order to ensure that the offer and sale of the Securities to you will not result in violation of the exemption from registration under the Securities Act and the securities laws of certain states. The representations contained herein are being relied upon by the Company.

If the answer to any question is “None” or “Not Applicable,” please so state.

**(Print or type your responses)**

1. Name: \_\_\_\_\_  
Date of birth or year of organization: \_\_\_\_\_
2. Home address or, if other than an individual, principal office address:  
\_\_\_\_\_  
\_\_\_\_\_
- 3.\* Employer: \_\_\_\_\_  
Nature of business: \_\_\_\_\_  
Position: \_\_\_\_\_  
Nature of duties: \_\_\_\_\_  
Business address: \_\_\_\_\_  
Business telephone number: \_\_\_\_\_

\*This question is to be answered if the investor is an individual.

4. **FOR INDIVIDUALS/NATURAL PERSONS:** The undersigned certifies that: I am an “accredited investor” (as defined in Rule 501 of Regulation D promulgated under the Securities Act) because I certify that (check all appropriate descriptions that apply):

- (a) \_\_\_\_\_ I am a natural person whose individual net worth, or joint net worth with my spouse, exceeds \$1,000,000. (For this purpose, “net worth” means the excess of total assets at fair market value, including personal property (and including property owned by a spouse but excluding the value of your primary residence) over total liabilities (excluding the related amount of indebtedness secured by the primary residence up to its fair market value, but including the amount of such indebtedness above the fair market value of your primary residence).)
- (b) \_\_\_\_\_ I am a natural person who had individual income exceeding \$200,000 in each of the two most recent years and I have a reasonable expectation of reaching the same income level this year. For purposes of this clause “(b)” and the following clause “(c),” “income” means individual annual adjusted gross income, as reported for federal income tax purposes, plus (i) the amount of any tax-exempt interest income received, (ii) the amount of losses claimed as a limited partner in a limited partnership, (iii) any deduction claimed for depletion, (iv) amounts contributed to an IRA or Keogh retirement plan, (v) alimony paid; and (vi) any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Section 1202 of the Internal Revenue Code of 1986, as amended
- (c) \_\_\_\_\_ I am a natural person who had joint income with my spouse exceeding \$300,000 in each of the two most recent years and I have a reasonable expectation of reaching the same income level this year.
- (d) \_\_\_\_\_ I am a director or executive officer of the Company. (Executive officer means the president, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance) or any other person or persons who perform(s) similar policy-making functions for the Company).

5. **FOR BUSINESS ENTITIES:** The undersigned certifies that (check one):

- (a)<sup>1</sup> \_\_\_\_\_ Each equity owner of the investor is an “accredited investor” because (check all that apply and identify the relevant equity holders satisfying each checked test):
- \_\_\_\_\_ The equity owner of the investor is a natural person who had an individual income (exclusive of any income attributable to his or her spouse) in excess of \$200,000 (or joint income with that of his spouse in excess of \$300,000) in each of 2011 and 2012 and reasonably and fully expects to have an individual income in excess of \$200,000 (or joint income with that of his spouse in

---

<sup>1</sup>An investor initiating this paragraph must provide a questionnaire from each of its equity owners. If the investor is a trust, only a trust which is revocable and which may be amended at the sole discretion of its grantor is eligible to qualify as an accredited investor under this item 5(a). The grantors of the trust are deemed to be the equity owners of the revocable trust and each grantor must complete a separate Questionnaire. If the investor is an irrevocable trust, the investor’s eligibility to qualify as an accredited investor would be determined solely under item 5(f), and the grantor thereof would not be deemed an equity owner of the trust and need not complete a separate Questionnaire.

excess of \$300,000) in 2014. “Income” is defined in item 4(b) above;

\_\_\_\_\_ The equity owner is a natural person who has an “individual net worth” (or who, with his or her spouse, has a combined individual net worth) in excess of \$1,000,000. “Net worth” is defined in item 4(a) above;

\_\_\_\_\_ The equity owner is a director or executive officer of the Company;

\_\_\_\_\_ The equity owner is either (a) a bank as defined in Section 3(a)(2) of the Securities Act whether acting in its individual or fiduciary capacity; (b) an insurance company as defined in Section 2(13) of the Securities Act; (c) an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that act; (d) a Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; or (e) an employee-benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which such plan fiduciary is either a bank, insurance company, or registered investment adviser, or if the employee-benefit plan has total assets in excess of \$5,000,000; or

(b) \_\_\_\_\_ That the investor is either (i) a bank as defined in Section 3(a)(2) of the Securities Act whether acting in its individual or fiduciary capacity; (ii) an insurance company as defined in Section 2(13) of the Securities Act; (iii) an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of such act; (iv) a Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; or (v) an employee-benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, and the plan fiduciary is either a bank, insurance company or registered investment adviser, or if the employee-benefit plan has total assets in excess of \$5,000,000.

