REDACTED

STATEMENT OF WORK

REDACTED Crypto Token

An EVM compatible DeFi pool to provide short-term liquidity and collateralized long-term gains to token holders.

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REDACTED

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Overview

This project involves the design and deployment of a time-limited, collateral-backed, crypto token, provisionally referred to as *REDACTED*, that tracks the value of USDT and is tradable for a fixed duration before becoming non-transferable.

The token will be deployed on both Ethereum and Polygon networks, with smart contract infrastructure enforcing an expiration period (30-90 days). After expiration, the token cannot be traded but remains redeemable for USDT on a 1:1 basis through a burn-and-redeem mechanism.

This token is intended primarily for internal trading and liquidity cycling purposes within the client's ecosystem, enabling scenarios such as flash-loan-style operations or limited-time market access without introducing lasting exposure or open-market tradability. The token will be fully collateralized, with collateral custody handled via a dedicated collateral manager contract, governed by a DAO.

Soulbound mechanisms will be used to ensure tokens cannot enter CEX or other DeFi liquidity pools, aligning with market compliance and minimizing exposure to speculative abuse.

Deliverables

The following section outlines the primary deliverables associated with the development and deployment of the token system, governance framework, and supporting infrastructure. Each deliverable is designed to support the long-term operability, security, and usability of the project within the defined scope, and reflects both the technical and governance components required for a functioning DeFi pool on Ethereum and Polygon.

All components will be delivered in a modular and auditable format, with source code, deployment scripts, and configuration parameters clearly documented. Where applicable, deliverables will include test coverage, interface definitions, and integration guidance to ensure smooth handoff and ongoing maintainability by the client or the governing DAO.

Each deliverable in this section is defined to support clear tracking of progress, ownership, and sign-off. Specific timelines, responsibilities, and acceptance criteria will be described alongside each item to ensure alignment between development efforts and project goals.

Deliverable #1: Soulbound Vault for REDACTED

Description:
REDACTED will develop and deploy a Soulbound Vault Token that will hold and manage REDACTED within the system. This vault token will enforce the non-transferability of REDACTED after its expiration period, aligning with the system's time-limited design while ensuring users can continue to redeem or interact with their tokens through approved mechanisms post-expiry.

Technical Approach:
The vault will be built using OpenZeppelin's ERC-4626 reference implementation as the base, extended with expiration-based restrictions to prevent transfers of REDACTED after the configured validity period. The vault will accept deposits of REDACTED during the active period and will enforce non-transferability using overridden hooks while preserving the ability to redeem or burn tokens for USDT collateral upon user request or DAO governance actions.

Features Included:
- ERC-4626-based vault structure, ensuring composability within DeFi tooling on Ethereum and Polygon.
- Time-based locking mechanism to enforce expiration per wallet and per deposit basis.
- Soulbound enforcement via transfer restriction after expiration while retaining redemption functionality.
- DAO-controlled parameters for validity period adjustments, collateral withdrawal authorization, and vault pausing capabilities.
- Unit tests to validate expiration, deposit, redemption, and non-transferability behavior.
- Deployment scripts for Ethereum and Polygon networks.
- Technical documentation describing contract interfaces, governance controls, and integration patterns.

Acceptance Criteria:
- Contract successfully deploys and accepts REDACTED deposits on testnets with expected expiration and redemption behaviors.
- Transfers are restricted after expiration while allowing redemptions without user friction.
- Unit and integration tests pass with full coverage for deposit, redeem, and expiry logic.
- Source code reviewed and approved by the client or designated auditors prior to mainnet deployment.

Deliverable #2: Collateral Manager

Description:
REDACTED will develop and deploy a Collateral Manager smart contract to securely custody the USDT backing REDACTED tokens within the system. The Collateral Manager will maintain a 1:1 collateralization ratio, handle user redemptions upon token burn, and support DAO-governed operational controls for collateral withdrawal, pausing, and accounting transparency.

Technical Approach:
The Collateral Manager will utilize robust, gas-efficient patterns based on OpenZeppelin libraries, ensuring secure handling of USDT using standard ERC-20 transfer logic while enforcing role-based access control for DAO governance. The contract will include mechanisms to verify and execute redemptions initiated by users or DAO-authorized operators, ensuring only valid REDACTED burns trigger USDT transfers. It will be upgradeable (via a minimal proxy pattern) to allow future improvements while retaining user balances and operational integrity.

Features Included:
- Secure custody of USDT collateral on Ethereum and Polygon.
- Verification of REDACTED burn events before collateral release.
- DAO-controlled parameters for redemption rate adjustments, pause/resume functionality, and administrative withdrawal in defined emergency conditions.
- Transparent on-chain tracking of collateralization ratios, total deposits, redemptions, and reserves.
- Compatibility with frontend dashboards for real-time monitoring of collateral status by DAO members and users.
- Gas-optimized redemption flows to minimize user friction.
- Deployment scripts for Ethereum and Polygon networks.
- Full technical documentation covering interfaces, governance controls, and redemption flows.

Acceptance Criteria:
- Successful deployment on testnets with USDT custody, REDACTED burn verification, and USDT redemption flows functioning as expected.
- DAO governance and emergency controls operate without affecting collateral accounting integrity.
- Accurate on-chain reporting of reserves, redemptions, and total collateralization.
- Unit and integration tests with full coverage for deposit, redemption, emergency functions, and access control.
- Source code reviewed and approved by the client or designated auditors before mainnet deployment.

Deliverable #3: REDACTED Token

Description:
REDACTED will develop and deploy the REDACTED ERC-20 token on Ethereum and Polygon as the core asset of the system. REDACTED will maintain a 1:1 peg to USDT while supporting free transferability for a defined period (e.g., 30 –90 days) before becoming non-transferable (soulbound) while retaining its redemption rights through the Collateral Manager.

