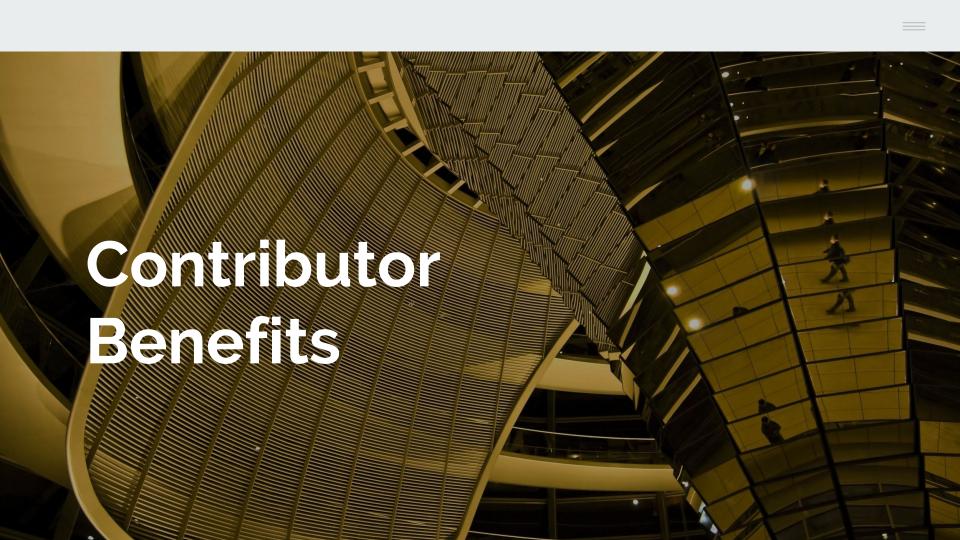# Chobury Proposal

Project objective

The Chobury Project is a place for people to shop, socialise and have a place to call their own in the virtual world of Decentraland

Contributor Benefits

Financial Benefits

01

To be very clear, _**we will NOT be distributing profits or dividends to the contributors**_, because this would turn our district into a security offering which we must avoid for legal reasons.

However, arrangements are being worked out to provide the contributors with benefits. Possible benefits may include

- Digital asset license fees (similar to property rental fees), calculated on top line district revenue, and/or
- The ability to build a profitable business of your own in the district.

The exact details will be worked out in consultation with legal advice and business proposals that we receive.

Receipt of license fees will require certain identification information for legal and tax purposes. This may require a iOS or Android device. A fee of £10 - 50 (aprox 0.03 eth to 0.15 ether 30/06/18 22:39) may be required.

Why License Fees not Profits?

02

1. We **cannot** distribute profits or dividends, because we cannot afford to do a securities registration (very expensive) and without a proper registration there could be a trip to jail.

2. We **can** legally distribute digital asset license royalties for the District's use of the Land tokens. Digital asset license royalties are a simple proven mechanism that is not a security or profit, especially when it is computed off of top line sales/revenue, not profits.

3. A typical successful business clears around 15% of revenue as profits. If we were distributing 50% of those profits to the contributors, that would mean about 7.5% of revenue. So, instead of 50% of profits,, we plan to pay out a digital license royalty fee of 8% of top line revenue, and let the district as a business work out its own profitability. 8% is also in the range that some patent royalties run. To assist the district and businesses in it to get going, we could might provide a moratorium on license fees.

Membership Benefit Tokens

03

We are planning to create 1,000 membership benefit tokens per land parcel.

These tokens will be used for voting and other possible benefits, such as the possible forwarding of license fees.

These will be distributed to contributors who register with the district, providing sufficient identification and contact info to allow the district to legally distribute license fees.
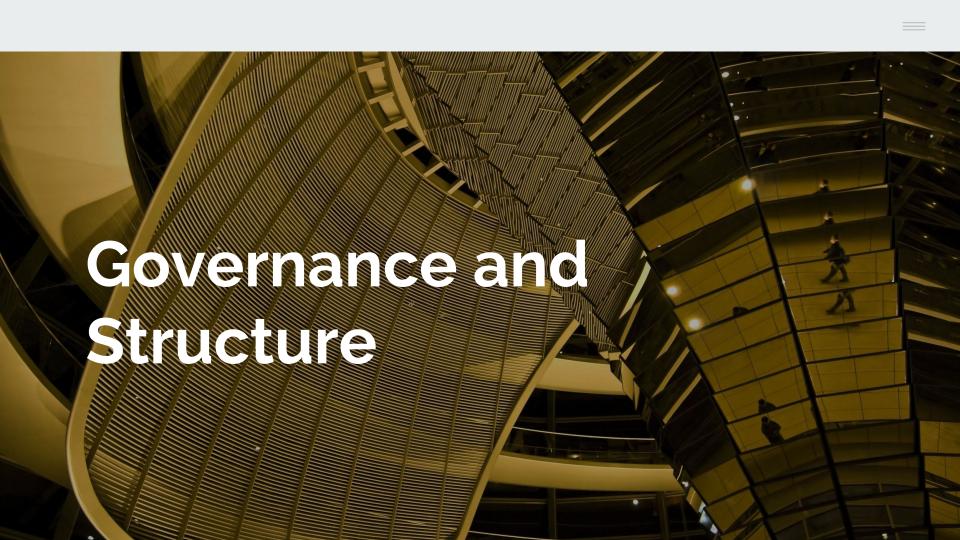
It will be possible for these membership benefit tokens to be moved to another wallet or traded, conditioned on similar registration requirements.