(c) \_\_\_\_\_ That the investor is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

(d) \_\_\_\_\_ That the investor is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, not formed for the specific purpose of the contemplated investment with total assets exceeding \$5,000,000.

(e) \_\_\_\_\_ That the investor is a corporation, Massachusetts or similar business trust, partnership or limited liability company not formed for the specific

purpose of the contemplated investment, with total assets exceeding \$5,000,000.

- (f) \_\_\_\_\_ That the investor is a trust, not formed for the specific purpose of the contemplated investment, with total assets exceeding \$5,000,000 and whose purchase is directed by a “sophisticated person,” as defined in Rule 506(b)(2)(ii) of Regulation D.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

The undersigned certifies that the foregoing responses are true, complete and accurate to the best of the undersigned's knowledge and belief. The undersigned will provide such further information as may be requested by the Company to verify this response. The undersigned will notify the Company in writing regarding any material change to this response prior to the closing of the purchase of securities from the Company. Absent such notification, the issuance of securities in the name of the undersigned shall be deemed to be an automatic affirmation by the undersigned of the truth and accuracy of the statements and information set forth above.

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Date

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Type or Print Name of Prospective Investor

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Signature of Prospective Investor or  
Authorized Signatory of Entity Investor, as applicable

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Title of Authorized Signatory of Entity Investor  
(if applicable)



## EXHIBIT D

### DISCLOSURE OF RISK FACTORS

#### RISK FACTORS

*Becoming a member of MetaCartel Ventures (MCV) involves a high degree of risk. You should carefully consider the risks we describe below, along with all of the other information set forth herein and in the Official Grimoire Setting Forth the Sacred & Inviolable Pact of the MetaCartel Ventures DAO (the Grimoire), before deciding to contribute capital to, acquire membership interests in and participate in the governance of MCV. The risks and uncertainties described below are those significant risk factors, currently known and specific to us, which we believe are relevant to contributing capital to, acquiring membership interests in and participating in the governance of MCV. If any of these risks materialize, our business, results of operations or financial condition could suffer, the value of the membership interests could decline substantially and you could lose part or all of your capital contributed to MCV. Additional risks and uncertainties not currently known to us or that we now deem immaterial may also harm us and adversely affect your investment or participation in MCV.*

*You may lose all of the capital that you contribute to MCV. If you are uncertain as to our business and operations or you are not prepared to lose all capital you contributed to MCV in exchange for membership interests, we strongly urge you not to become a member. We recommend you consult legal, financial, tax and other professional advisors or experts for further guidance before seeking to become a member of MCV and contribute capital to MCV. Further, we recommend you consult independent legal advice in respect of the legality of becoming a member in MCV and participating in the governance of MCV.*

*In order to become and exercise the rights of a member of MCV, you will need to interact with a “smart contract” or persistent executable code on the Ethereum blockchain network. We do not recommend that you attempt to become a member of MCV unless you have prior experience with cryptographic tokens, blockchain-based software and distributed ledger technology and unless you have received independent professional advice.*

*Capitalized terms used but not defined herein have the definitions that are ascribed to them in the Pact, which you should have received a copy of.*

#### **1. BUSINESS/OPERATIONAL RISKS**

**MCV has no operating history. MCV may need to raise additional capital in the future to continue operations, which may not be available on acceptable terms, or at all.**

MCV is a recently formed company established under the laws of the State of Delaware with minimal activity and no historical operating results. There is no guarantee that MCV will be able to raise any additional capital in the future or that additional capital will be available on acceptable terms. MCV generally lacks any ability to raise certain kinds of capital (e.g., debt) and may not have the ability to finance capital expenditures or finance strategic initiatives.

Because we lack an operating history, you have no basis upon which to evaluate our ability to achieve our business objectives. Our proposed operations are subject to all business risks associated with a new enterprise. The likelihood of our creation of a viable business must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the inception of a business operating in a relatively new, highly competitive, and developing industry. There can be

no assurance that we will ever generate any operating activity or develop and operate the business as planned. If we are unsuccessful at executing on our business plan, our business, prospects, and results of operations may be materially adversely affected and investors may lose all or a substantial portion of their investment.

**MCV may be unable to recover assets for which the associated cryptographic key is lost, stolen, or destroyed. Stolen cryptographic keys may be used to improperly influence MCV's activities.**

Responsibility for the safekeeping of digital assets including the cryptographic keys associated with blockchain-based assets rests solely on the individual Members. MCV is generally incapable of recovering any assets associated with a lost or destroyed cryptographic key. Such loss or destruction would result in the total loss of any investment in MCV.