Technical Approach:
REDACTED will be built using OpenZeppelin's ERC-20 implementation, extended with time-based transfer restrictions. Each wallet will have an associated last transfer timestamp, and the contract will enforce non-transferability once the configured validity period has passed. Redemption will remain active regardless of transferability status, allowing holders to burn expired REDACTED tokens in exchange for USDT via the Collateral Manager. The implementation will prioritize gas efficiency while maintaining clear auditability and integration simplicity within DeFi tooling on Ethereum and Polygon.

Features Included:
- ERC-20 compliant token with minting, burning, and transfer functions.
- Configurable validity period for free transferability (e.g., 30–90 days) enforced per wallet.
- Post-expiration soulbound enforcement while retaining redemption capability.
- Minting controlled by DAO or authorized operators to enforce 1:1 collateral-backed issuance.
- Compatibility with the Collateral Manager for burn-and-redeem functionality.
- Event emissions for all key actions (mint, burn, transfer restriction triggers).
- Deployment scripts for Ethereum and Polygon networks.
- Technical documentation detailing token mechanics, administrative controls, and integration considerations for wallets and dashboards.

Acceptance Criteria:
- Successful testnet deployment with minting, burning, and transfer restriction enforcement functioning as intended.
- Correct application of transferability expiration per wallet while retaining redemption functionality.
- Alignment with ERC-20 standards to ensure wallet and DeFi ecosystem compatibility.
- Full unit and integration tests covering minting, transfers (pre- and post-expiry), burns, and event emissions.
- Source code reviewed and approved by the client or designated auditors prior to mainnet deployment.

Deliverable #4: DAO Governance Infrastructure

Description:
REDACTED will develop and deploy a DAO governance infrastructure to manage the REDACTED ecosystem and its DeFi pool operations transparently and securely. The DAO will oversee collateral management, minting permissions, validity period parameters, emergency functions, and upgrade paths for the REDACTED system, ensuring decentralized control and community-aligned decision-making.

Technical Approach:
The DAO will utilize OpenZeppelin's Governor and TimelockController contracts as the foundation, enabling on-chain proposal creation, voting, and execution with customizable voting thresholds and delays. Governance token mechanics will be defined to enable DAO participation, with token distribution handled per the client's operational model (e.g., multisig holders, stakeholders, or contributors). The governance system will integrate with the REDACTED Token, Collateral Manager, and Vault contracts to enforce decisions on parameters, upgrades, and administrative functions without requiring centralized intervention.

Features Included:
- DAO governance using OpenZeppelin Governor and Timelock architecture.
- On-chain proposal creation, voting, queuing, and execution with transparent audit trails.
- Governance token (if required) or direct stakeholder wallet voting structure.
- Control over critical system parameters, including validity period, minting permissions, collateral withdrawal governance, and contract upgrades.
- Emergency pause and unpause capabilities via DAO governance pathways.
- Compatibility with Safe (formerly Gnosis Safe) for multisig execution of governance decisions where applicable.
- Deployment scripts and configurations for Ethereum and Polygon networks.
- Documentation covering DAO structure, voting flows, and integration with other system components.

Acceptance Criteria:
- Successful testnet deployment of the DAO governance system with proposal creation, voting, and execution workflows validated.
- Verified integration with REDACTED, Collateral Manager, and Vault contracts for parameter and control updates.
- Full unit and integration tests covering proposal lifecycle, quorum requirements, execution, and failure handling.
- Clear documentation provided for DAO participation and operations, ensuring seamless adoption by stakeholders.
- Source code reviewed and approved by the client or designated auditors prior to mainnet deployment.

Deliverable #5: Dapp for DAO & Redemption Tracking

Description:
REDACTED will develop a frontend Dapp to provide DAO members, operational teams, and users with direct, on-chain interaction capabilities and real-time transparency across the REDACTED ecosystem. This Dapp will enable wallet-connected access to view token balances and expiration statuses, initiate redemptions, and participate in DAO governance seamlessly within a single, cohesive interface.

Technical Approach:
The Dapp will be built using Vue 3 with the Quasar Framework, ensuring a high-performance, mobile-responsive, and modular interface. Blockchain interactions will be managed using Ethers.js, Viem, or web3.js as appropriate, with wallet connectivity handled via WalletConnect and MetaMask integration. The Dapp will interact directly with Ethereum and Polygon networks, enabling users to view on-chain REDACTED and DAO data, participate in governance by creating and voting on proposals, and execute redemptions without intermediaries, ensuring the system operates in a fully decentralized manner.

Features Included:
- Direct wallet connectivity (MetaMask, WalletConnect) with persistent session management.
- Display of REDACTED balances and expiration status per user wallet with clear visual cues.
- Redemption module to initiate burn-and-redeem operations directly from the Dapp to the Collateral Manager.
- DAO governance interface to view proposals, cast votes, track proposal execution, and view quorum status.
- Real-time data synchronization using on-chain reads and event listeners for updates on balances, proposals, and collateral pool metrics.
- Notification and alert system for governance actions, upcoming expirations, and transaction confirmations.
- Mobile-responsive design with the performance and PWA support capabilities of Quasar.
- Deployment-ready build with clear documentation for hosting on IPFS, Vercel, or client-controlled infrastructure.
- Technical documentation for maintenance, upgrade, and user onboarding.

Acceptance Criteria:
- Fully functional test deployment with wallet connectivity, DAO proposal participation, and redemption capabilities tested end-to-end.
- Accurate, real-time on-chain data displayed for REDACTED balances, expiry status, DAO proposals, and collateral reserves.
- Transactions (redemptions, votes) confirmed on-chain with user-facing feedback and error handling.
- Fully responsive UI validated on major browsers and mobile devices.
- Build and deployment instructions provided, with clean code and modular structure for future enhancements.
- Client or designated user sign-off after a demonstration and test walkthrough.

Deliverable #6: Gas Station Network

Description:
REDACTED will design and implement a Gas Station Network (GSN) system to reimburse user gas fees for REDACTED redemptions and DAO interactions, up to limits defined and governed by the DAO. This feature will reduce user friction, encourage participation, and align with the system's goal of promoting seamless on-chain interaction while maintaining control over operational costs.

