WRITTEN CONSENT IN LIEU OF A SPECIAL MEETING
OF
THE BOARD OF DIRECTORS
OF RCHAIN COOPERATIVE

Pursuant to the Washington Business Corporation Act, RCW 23B.08.210, as applicable to Washington cooperative associations under RCW 23.86.360, the undersigned, representing the board of directors ("Board") of RCHAIN COOPERATIVE, a Washington cooperative association (the "Company"), hereby executes this unanimous consent to action in lieu of attending and voting at a special meeting of the Board and adopt the following resolution:

I. Approval & Adoption of Plan for Supply of RHOCs, REVs, and Potential Other Staking Tokens

WHEREAS, the Company wishes to publicly declare its intended plan concerning the RHOC token, and to officially clarify for the consumer the future development of the RHOC token, the intended function of a 1:1 exchange for the REV staking token upon the deployment of the RChain network, the REV token's function of obtaining network resources, and the plans for the RChain network having multi-token capability.

NOW THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the *Plan for Supply of RHOCs, REVs, and Potential Other Staking Tokens* in the form attached to this resolution as Attachment A.

The execution of this Consent shall constitute a written waiver of any notice required by the State of Washington and this Company's Articles of Incorporation.

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DIRECTOR APPROVAL

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Edward M. Eykholt
Director

Date: 6/26/2017

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Lucius Gregory Meredith
Director

Date: 7/10/2017

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Evan Jensen
Director

Date: 6/26/2017

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Ian Bloom
Director

Date: 6/27/2017

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Alexandr Bulkin
Director

Date: 6/27/2017

Attachment A

RChain Cooperative

Plan for supply of RHOCs, REVs, and potential other staking tokens

June 22, 2017

1. **How many RHOCs are available?** 870,663,574. (1,000,000,000 were created. 129,336,426 were burned on 17-June-2017.)

2. **Will additional RHOCs be created?** No

3. **What is the contract address and information for RHOCs?**
https://etherscan.io/address/0x168296bb09e24a88805cb9c33356536b980d3fc5#code

4. **What is the current ownership distribution of RHOCs?**
The current distribution (as of 2017-06-17) is: Coop: 86.2% Sent to Holdings: 12.1% Other: 1.7%.

   Details: The transactions are visible on blockexplorer, here:
https://etherscan.io/token/0x168296bb09e24a88805cb9c33356536b980d3fc5

   The largest wallets include:

   Co-op multisig:
https://etherscan.io/token/0x168296bb09e24a88805cb9c33356536b980d3fc5?a=0x5a0F67a337D8fAfDEd3Fa574e7546B529C96df89

   Co-op account (used for RHOC creation):
https://etherscan.io/token/0x168296bb09e24a88805cb9c33356536b980d3fc5?a=0xe17c20292b2f1b0ff887dc32a73c259fae25f03b

   Co-op operations:
https://etherscan.io/token/0x168296bb09e24a88805cb9c33356536b980d3fc5?a=0x8b629a47C3C633dAdc47D6F0D6f66882593817F3

Initial RChain Holdings:
https://etherscan.io/token/0x168296bb09e24a88805cb9c33356536b980d3fc5?a=0xAf878433563CE95e50Bc2023aAfd3AAdD56af842

See this spreadsheet for additional breakdown, and this spreadsheet for a graphic of the distribution as of 2017-05-30.

5. **What are the plans?**
The following plans of the RChain Cooperative are subject to potential changes because of technology issues or updated direction that may be provided by the directors or membership.

   a. **What is the planned supply of staking tokens?**
   TL;DR: REVs will be the favored staking token for the foreseeable future, with a 10:1 advantage over any other potential staking token. There may be a supply growth of all tokens, depending on consensus protocol design.
   For more details, see questions below.

   b. **Will any Rhocs be burned to adjust the supply?**
   On June 17th, 129,336,426 RHOCS were burned. No additional supply adjustments are planned prior to the availability of the REV staking token on the RChain platform.

   c. **How will the Amp proceeds (from the Amp-to-RHOC redemption process that concluded in April 2017) be spent?**
   They will be spent primarily on development. For example, they are being used to fund our contracts with Pyrofex and Coinfund. We hope for a great deal more community involvement in the second and third quarters of 2018. We plan to spend RHOCs to support community based QA on the code, and community based community organization.