In the event a cryptographic key is stolen or duplicated, the thief may gain access to assets of MCV, including the ability to create or approve new proposals related to MCV's business. This may have a material adverse effect on an investment in MCV.

**MCV may suffer from misaligned incentives, adverse selection, and related effects through the operation of Designated Smart Contracts and inapplicability of fiduciary duties.**

MCV is designed to coordinate its operations through its Members' individual economic incentives. Individual Members are expected to source investment opportunities and conduct required due diligence.

However, it is possible that the incentive structure produced by the Designated Smart Contracts may ultimately impede effective coordination of the Members. Members are not subject to fiduciary duties to one another or to MCV. As such, Members may retain favorable investment opportunities for themselves, or cause MCV to make unfavorable investments or disbursements. Members may also promote investment opportunities in which they have significant, independent financial stakes. For example, a Member holding large quantities of a specific type of token or other investment asset may promote investments which would not be expected to accrue value for other Members, but which would increase the value of such token or other investment asset. This may have a material adverse effect on an investment in MCV.

**Liquidated assets may lose value or become unmarketable.**

Although the RageQuit functionality permits each Member to withdraw a pro-rated distribution of MCV's assets, those assets may subsequently lose value or become illiquid or unmarketable due to market conditions or legal requirements. This may have a material adverse effect on an investment in MCV.

**MCV's governance functions, including Designated Smart Contracts, may become captured by a hostile Member or group of Members.**

MCV's governance is primarily executed through its Designated Smart Contracts and the votes of its Members. It is possible that an individual Member or group of Members (the "attackers") may cause MCV to issue new Membership Interests (whether in the form of Shares or Loot) or otherwise approve proposals for the benefit of the attackers. This may result in the dilution of other Members' investments in MCV, misappropriation of the assets of MCV, or other harms which may have a material adverse effect on an investment in MCV.

**Members may be subject to the GuildKick functionality of Designated Smart Contracts, which may result in foregone investment opportunities.**

Continued Membership in MCV is conditioned on the ongoing consent of an economic majority of the other Members. A Member may be forcibly removed from MCV through the GuildKick functionality of the

Designated Smart Contracts. In this event, the ejected Member will receive a pro-rated distribution of MCV's assets, but will forfeit any ability to influence or participate in future investment decisions of MCV. Depending on the availability of present or subsequent investment opportunities at that time, an ejected Member may ultimately be required to forego favorable investment opportunities. The ongoing possibility of such ejection constitutes a material risk of investment in MCV.

**Oracles used to determine the exchange rate or value of MCV's assets may become captured or otherwise manipulated to provide false information that could be exploited by a Member or external adversary.**

The Designated Smart Contracts, or smart contracts on which the Designated Smart Contracts depend, may rely on external sources of information ("Oracles") to determine asset valuations and exchange rates or to maintain price stability of an asset. It is possible that an entity could capture or manipulate an oracle to inject false information. The ongoing possibility of an Oracle producing such false information constitutes a material risk of investment in MCV.

**Addition or subtraction of new Members may dilute the ownership interests of existing Members in MCV's assets.**

It is possible to acquire Membership Interests in MCV for a range of types and amounts of other assets. Accordingly, acceptance of a new Member may change the overall kind and number of assets beneficially owned by individual Members. This may result in the dilution of other Members' investments in MCV or other harms which may have a material adverse effect on an investment in MCV.

**Entities receiving investment or funding from MCV are not under the control of MCV. Such projects may act in a manner adverse to MCV or its Members.**

MCV is unlikely to have effective control over any individuals or entities. There is no guarantee that an entity funded by MCV will act in accordance with any funding agreement. Material risks include, but are not limited to, any of the following:

- the entity may attempt to raise additional funding from other sources, causing dilution of MCV's investment;
- the entity may issue different cryptographic tokens or assets, in addition to or in lieu of assets owed to MCV; or
- the entity may not deliver any cryptographic tokens or assets.

Accordingly, the decisions or actions of entities funded by MCV may have a material adverse effect on an investment in MCV.

**Members may not perform adequate or uniform due diligence.**

Members are responsible for due diligence of investment opportunities. Members may not have the necessary expertise to perform adequate due diligence. The ultimate decision of whether to undertake any investment opportunity will be subject to a vote of the Members, notwithstanding any due diligence performed. It is possible that Members may apply incomplete or inconsistent due diligence procedures, which could result in the improper assessment of risks attending such investments. This may have a material adverse effect on an investment in MCV.