Technical Approach:
The GSN will utilize OpenZeppelin Defender Relayers, Biconomy, or native ERC-2771 meta-transaction patterns to relay user transactions while abstracting gas fees from the user. The system will enforce per-transaction and per-wallet reimbursement caps, with total gas reimbursement budgets managed and adjustable through DAO proposals. This ensures gas subsidies remain aligned with treasury constraints and community-approved policies. Smart contracts will handle reimbursement logic where possible, while off-chain relayers (operated by the DAO or REDACTED under multisig control) will manage transaction execution and record-keeping for transparency.

Features Included:
- Meta-transaction infrastructure to support gasless interactions for REDACTED redemptions and DAO voting.
- DAO-controlled parameters for:
  - Maximum reimbursement per transaction.
  - Per-wallet reimbursement caps.
  - Global reimbursement budget limits.
- Support for Ethereum and Polygon network gas reimbursement structures.
- Integration with the frontend Dapp to indicate eligible gasless transactions and inform users of reimbursement
- Transparent tracking of gas reimbursements and budgets for DAO monitoring.
- Technical documentation for operating, maintaining, and adjusting GSN parameters.
- Deployment scripts and configuration for Ethereum and Polygon relayer setups.

Acceptance Criteria:
- Successful testnet implementation of gasless transactions for redemptions and DAO participation.
- DAO proposals can adjust gas reimbursement limits, with immediate enforcement upon approval.
- User wallet interactions with the Dapp confirm gas reimbursement eligibility and execute transactions without requiring user gas payments within set limits.
- Transparent reporting of reimbursements on-chain or via a public dashboard for DAO oversight.
- Full unit and integration tests demonstrating reimbursement enforcement, limit adherence, and transaction reliability.
- Documentation delivered for maintaining relayers and reimbursement policies.
- Client or designated user sign-off after demonstration and testing on testnet.

Deliverable #7: Auditing and Security Hardening

Description:
REDACTED will conduct comprehensive auditing and security hardening of all smart contracts and critical system components developed under this project, ensuring the REDACTED ecosystem's resilience against exploits, bugs, and misconfigurations. This will ensure the system operates reliably under DAO governance while protecting user funds and preserving the integrity of the DeFi pool.

Technical Approach:
Security hardening will include a structured internal audit process focusing on logic correctness, edge-case handling, gas optimization, and adherence to best practices using Slither, MythX, and manual review methods. The scope will cover the REDACTED token, Soulbound Vault, Collateral Manager, DAO governance contracts, and the GSN implementation. REDACTED will also coordinate with an external audit partner (if approved by the client) or prepare the contracts to be audit-ready for a third-party firm by providing clear documentation and test coverage to reduce external audit scope and costs.

Features Included:
- Internal structured audit of all Solidity smart contracts with detailed findings and remediation.
- Security hardening addressing:
  - Reentrancy and reordering vulnerabilities.
  - Access control misconfigurations.
  - Gas griefing and DoS vulnerabilities.
  - Expiry and redemption edge cases.
  - Proper upgradeability patterns (if used).
- Integration of checks-effects-interactions patterns, custom errors, and optimized gas usage.
- Test suite expansion with fuzzing and edge-case testing for critical functions.
- Preparation of clear audit reports for each contract, including identified risks, severity levels, and applied fixes.
- Recommendations for ongoing monitoring and best practices post-deployment.
- Coordination with external auditors if selected by the client, including technical handoff and support.

Acceptance Criteria:
- All known critical and high-severity issues identified during internal audits are resolved prior to mainnet deployment.
- Complete, organized audit reports provided for each major contract, outlining issues found and resolutions applied.
- Full unit and integration test coverage with additional edge-case tests demonstrating system resilience.
- Confirmation that gas costs remain reasonable post-hardening without introducing new vulnerabilities.
- Sign-off by the client upon review of reports and demonstration of remediated contracts on testnet.
- Audit-ready codebase prepared for optional third-party audit engagement by the DAO or client.

Deliverable #8: Marketing Frontend Site

Description:
REDACTED will design and develop a marketing frontend website to introduce REDACTED and its DAO-governed DeFi ecosystem to the market, explaining the project's mission, mechanics, and benefits to prospective DAO members, liquidity providers, and ecosystem partners. The site will serve as the primary informational entry point for the project, supporting education, community engagement, and investor onboarding.

Technical Approach:
The marketing site will be developed using Vue 3 with Nuxt or Quasar Static Site Generation (SSG) to ensure high performance, SEO optimization, and mobile responsiveness. It will reflect the project's branding, featuring clean design and clear messaging aligned with DAO community values and transparency. The site will integrate analytics (via Plausible, Fathom, or Google Analytics per client preference) for traffic monitoring while ensuring user privacy. Content will highlight the project's use cases, DAO governance model, token lifecycle, and technical advantages while maintaining a clear call to action for joining the DAO community, subscribing to updates, or engaging with social channels.

Features Included:
- Multi-page static site with sections for About, Token Mechanics, DAO Governance, Roadmap, FAQ, and Contact/ Community.
- Clean, responsive UI/UX aligned with project branding.
- Optimized SEO structure with meta tags, sitemap generation, and social media preview integration.
- Integration of a lightweight CMS or markdown-based content workflow for easy content updates by the DAO or client team.
- Optional newsletter signup (Mailchimp, Buttondown, or self-hosted) and Discord/X community links.
- Privacy-friendly analytics integration for tracking engagement and site performance.
- Deployment-ready build for hosting on Vercel, Netlify, or client-controlled infrastructure.
- Technical documentation for content updates and basic maintenance.