If you do not register for your tokens within a year, your tokens will be retained by and for the benefit of the district.

It may be required for you to have an Android or iOS device. A fee of £10 - 50 (aprox 0.03 eth to 0.15 ether 30/06/18 22:39) may be required.
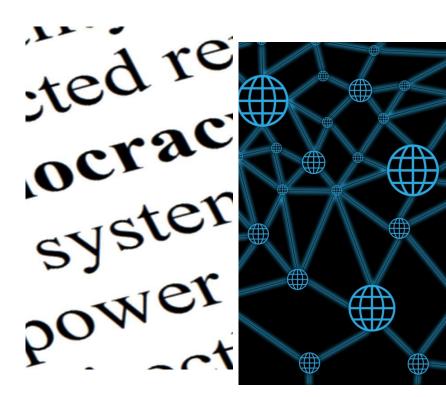
Governance and Structure

How will Chobury be run?

Chobury will be run as a democracy, with the District Leadership Team managing the district to begin with.

The initial District Leadership Team consists of QuillzToxic (Louis), District Founder, and Carl Fravel, the largest contributor to Chobury, Leader of Conference Center and a Board Member of the University. We may recruit others to help.

All major actions will have to be approved by the holders of the Membership Token via a voting dApp, who will have 1 week to vote on the plans. We are planning to setup Chobury as a decentralised organisation as the time goes on.

Wallet, Incorporation

Decentraland requires that when the land is transferred from to a district, it must be stored in a multi-signature wallet and be locked to that wallet for at least a year.

The wallet signers will be three individuals trusted by the Leadership Team. Decentraland has advised districts not to publicly disclose the names of the wallet signers, for their personal safety and for the security of the land tokens

To provide liability protection for individuals involved in managing the district, and to enable the district to sign contracts, the district will be incorporated, probably in the US or the UK. The District Leaders will become the initial Board of Directors for a 5 year term.

Our plan is for Chobury to become a DAO via Aragon.
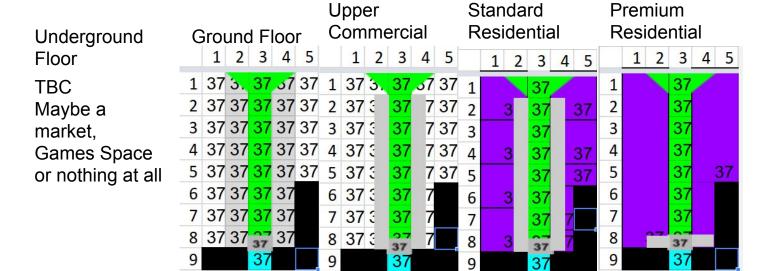
The District

District MVP

The MVP will be the initial district release, and will not be using any additional scripting or animating. The current plan for the MVP is a 3 floor tower with basic shops and on the 3rd floor (currently) is to be a residential floor. These will be accessed via a staircase to be replaced with a elevator when scripting is enabled.

District Layout

Underground Floor

TBC
Maybe a market,
Games Space
or nothing at all

Ground Floor

Upper Commercial

Standard Residential

Premium Residential

The Team

Main District Leader and Founder

QuillzToxic

I am the Main District Leader for the Chobury Project and its Founder, and am working hard bringing this project to life with the core team and the rest of the DCL district leaders.

There's not really much else to put here.
I'm a very boring person.

District Leadership Team member

Carl Fravel

Technology and Business Leadership
Business Planning and Fundraising
Serial Entrepreneur
Author and Educator
LinkedIn: https://linkedin.com/in/cfravel

Initial Funding

Leasing Land Parcels

01

To generate funding for the MVP, we are considering initial leases of certain parcels, short-term or long-term, such as:

- Parcel -66,41

- 2 lots of 20*10*20 of road facing land which will be integrated into the main chobury building for a reduced rate.

New Participants

02

People who didn't get a chance to contribute land into Chobury may be given an opportunity to buy membership tokens, if and when we can determine a way to do so that is not a security, or to build businesses on leasable land that may be available in the district.

Thank you.