**Members may not effectively source investment opportunities compared to competing entities.**

Members are responsible for sourcing investment opportunities. Members may not have the necessary expertise, position, or incentive to identify and negotiate investment opportunities on behalf of MCV. It is

possible that Members will be unable to identify favorable investment opportunities, which may have a material adverse effect on an investment in MCV.

Additionally, MCV expects intense competition for limited investment opportunities. Competitors may include investment companies and investment advisers including pension funds and hedge funds, technology firms, and others. These competitors may have fewer financial, legal, and technological constraints. They may also have greater name recognition or established good will. MCV's ability to compete will depend on the capabilities and actions of its Members, for which MCV can offer no assurances.

**MCV does not have D&O indemnification or other insurance, does not intend to seek such insurance and may be unable to obtain such insurance on commercially reasonable terms. Consequently, MCV itself or its members could be exposed to losses.**

MCV does not have and does not presently intend to seek insurance that would cover Members against claims for damages by third parties other Members or by MCV, or that would cover MCV against claims for damages by Members or third parties. In the event that Members wished to obtain such insurance, such insurance may not be available on commercially reasonable terms, due to the novel governance features of MCV. Consequently, in the event that Members or MCV face such litigation, insurance will not be available, and any losses suffered by Members or MCV will be uninsured.

## **2. LEGAL/REGULATORY RISK**

**It is intended that the Members who hold Shares be general partners in MCV for securities law purposes, as a result of which MCV Members will not have the protections of the securities laws in purchasing or divesting themselves of their Shares.**

Although MCV is a company and thus not a "general partnership" under U.S. state laws regarding unincorporated associations, Members who hold Shares have the rights, powers and responsibilities of general managers of MCV, have the right to vote on all decisions of MCV, and may exit freely prior to the implementation of proposals they voted against. Accordingly, for securities law purposes, it is intended that Members holding shares be viewed as general partners of one another in the management of MCV. A general partnership interest is generally presumed not to be a security under the U.S. federal securities acts; accordingly, MCV Members may not, and should assume that they do not, have the protections of the U.S. federal securities laws in their investment decision to acquire or divest themselves of Shares. As a result, MCV Members will not have the remedies against MCV that would be available if Shares were securities—such as a right of rescission for failure to register the offering of Shares.

**It is possible that Members may, individually or collectively, cause MCV to require registration under the Investment Company Act of 1940, with which MCV would be unable to comply.**

The Investment Company Act of 1940 exempts from registration entities with fewer than 100 beneficial owners of securities held by the entity. Although MCV is designed not to be or become an entity required to register as an "investment company", it is possible that Members may act outside the limitations established by the Grimoire and Designated Smart Contracts. A Member may, for example, transfer control of a Designated Blockchain Network Account Address to another natural person or group of natural persons, in violation of the Grimoire's prohibition on such actions, thereby triggering registration requirements under the Investment Company Act.

In the event registration is required, it may be impossible or infeasible for MCV to comply with relevant laws and regulations pertaining to the registration, recordkeeping, and oversight of MCV. In addition, it may not be possible for MCV to become aware of such an event, so that Members may not be able to

RageQuit in order to avoid liability for violations of the Investment Company Act. This could have a material adverse effect on an investment in MCV.

**MCV may inadvertently issue non-voting shares triggering regulatory requirements under the Investment Advisers Act that MCV may be unable to comply with.**

The Investment Advisers Act of 1940 requires the registration, or exemption from registration, any entity that engages in the business of advising others as to the value or advisability of investing in, purchasing, or selling securities. Members of MCV may cause the issuance of non-voting shares (“Loot”) which may cause MCV to be subject to the Investment Advisers Act. The Investment Advisers Act may impose restrictions on the activities of MCV, including substantive prohibitions, contractual requirements, recordkeeping requirements, and regulatory oversight and examination.

In such an event, MCV’s compliance with the Investment Advisers Act may be impossible or infeasible, and may require extraordinary response up to and including liquidation of MCV. It may be impossible for MCV produce a faithful disclosure of material facts or conflicts of interest. It may be impossible to prevent principal transactions.

**Sales of Shares may be securities transactions requiring registration.**

The Securities Act of 1933 requires that securities transactions be registered with the Securities and Exchange Commission. The sale of Shares or other assets of MCV may be deemed securities transactions requiring registration unless subject to an exemption from registration.

In such an event, it may be impossible or infeasible for MCV to comply with regulatory requirements associated with these securities transactions, which could have a material adverse effect on an investment in MCV.

**Shares may not be tradeable on secondary markets.**

In order to preserve exemptions from registration under the Securities Act and Investment Company Act, Shares of MCV may generally not be traded. The ability of Members to dispose of the Shares may be limited to redemption of Shares through the RageQuit function of the Designated Smart Contracts. Any such liquidation would distribute Org assets to the exiting Member in kind. Both Shares and underlying assets may not be marketable due to legal restrictions, which may prevent a Member from recovering part or all of the Member’s investment.