Acceptance Criteria:
- Deployment to a test environment with functional pages, working navigation, and responsive design validated across major devices and browsers.
- Clear SEO optimization verified via testing tools (e.g., Lighthouse).
- Branding and design approved by the client.
- Analytics and newsletter signup integrated and functioning as intended.
- Clean, maintainable code with documentation for updates and content workflows.
- Client or designated stakeholder sign-off after demonstration and review.

Constraints

The following section outlines the key constraints relevant to the development and deployment of the REDACTED system and its supporting infrastructure. These constraints define the boundaries within which the project will operate and clarify technical, operational, and external factors that may influence timelines, feature implementation, and system behavior.

These constraints ensure that expectations remain aligned between REDACTED, the client, and DAO stakeholders as the project progresses. They provide a transparent framework for identifying areas requiring future governance decisions, potential trade-offs, or separate project phases beyond the current scope.

Each constraint described in this section is intended to guide prioritization, risk assessment, and effective planning, ensuring that the REDACTED ecosystem is developed in a secure, sustainable, and community-aligned manner.

Constraint #1: Collateral Management Independence

Description:
To ensure the long-term stability and trustworthiness of the REDACTED system, all issued REDACTED tokens will remain fully collateralized by USDT held in a dedicated collateral management system. This collateral will be managed transparently under DAO governance to protect the interests of REDACTED holders and maintain confidence in the system's redemption guarantees.

Purpose:
This constraint ensures that collateral cannot be removed, diverted, or repurposed without approval through formal DAO governance processes. It protects the system against unilateral withdrawal of funds, ensuring that REDACTED tokens retain their value and can always be redeemed 1:1 for USDT as long as collateral remains available. This approach aligns with industry best practices for DeFi-backed stable and time-limited tokens while maintaining operational flexibility through DAO oversight.

Implementation

- The Collateral Manager contract will be controlled by DAO-governed multisig or smart contract governance structures.
- Any action that would withdraw, reallocate, or reduce collateral, including transferring collateral to external wallets, will require DAO proposal submission, voting, and execution.
- No single wallet or administrator, including the client, will have unilateral withdrawal rights over the collateralized USDT once the system is live.
- On-chain reporting of total collateral, active REDACTED supply, and redemption activity will be provided to enable DAO members and users to independently verify the collateral status.

Constraint #2: Immutable DAO-Governed Token Logic

Description:
The REDACTED token contracts will enforce expiration, transfer restrictions, and redemption mechanics in a manner that cannot be altered arbitrarily post-deployment. This ensures the system's core behavior remains consistent and predictable for all users, while allowing for controlled evolution of the system through transparent DAO governance if adjustments are needed in the future.

Purpose:
This constraint protects the integrity of the REDACTED system by ensuring that critical mechanics—such as transferability limits, redemption rights, and supply constraints—cannot be modified without DAO approval. It prevents unauthorized changes that could impact holders or undermine the collateral-backed redemption model, aligning with principles of decentralization and user trust.

Implementation

- Token contracts will either be deployed as immutable (non-upgradeable) with locked core logic or will utilize a controlled upgradeable pattern managed exclusively through DAO governance.
- Any functions related to minting, burning, modifying transfer restrictions, or adjusting validity periods will require DAO proposal submission and on-chain approval before execution.
- REDACTED will not implement any hidden administrative functions allowing for bypass of expiration enforcement, unauthorized minting, or supply manipulation post-deployment.
- Any future upgrades to the token logic for enhancements or security improvements will be presented to the DAO with clear documentation before voting and execution.

Constraint #3: DAO Approval for Administrative Actions

Description:
Administrative actions related to the REDACTED system—including pausing contracts, modifying system parameters, managing collateral, and executing upgrades—will require DAO governance approval before they can be enacted. This ensures that no single individual or entity can unilaterally alter the operational state of the system.

Purpose:
This constraint protects the REDACTED ecosystem from centralized control risks while ensuring system adaptability through community-aligned governance. It enables necessary operational flexibility for responding to emergent issues, upgrades, or parameter adjustments while maintaining transparency and accountability to DAO members and REDACTED holders.

Implementation

- All critical administrative functions, including but not limited to pausing/unpausing contracts, modifying validity periods, adjusting collateral management parameters, or upgrading smart contracts, will require on-chain DAO proposals and successful voting before execution.
- Emergency controls for system pause functionality will be structured to require DAO-governed multisig confirmation, ensuring rapid response capabilities without centralization risks.
- REDACTED will ensure that no undisclosed administrative backdoors or unilateral control functions are present in the deployed contracts.
- DAO governance workflows will include clear documentation and user guidance for submitting, reviewing, voting on, and executing proposals.

Constraint #4: Transparent Collateral and Supply

Description:
The REDACTED system will maintain clear and accessible on-chain reporting of key operational metrics, including collateral balances, total REDACTED supply, and redemption activity. This ensures transparency for DAO members, token holders, and potential partners or regulators, supporting the system's credibility and long-term trust.

Purpose:
This constraint ensures that all participants can independently verify that REDACTED tokens remain fully collateralized and that system activity aligns with the DAO's governance and operational expectations. Transparent reporting mitigates concerns of hidden risks, misuse of collateral, or untracked token minting, protecting against reputational and financial risks.

Implementation

- The Collateral Manager and REDACTED contracts will expose on-chain functions to retrieve current collateral balances, active and total minted REDACTED supply, and redemption histories.
- Relevant events (e.g., deposits, redemptions, minting, and burning) will be emitted consistently to support off-chain indexing and transparency dashboards.
- The frontend Dapp will display these key metrics in real-time, ensuring DAO members and users can monitor the system's health without requiring backend intermediaries.
- Reporting mechanisms will be designed to maintain low gas costs for queries while prioritizing accuracy and completeness of available data.

Constraint #5: Gas Reimbursement Budget Caps

Description:
The REDACTED system's Gas Station Network (GSN) will reimburse user gas fees for eligible transactions (e.g., redemptions, DAO participation) only within predefined limits set and adjustable by DAO governance. This ensures user accessibility while maintaining cost control over operational budgets.