   d. **What's the budget (dev, marketing, etc.)?**
   The bulk of the spend is towards the milestones documented in the work breakdown schedule here. We do have a small marketing budget committed to maintaining our basic online presence. Patrick Maguire is handling website, twitter, some basic slack maintenance and other elements. CoinInterview is handling our youtube channels. Coinfund is working with us to produce a tutorial on rholang as part of our developer outreach.

   e. **What's the schedule for the RChain Platform?**
   It has not yet been published. Ed Eykholt estimated the date of the Rhoc-to-Rev conversion and initial release, called Mercury, will be in Q4 2018.

   f. **Will there be any other native economic tokens other than REVs?**
   We don't know yet, but if it is technically feasible, we will do that. Let's distinguish between

economic tokens, which are native to RChain, versus staking tokens. We can use ERC20 tokens as a proxy for understanding this. ERC20 tokens are native to the Ethereum network. They can't run anywhere else, not the BTC network, nor one of the major forks. Likewise, there will be ERC20-like tokens on RChain network. However, in the same way that ERC20 tokens can't be converted to gas, only ETH can be used for gas, these ERC20-like tokens ***will not be staking tokens***. They cannot be used to stake a validator. Summarizing, this class of tokens are native economic tokens, but are non-staking tokens.

One interpretation of this question is whether there will be *staking* tokens in addition to the REV? That's what we don't know. There's strong argumentation that this cannot be done safely in a proof-of-stake setting. Likewise, there's strong argumentation that it can be done safely. We have to argue this out and come to consensus as a community. If it turns out that we come to agreement that it is safe to do so, we will provide multiple staking tokens. We believe this both reduces the pressure to fork the platform and increases the overall value of the REV.

One can imagine that the exchange rate of REV to phlogiston is a multiple of the other staking tokens. Further because of the multi-component nature of phlogiston, we can imagine that different staking tokens optimize for different components. One staking token may favor memory access over network access, another may favor storage access over memory access. All of this has to be worked out, and is of significant advantage to RHOC holders who will be able to exchange RHOC to REV on a 1:1 basis.

g. If another staking token were to be added, what would be its Phlogiston (gas) rate relative to the Rev?

The Cooperative will set the exchange rate of each staking token to Phlogiston in a smart contract. Those rates will be set such that the rate of a single Rev-to-Phlogiston will be given at least a ten times advantage (i.e., lower cost) relative to one of any other non-REV staking token.

For example, suppose that there are staking tokens T_1, T_2, …, T_N, in addition to the REV. Suppose further that the total supply of T_1 through T_N for the the period of 1 year is given by $\Sigma\, s_i$ where s_i is the total supply for 1 year of T_i. Finally suppose that Phlo(T_i) represents the amount of phlogiston for a single staking token of T_i. Then $\Sigma\, s_i$ * Phlo(T_i) < 10^{10} * Phlo(REV). Note that 10^{10} equals 10,000,000,000, which is 10 times the approximate number of the RHOC supply (and the genesis REV supply).

This advantage given to the Rev will remain in place for at least one year after the initial product release, "Mercury".

h. **"What will be the total initial supply of REV?"**
At genesis time it will be equal to the available supply of RHOCs, 870,663,574.

i. **Will there be additional REV issuance after genesis?**
Perhaps. It may be easier or economically better for the Casper proof-of-stake protocol to issue Revs. Having the protocol provide incentives to validators to participate in the protocol may be important, especially initially.

j. **If there were to be additional REV issued, what would the supply curve look like?**
It would be asymptotic, with a goal of total supply of Revs to be approximately increased by a range of 10% to 100% of the initial supply, resulting in a total between 958,000,000 and 1,741,000,000 REVs, depending on consensus protocol and economic design. This supply growth curve would be a feature of Casper, and therefore would be true of other potential staking tokens, as well.

k. **What is the issuance model for potential other staking tokens?**
The supply of additional staking tokens (other than REV) would follow a similar model to that of the REV, as described in the three numbered sections above.

l. **When might RHOCs be listed on a major exchange?**
This is up to the community to drive. Interested individuals can make requests to the exchanges and coordinate with the Co-op for any documentation needed.