**As a result of its reliance on the Designated Smart Contracts, MCV or one of its Members may become subject to a legal order or other requirement that permanently or temporarily prohibits or restrains MCV from executing a function it would otherwise reasonably be expected to execute, or that mandates or directs MCV to take an action it would otherwise not reasonably be expected to perform, which MCV or such Member may be incapable of complying with.**

As a result of its reliance on the Designated Smart Contracts, which cannot be modified after they are deployed, MCV or one of its Members may become subject to a legal order or other requirement for which compliance is impossible or infeasible. MCV may not have Member or agent capable of executing a legal order or requirement. Noncompliance could result in legal liability that would have a material adverse effect on an investment in MCV.

**MCV may be deemed a Money Services Business requiring State and Federal supervision, which MCV may be incapable of complying with.**

The Bank Secrecy Act imposes a requirement for money transmitters and other money services businesses (MSBs) to be licensed and supervised by the States in which they operate. It is possible that the investment of money in blockchain-mediated ventures, or the operation of MCV's Designated Smart Contracts in conjunction with the actions of MCV or its individual Members, may constitute money transmission subject to licensure and supervision. In particular, the Trade functionality of the Designated Smart Contracts may be deemed exchange or transmission of money subject to State and Federal regulation.

Compliance with such licensure and supervision requirements would likely be impossible or infeasible, subjecting MCV to legal liability. In particular, it may be impossible to maintain and implement required compliance programs including anti-money-laundering (AML) policies or participation in regulatory examinations. Noncompliance could result in legal liability that would have a material adverse effect on an investment in MCV.

**It may be impossible or infeasible to enforce legal agreements, remedies, or orders against MCV or its Members due to the nature of blockchain technology.**

Nearly all actions and decisions of MCV are mediated by blockchain technology. Generally, blockchain technology does not permit any action not within a specific set of parameters granted by the possession of a cryptographic key. Although MCV is a legal entity subject to the laws and courts of applicable jurisdictions, it may be impossible to enforce some legal agreements, remedies, or other orders against MCV or individual Members due to the inherent limitations of blockchain technology. This may have a material adverse effect on the legal rights of a Member or third party, or on an investment in MCV.

### **3. BLOCKCHAIN RISK**

**The Blockchain Network or a Designated Smart Contract may become subject to a Material Adverse Exception Event.**

Most blockchain networks operate based on open-source software. An open source project is not represented, maintained or monitored by an official organization or authority. Because of the nature of open-source software projects, it may be easier for third parties not affiliated with MCV to introduce software vulnerabilities or bugs into the core infrastructure elements of the blockchain network. This could result in the corruption or exploitation of the open-source code including but not limited to Consensus Attacks, changes to Consensus Rules, or blockchain reorganizations, which may result in the loss or theft of blockchain-based assets and have a material adverse effect on an investment in MCV.

Similarly, it is possible that a software bug results in or permits the non-functionality or inoperability of Designated Smart Contracts or the unauthorized use of an administrative function of a Designated Smart Contract, which may result in the loss or theft of blockchain-based assets and have a material adverse effect on an investment in MCV.

Blockchain networks may be the target of malicious attacks seeking to identify and exploit weaknesses in the software. Such events may result in a loss of trust in the security and operation of blockchain networks and a decline in user activity which could have a negative impact on MCV and its investments.

**Investments may be rendered valueless due to the open-source nature of blockchain networks.**

The majority of software operating on blockchain networks is open source, which generally allows third parties to produce modified duplicates of the software. To the extent MCV funds the development of such software, it is possible that a third party may release competing software or modify the software to remove profit-generating mechanisms built into the original software. This may have a material adverse effect on an investment in MCV.

**Blockchain technology is nascent and rapidly changing, and there remains minimal use of blockchain networks and blockchain assets in the retail and commercial marketplace. The slowing or stopping of the development or acceptance of blockchain networks may adversely affect an investment in MCV.**

The development of blockchain networks is a new and rapidly evolving industry that is subject to a high degree of uncertainty. Factors affecting the further development of the blockchain industry include:

- continued worldwide growth in the adoption and use of blockchain networks and assets;
- the maintenance and development of the open-source software protocol of blockchain networks;
- changes in consumer demographics and public tastes and preferences;
- the popularity or acceptance of the Bitcoin, Ethereum, or other networks;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- government and quasi-government regulation of blockchain networks and assets, including any restrictions on access, operation and use of blockchain networks and assets; and
- the general economic environment and conditions relating to blockchain networks and assets.