Purpose:
This constraint prevents uncontrolled depletion of DAO or system funds through excessive gas reimbursement while promoting participation in redemption and governance activities. It balances user convenience with financial sustainability, ensuring the DAO retains oversight of operating expenses and can adjust policies as network conditions evolve.

Implementation

- The DAO will define and manage parameters including maximum reimbursement per transaction, per-wallet caps, and total reimbursement budget limits through on-chain proposals.
- The GSN will enforce these caps automatically, ensuring that transactions exceeding the defined limits will not receive reimbursement or will only be partially reimbursed according to policy.
- Reimbursement transactions and budgets will be transparently tracked and viewable by DAO members via on-chain data and the frontend Dapp.
- DAO members can propose adjustments to reimbursement limits in response to gas price fluctuations, user adoption, or budget changes, ensuring system responsiveness while preserving control.

Constraint #6: Chain Limitations

Description:
The REDACTED system will be developed, deployed, and supported exclusively on Ethereum and Polygon, utilizing their EVM-compatible environments for smart contract execution, DAO governance, and DeFi interactions.

Purpose:
This constraint ensures the system benefits from the mature, audited infrastructure of EVM networks while maintaining security, tooling compatibility, and ecosystem integration. It also simplifies governance, monitoring, and user experience by focusing development and operational resources on these targeted networks.

Implementation

- All REDACTED-related smart contracts, including the token, Vault, Collateral Manager, DAO governance, and GSN systems, will be deployed only on Ethereum and Polygon networks.
- System documentation, support, and testing will be explicitly tailored to the operational environments, gas models, and user interactions specific to these networks.
- No support for additional chains (e.g., Tron, Solana, and other non-EVM chains) will be included in the scope of this project unless explicitly approved by DAO governance and defined as a future project phase.
- REDACTED will optimize the user and DAO experience specifically for Ethereum and Polygon wallet integrations and DeFi tooling.

Constraint #7: Redemption Availability Assurance

Description:
The REDACTED system will ensure that token holders retain the right to redeem REDACTED for USDT at a 1:1 ratio at any time, subject only to the availability of collateral held within the system's DAO-controlled Collateral Manager.

Purpose:
This constraint protects REDACTED holders by ensuring the system's redemption functionality remains consistently available, preserving user trust and system credibility. It prevents arbitrary lockouts or the disabling of redemption pathways without DAO approval, ensuring holders can confidently utilize REDACTED while maintaining the assurance of exit liquidity.

Implementation

- Redemption functionality will remain active for all REDACTED holders regardless of transferability status or expiration, as long as collateral is available in the system.
- Any proposed suspension or modification of the redemption process must pass through DAO governance procedures, ensuring that no single party can unilaterally disable redemptions.
- The Collateral Manager will handle redemption requests transparently, ensuring that redemptions are processed on-chain and are verifiable by the DAO and token holders.
- The frontend Dapp will provide clear user interfaces to initiate and track redemptions, with visible collateral pool metrics to inform user decisions.

Constraint #8: No Fiat Custody or Off-Ramp Included

Description:
The REDACTED system will exclusively handle on-chain transactions and will not include fiat currency custody, conversion services, or off-ramp mechanisms as part of this project's scope.

Purpose:
This constraint ensures regulatory clarity and scope focus by explicitly limiting the system to USDT-based on-chain operations, avoiding complexities associated with money service licensing and fiat banking integrations. It also clarifies to all stakeholders that user redemption and interactions will remain within crypto-native environments.

Implementation

- All redemptions will occur in USDT on Ethereum or Polygon networks, maintaining 1:1 collateral-backed redemption functionality without fiat settlement.
- No banking, fiat custody, ACH, wire transfer, or card payment processing will be included in the system or in REDACTED's deliverables for this project.
- If the DAO or client elects to add fiat ramps in the future, it will require a separate scope of work, third-party vendor integrations, and regulatory compliance efforts beyond the REDACTED system's operational design.
- System documentation and user interfaces will clearly indicate that redemptions and transfers occur solely in on-chain USDT.

Constraint #9: KYC/AML Responsibility Outside Scope

Description:
The REDACTED system will not include KYC (Know Your Customer) or AML (Anti-Money Laundering) verification processes as part of this project's scope. Responsibility for any KYC/AML compliance will remain with the DAO and client, based on their jurisdictional and operational requirements.

Purpose:
This constraint clarifies that while the REDACTED system will implement technical mechanisms for transfer restrictions and DAO governance, it does not incorporate identity verification or regulatory compliance features directly. This ensures system design simplicity and keeps operational responsibility for compliance with the DAO and client, who may implement such measures externally if desired.

Implementation

- No identity verification workflows, document collection, or personal data storage will be included within the REDACTED smart contracts, frontend Dapp, or related systems.
- REDACTED will implement technical restrictions (e.g., expiration enforcement, soulbound token mechanics) as defined but will not integrate or manage KYC/AML processes.
- If the DAO or client elects to implement KYC/AML requirements, this will require a separate project scope and may involve third-party compliance services or integrations beyond the REDACTED system.
- System documentation will clearly indicate that KYC/AML enforcement, if required, is an external operational responsibility.

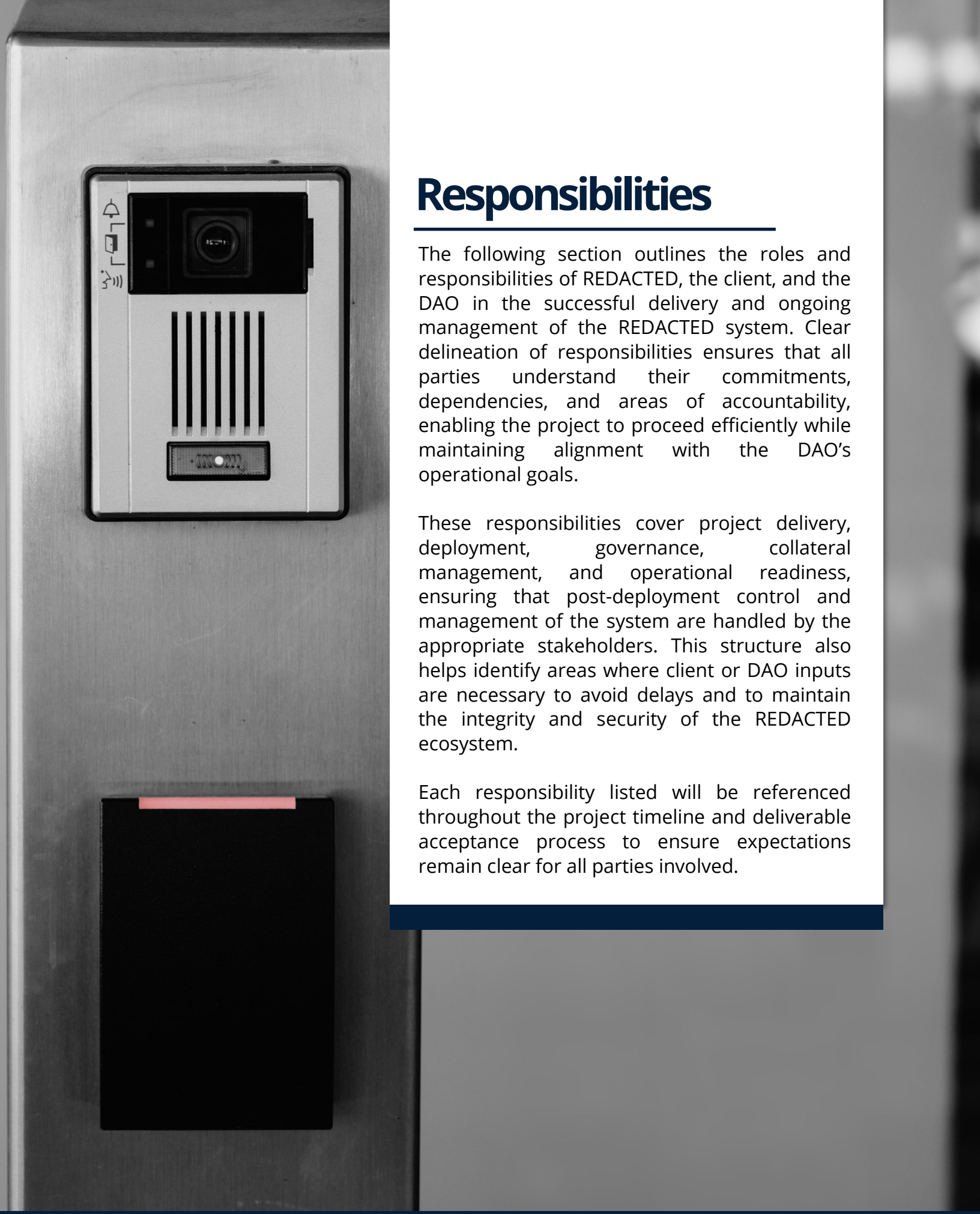
Constraint #10: Limited Deployment Responsibility

Description:
REDACTED's deployment responsibilities will be limited to delivering, testing, and handing over the REDACTED system to the client and DAO-designated wallets or governance structures. Post-deployment operational management and control will transition to the DAO or the client's designated parties.

Purpose:
This constraint ensures a clear delineation of responsibilities, protecting both REDACTED and stakeholders by clarifying that REDACTED will not retain operational control or administrative authority over the system after deployment, except where specifically agreed for support or monitoring purposes. This preserves decentralization while ensuring the DAO can manage the system independently.

Implementation

- REDACTED will deploy the REDACTED contracts (Token, Vault, Collateral Manager, DAO Governance, and GSN) to Ethereum and Polygon testnets and mainnets, confirm operational functionality, and transfer ownership or administrative rights to the DAO or designated multisig wallets.
- Post-deployment, REDACTED will not have the ability to modify, pause, or upgrade the system unless explicitly authorized through DAO governance and with appropriate operational agreements in place.
- Any ongoing support, maintenance, or monitoring services beyond initial deployment and testing will require a separate agreement and scope of work if desired by the client or DAO.
- System documentation will include clear instructions for the DAO or designated operators to manage, upgrade (if applicable), and monitor the deployed system independently.



Responsibilities

The following section outlines the roles and responsibilities of REDACTED, the client, and the DAO in the successful delivery and ongoing management of the REDACTED system. Clear delineation of responsibilities ensures that all parties understand their commitments, dependencies, and areas of accountability, enabling the project to proceed efficiently while maintaining alignment with the DAO's operational goals.

These responsibilities cover project delivery, deployment, governance, collateral management, and operational readiness, ensuring that post-deployment control and management of the system are handled by the appropriate stakeholders. This structure also helps identify areas where client or DAO inputs are necessary to avoid delays and to maintain the integrity and security of the REDACTED ecosystem.

Each responsibility listed will be referenced throughout the project timeline and deliverable acceptance process to ensure expectations remain clear for all parties involved.