MCV's business model is dependent on continued investment in and development of the blockchain industry and related technologies. If investments in the blockchain industry become less attractive to investors or innovators and developers, or if blockchain networks and assets do not gain public acceptance or are not adopted and used by a substantial number of individuals, companies and other entities, it could have a material adverse impact on MCV's prospects and operations.

**The application of distributed ledger technology is novel and untested and may contain inherent flaws or limitations.**

The capabilities of blockchain technology are not fully proven in use. There are relatively few successful examples of the application of blockchain technology. In most cases, software used by entities issuing blockchain-based assets will be in an early development stage and still unproven. As with other novel software products, the computer code underpinning Shares and blockchain networks may contain errors, or function in unexpected ways. Insufficient testing of smart contract code, as well as the use of external code libraries, may cause the software to malfunction. Any error or unexpected functionality may cause a decline in value of Shares or other Org assets and result in substantial losses to purchasers of Shares.

If MCV discovers errors or unexpected functionalities in a Designated Smart Contract after it has been deployed, MCV may make a determination that the Designated Smart Contract is defective and that its use should be discontinued. Members may be unable to rely on MCV's successful performance of measures intended to restore functionality to defective Designated Smart Contracts.

The creation and operation of Designated Smart Contracts will be subject to potential technical, legal and regulatory constraints. There is no warranty that the process for receiving, use and ownership of blockchain-based assets will be uninterrupted or error-free and there is an inherent risk that the software, network, assets and related technologies and theories could contain undiscovered technical flaws or weaknesses, the cryptographic security measures that authenticate transactions and the distributed ledger could be compromised, and breakdowns and trading halts could cause the partial or complete inability loss of blockchain-based assets or functionality.

Risks associated with the distributed ledger technology could affect MCV's business directly or the market for blockchain assets generally. In either case, the occurrence of these events could have a material adverse effect on an investment in MCV.

**Each blockchain network is dependent upon its users and contributors, and actions taken, or not taken, by the users or contributors of a blockchain network could damage its reputation and the reputation of blockchain networks generally.**

Developers and other contributors to blockchain network protocols generally maintain or develop those blockchain networks, including the verification of transactions on such networks. Because the networks are decentralized, these contributors are generally not directly compensated by the network for their actions. Most blockchain networks provide that certain classes of contributors receive awards and transfer fees for recording transactions and otherwise maintaining the blockchain network. Such fees are generally paid in the native asset of that network.

The security and integrity of blockchain-based assets, including the value ascribed to those assets, relies on the integrity of the underlying blockchain networks. MCV's Designated Smart Contracts are programmed for compatibility with the Ethereum blockchain.

If the awards and fees paid for maintenance of a network are not sufficiently high to incentivize ongoing contribution to the network, individuals or entities may respond in a way that reduces confidence in the blockchain network. To the extent that any miners or validators cease to record transactions, the operations and governance of MCV will also cease. Furthermore, any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network and its assets. This could have a material adverse effect on an investment in MCV, or on MCV itself.

**The prices of blockchain-based assets are extremely volatile. Fluctuations in the price of Bitcoin, Ether and/or other network tokens could materially and adversely affect MCV.**

The prices of assets such as Bitcoin and Ether have historically been subject to dramatic fluctuations and are highly volatile. As relatively new products and technologies, blockchain-based assets are not widely accepted as a means of payment for goods and services. A significant portion of demand for these assets is generated by speculators and investors seeking to profit from the short- or long-term holding of blockchain assets.

In addition, some blockchain industry participants have reported that a significant percentage of trading activity on blockchain networks is artificial or non-economic in nature and may represent attempts to manipulate the price of certain assets. Trading platforms and blockchain developers are incentivized to artificially inflate trading volumes so that their platform or asset rises in league tables and gains prominence in the industry. As a result, trading platforms or blockchain assets may seek to inflate demand for a specific blockchain assets, or blockchain assets generally, which could increase the volatility of that asset or blockchain asset trading prices generally.

The market price of these assets, as well as assets that may be developed in the future, may continue to be highly volatile. A lack of expansion, or a contraction of adoption and use of blockchain assets, may result in increased volatility or a reduction in the price of blockchain assets.