Responsibilities

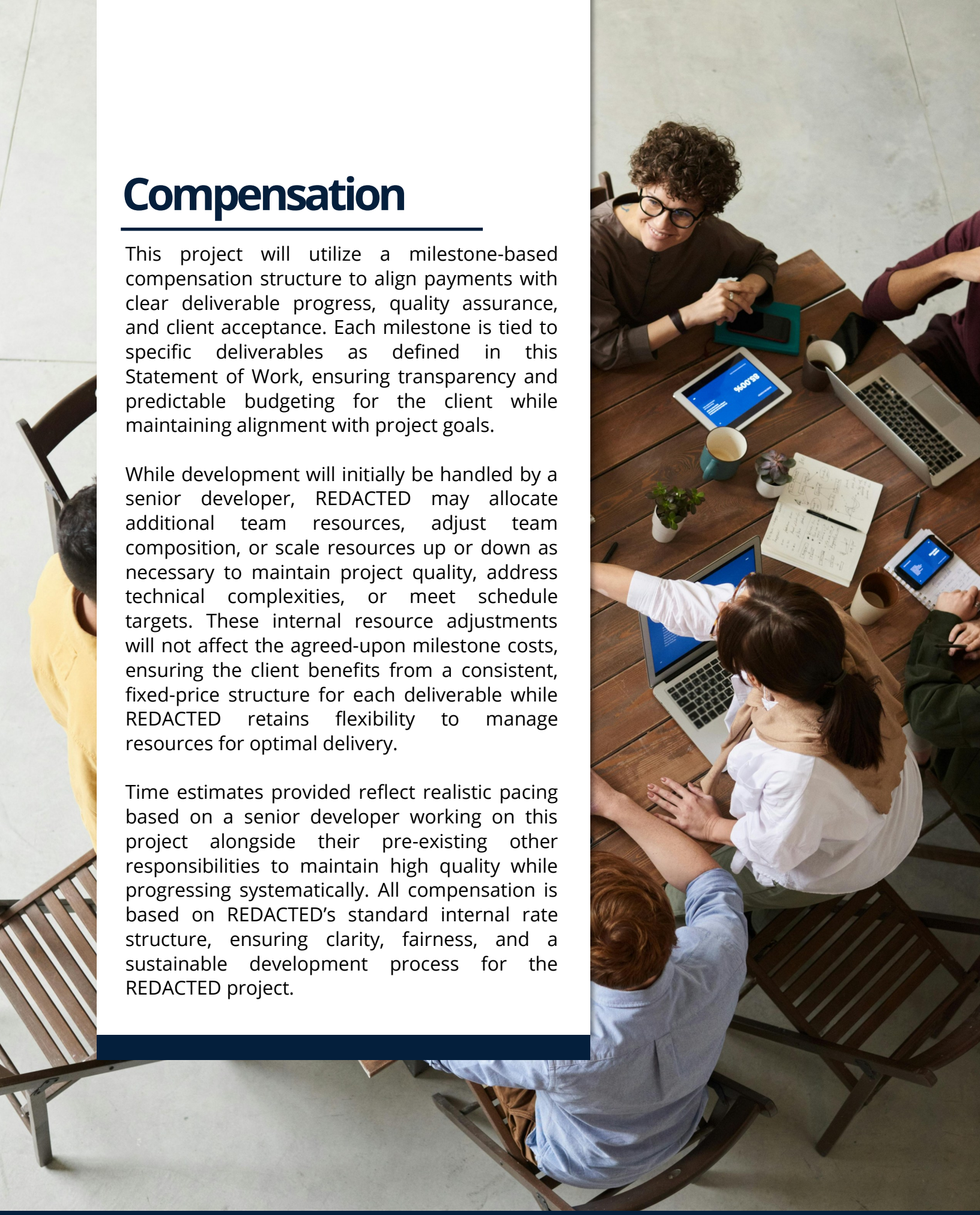
REDACTED	Client / DAO
Design, develop, and deliver smart contracts (REDACTED, Vault, Collateral Manager, DAO, GSN)	Provide funding for initial collateral and transaction gas costs (including GSN relayers)
Implement frontend Dapp and marketing site per specifications	Manage branding, marketing materials, and public communications
Deploy contracts to Ethereum and Polygon testnets and mainnets	Participate in user testing and review of deployed contracts and frontend components
Configure and hand over DAO governance mechanisms and multisig ownership	Designate DAO members responsible for governance actions
Deliver technical documentation for contracts, Dapp, governance, and collateral workflows	Operate and monitor the DAO post-deployment (including governance proposals and votes)
Provide internal security audit, remediation, and support for third-party audit readiness	Initiate and fund any external third-party audits if desired by the DAO
Implement and enforce system constraints, including expiration logic and collateral transparency	Uphold DAO governance processes and refrain from unilateral actions against system design
Integrate wallet connections, redemption workflows, and real-time reporting into the Dapp	Maintain community engagement, education, and DAO onboarding efforts
Provide build scripts, deployment instructions, and support during transition to DAO control	Manage treasury, ongoing collateral inflows/outflows, and reimbursement budget decisions
Deliver post-deployment handoff and optional monitoring support (if scoped separately)	Accept system ownership and assume full operational responsibility after handoff

Compensation

This project will utilize a milestone-based compensation structure to align payments with clear deliverable progress, quality assurance, and client acceptance. Each milestone is tied to specific deliverables as defined in this Statement of Work, ensuring transparency and predictable budgeting for the client while maintaining alignment with project goals.

While development will initially be handled by a senior developer, REDACTED may allocate additional team resources, adjust team composition, or scale resources up or down as necessary to maintain project quality, address technical complexities, or meet schedule targets. These internal resource adjustments will not affect the agreed-upon milestone costs, ensuring the client benefits from a consistent, fixed-price structure for each deliverable while REDACTED retains flexibility to manage resources for optimal delivery.

Time estimates provided reflect realistic pacing based on a senior developer working on this project alongside their pre-existing other responsibilities to maintain high quality while progressing systematically. All compensation is based on REDACTED's standard internal rate structure, ensuring clarity, fairness, and a sustainable development process for the REDACTED project.