Several additional factors may influence the market price of blockchain assets, including, but not limited to:

- Global blockchain asset supply;
- Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like cryptocurrencies as payment for goods and services, the security of online blockchain asset trading platforms and digital wallets that hold



blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restrictions on their use;

- Changes in the software, software requirements or hardware requirements underlying the blockchain networks;
- Changes in the rights, obligations, incentives, or rewards for the various participants in blockchain networks;
- The cost of trading and transacting in blockchain assets, and whether such costs may become fixed or standardized;
- Investors' expectations with respect to the rate of inflation;
- Interest rates;
- Currency exchange rates, including the rates at which blockchain assets may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies of blockchain asset trading platforms and liquidity on such platforms;
- Interruptions in service or other failures of major blockchain asset trading platforms;
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in blockchain networks or blockchain assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that affect the use of blockchain assets;
- The maintenance and development of the open-source software utilized in blockchain networks;
- Global or regional political, economic or financial events and situations; or
- Expectations among blockchain network participants that the value of such blockchain assets will soon change.

A decrease in the price of a single blockchain asset may cause volatility in the entire blockchain industry and may affect other blockchain assets. For example, a security breach that affects investor or user confidence in Ether or Bitcoin may affect the industry as a whole and may also cause the price of other blockchain assets to fluctuate. The value of blockchain assets and fluctuations in the price of blockchain assets could materially and adversely affect any investment in MCV.

**The regulatory regimes governing blockchain technologies, blockchain assets and the purchase and sale of blockchain-based assets are uncertain, and new regulations or policies may materially adversely affect the development of blockchain networks and the use of blockchain assets.**

As blockchain networks and blockchain assets have grown in popularity and in market size, international, Federal, State and local regulatory agencies have begun to clarify their position regarding the sale, purchase, ownership and trading of blockchain assets. However, there is growing demand among industry participants, legislators, and even regulators themselves for new or modified regulations in light of the risks and opportunities presented by blockchain technology. Various legislative and executive bodies in the United States and in other countries have shown that they intend to adopt legislation to regulate the sale and use of blockchain assets. Such legislation may vary significantly among jurisdictions, which may subject participants in MCV and the greater blockchain marketplace to different and perhaps contradictory requirements.

New or changing laws and regulations or interpretations of existing laws and regulations, in the United States and elsewhere, may materially and adversely impact the development and growth of blockchain networks and the adoption and use of blockchain assets. The imposition of restrictions on all blockchain assets, or certain blockchain assets, could affect the value, liquidity and market price of blockchain assets. Heightened regulation may limit access to marketplaces or exchanges on which to trade such assets, or impose restrictions on the structure, rights and transferability of such assets. Some governments may seek to ban transactions in blockchain assets altogether.

MCV may be prevented from entering, or may be required to cease operations in, a jurisdiction that makes it illegal or commercially unviable or undesirable to operate in such jurisdiction. Enforcement, or the threat of enforcement, may also drive a critical mass of participants and trading activity away from regulated markets. Although it is impossible to predict the positions that will be taken by certain governments, any regulatory changes affecting blockchain assets could be substantial and materially adverse to the development and growth of MCV and its business.

**The extent to which blockchain assets are used or perceived to fund criminal or terrorist enterprises or launder the proceeds of illegal activities could materially impact MCV.**

The potential, or perceived potential, for anonymity in transfers of bitcoin and similar assets, as well as the decentralized nature of blockchain networks, has led some terrorist groups and other criminals to solicit bitcoins and other blockchain-based assets for capital raising purposes. As blockchain assets have grown in both popularity and market size, legislative and regulatory bodies have been examining the operations of blockchain assets, users, and exchanges, concerning the use of blockchain assets for the purpose of laundering the proceeds of illegal activities or funding criminal or terrorist enterprises.

In addition to existing networks and assets, new blockchain networks or similar technologies may be developed to provide more anonymity and less traceability. There is also the potential that other blockchain asset trading platforms may court illicit activity by not adhering to know-your-customer and anti-money laundering practices.

MCV may not be able to prevent illegal activity from occurring using the Designated Smart Contracts. MCV may be unable to detect the unauthorized use of a KYC/AML whitelisted Member address. Further, MCV may be unable to verify whether cryptographic keys for wallets containing Shares have been transferred to third parties who have not completed the required KYC/AML process. Although MCV plans to implement compliance procedures for KYC/AML obligations, MCV may not be successful in deterring or identifying illegal activity.

The use of blockchain assets for illegal purposes, or the perception of such use, could result in significant legal and financial exposure, damage to MCV's reputation, damage to the reputation of blockchain assets generally, and a loss of confidence in the services provided by MCV and the blockchain industry and community as a whole.

**EXHIBIT E**  
**BOOK OF RITUALS**

# Book of Rituals

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## I. Membership Criteria

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### A. All Members

- must pass MCV's background checks performed through CoinList;
- must not be "bad actors" under Regulation D or belong to any other category that would make the MCV ineligible to invest in private placements of securities by other projects/DAOs/companies.
- must be of the legal age of maturity in all relevant jurisdictions, of sound mind, and capable of entering into binding and enforceable legal agreements, have sole title to all property they contribute to MCV, free of all liens and encumbrances, and otherwise able to honestly make the representations of Members set forth in the Grimoire
- if they are not "accredited investors," must be seeking admission as Mages and meet the criteria of Mages
- must not be discriminated against based on any legally protected category such as age, race, national origin or gender
- must have received the Grimoire and all Exhibits and have signed a copy of the Joinder Agreement to agree to their terms

### B. Mages

Mages must be evaluated for membership eligibility based on their demonstrated ability and willingness to assist in actively managing and monitoring MCV, and not merely based on their willingness to contribute capital to MCV. While members may in their sole and absolute discretion take into account additional factors in voting whether to admit a new Mage, members must reasonably and in good faith determine that the potential Mage has the relevant ability and willingness to serve as active MCV managers.

Without limiting the foregoing, a Member should not be admitted as a Mage if:

- such Member would have so little power or influence as a Mage that such Member would not be able to effectively exercise managerial responsibilities with the other Mages;
  - such Member is so inexperienced and unknowledgeable in business affairs that such Member is incapable of intelligently exercising such Member's Mage powers;
  - such Member is so dependent on some unique entrepreneurial or managerial ability of one or more other Mage(s) that such Member could not act as a Mage without the assistance of such other Mage(s);
- or

- such Member does not plan to devote at least 3 hours a week to managing to MCV

## C. Goblins

All Goblins should be “accredited investors” under the U.S. federal securities laws (as confirmed through Coinlist accreditation check and back-up check by the Legal Mage) and the securities laws of the Goblin’s particular jurisdiction.

Goblins acquiring Shares should generally be evaluated based on the same criteria as Mages, except that, because they are “accredited investors,” they are not required to participate as strictly, though still have all the powers and rights of managers.

Goblins acquiring Loot, if any, should be evaluated especially strictly in determining their accreditation requirements. In general, it is understood that Goblins holding Loot are not a highly sought-after category of membership in MCV, as MCV may only have a limited number of Members and their active contributions are important.

## II. MageLore

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### Roles of Mages

- tracking contributions within MCV
- kicking or demoting non-active Mages
- doing operations work
- preparing meeting agendas
- writing notes for meetings
- preparing investment memos
- conducting investment due diligence
- collecting feedback and insights from various MCV members

### Participation Standards for Mages

- Minimum Participation Standards
  - Must regularly participate in the DAO’s telegram group chat with relevant, substantive communications
  - Must appear (in person or electronically) somewhere once a year with all other Mages
  - Must carefully evaluate, discuss and vote on substantially all material Proposals.
  - Must, alone or jointly with other Mages be working to lead/champion a significant MCV initiative, which should lead to a Proposal at least once a year. A significant Proposal might be a promising opportunity for MCV to invest in another project, a worthwhile event or other valuable good or

service sponsored by MCV, recruiting a valuable new Member or other material initiative benefiting the DAO and its members. The Proposal need not be approved for this requirement to be satisfied, provided that the proposal nevertheless represents substantial, good faith entrepreneurial efforts by the champion.

- Mages who will not be active for a limited period of time for good reason due to life circumstances may arrange to have the absence approved in advance, in which case inactivity during the absence will not be penalized.

The Mages will actively monitor each other's participation and will issue warnings to one another for failure to meet the minimum participation rules.

- Quarterly Performance Measurement

The Mages operate in accordance with the Earth's seasons. At every turn of the season, the Mages will congregate together for the Cauldron Horizon where they will undergo a ceremony of awards and disciplinary punishments.

For an unaccredited Mage to be accepted into the DAO, they must earn their membership by pledging a meaningful contribution that is considered a management task/activity. This is when their watch will begin.

When someone does something fairly meaningful, it is recorded in the Magician's blockchain aka, DAO members excel sheet tracking contributions

At the end of 3 months, there is be a tallying ceremony called the 'cauldron horizon' where the Mages' contributions are reviewed. Mages who have made strong contributions may be proposed to receive rewards via a Proposal to the Members. Mages who have materially failed to meet the minimum participation requirements will be either demoted (if they are eligible to become Goblins) or become the subject of a GuidKick Proposal which all Members will be strongly encouraged by the Mages to approve.

MetaCartel is working on the Pepper4D which may automate, enhance and formalize aspects of these performance standards:

Pepper4D overview [https://docs.google.com/presentation/d/1MTF5hsn3SS5gByn4RGcQDvP8B7aq\\_xjv-5X9RUjvWdl/edit#slide=id.g6055318710\\_0\\_160](https://docs.google.com/presentation/d/1MTF5hsn3SS5gByn4RGcQDvP8B7aq_xjv-5X9RUjvWdl/edit#slide=id.g6055318710_0_160)