Compensation

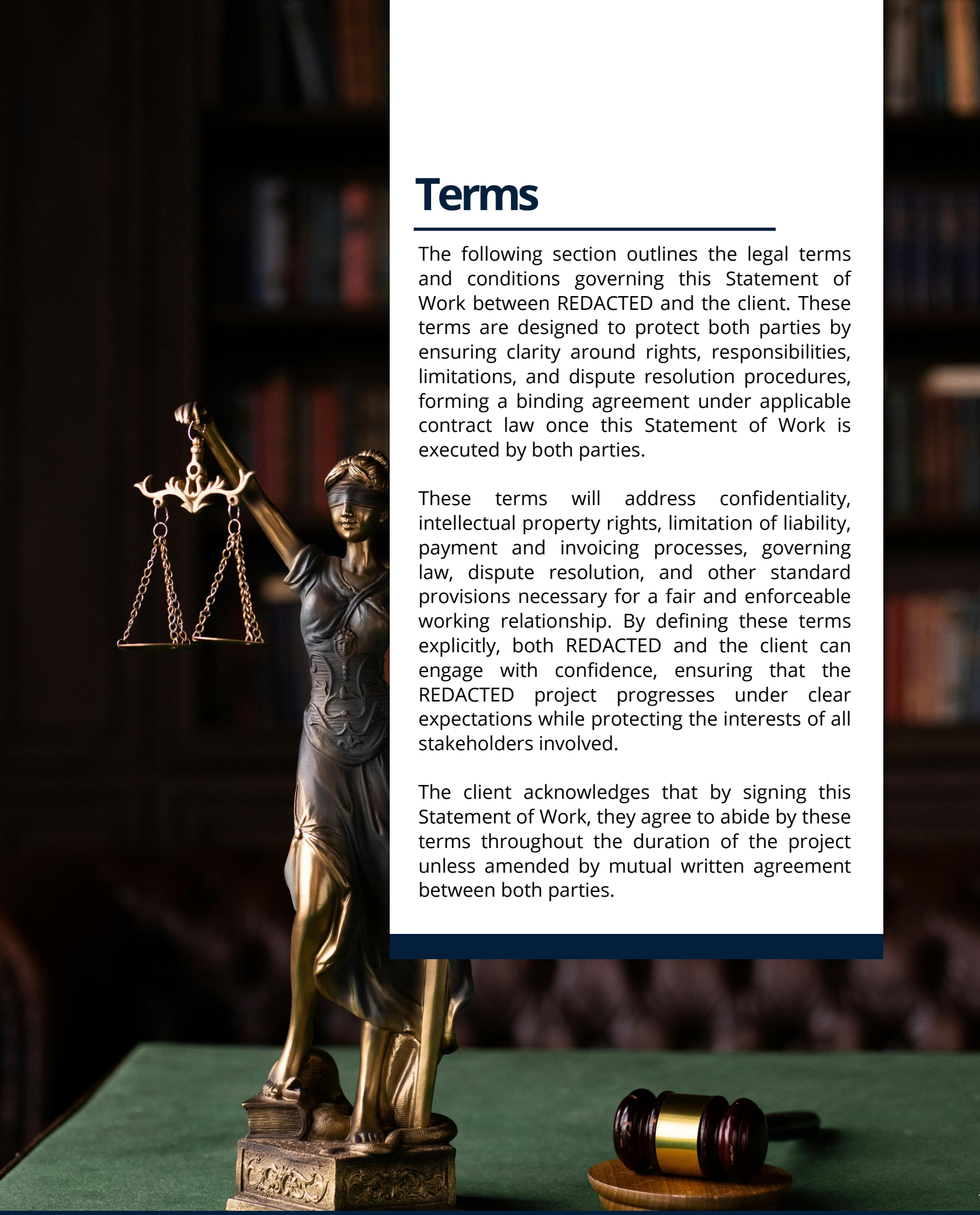
Milestones	Est. Duration	Hours (Est.)	Total (USD)
Project Planning & Architecture Finalization	1 week	15	N/A
Deliverable 1: Soulbound Vault Token	3 weeks	40	$4,800
Deliverable 2: Collateral Manager	3 weeks	40	$4,800
Deliverable 3: REDACTED Token	2 weeks	30	$3,600
Deliverable 4: DAO Governance Infrastructure	3 weeks	40	$4,800
Deliverable 5: Frontend Dapp	5 weeks	60	$7,200
Deliverable 6: Gas Station Network	2 weeks	30	$3,600
Deliverable 7: Auditing & Security Hardening	2 weeks	30	$3,600
Deliverable 8: Marketing Frontend Site	2 weeks	30	$3,600
Testing, Deployment, Handoff, Final Documentation	2 weeks	30	$3,600
TOTALS	**20 weeks**	**345 hours**	**$39,600**

Disclaimer on Changes to Scope and Compensation:

The milestones and associated compensation outlined in this Statement of Work are based on the project requirements, deliverables, and constraints as currently defined and agreed upon by the client and REDACTED These estimates assume the project scope remains consistent throughout the duration of the engagement to allow accurate planning and fair, transparent billing.

Should project requirements change materially—such as the addition of new features, significant modifications to existing deliverables, integration of external systems not currently planned, or changes in supported networks or compliance obligations—REDACTED will assess the impact on the project timeline, resource allocation, and costs. In such cases, REDACTED will provide a revised estimate for the affected milestones, and a mutually agreed change order will be required before proceeding with the new or adjusted work.

REDACTED is committed to maintaining clear and open communication with the client and DAO stakeholders throughout the project. Any changes that may affect milestones, schedules, or compensation will be discussed promptly to ensure alignment with project goals, available resources, and the client's operational plans, preserving the overall quality and sustainability of the REDACTED system.



Terms

The following section outlines the legal terms and conditions governing this Statement of Work between REDACTED and the client. These terms are designed to protect both parties by ensuring clarity around rights, responsibilities, limitations, and dispute resolution procedures, forming a binding agreement under applicable contract law once this Statement of Work is executed by both parties.

These terms will address confidentiality, intellectual property rights, limitation of liability, payment and invoicing processes, governing law, dispute resolution, and other standard provisions necessary for a fair and enforceable working relationship. By defining these terms explicitly, both REDACTED and the client can engage with confidence, ensuring that the REDACTED project progresses under clear expectations while protecting the interests of all stakeholders involved.

The client acknowledges that by signing this Statement of Work, they agree to abide by these terms throughout the duration of the project unless amended by mutual written agreement between both parties.

Terms

REDACTED