



How it works

LET'S DIG DEEPER



How It Works

Governing, managing and developing Carmel Apps.

1. Governing

Governors require access **Cards** with
a **Governor Subscription** (\$99 / month)

Establishing a new City

- ✓ Choose the City name
- ✓ Choose the City location
- ✓ Draft the City Constitution

Requires:

- 1 [Shield](#)
- 100,000 [Tokens](#)

Setting up the City Council

- ✓ Invite Council Governors
- ✓ Legislate City Bylaws
- ✓ Administer moderators

Requires:

- 1 [Land](#) / Governor
- 1,000 [Tokens](#) / Governor

Powering up City Nodes

- ✓ Generate City Node Keys
- ✓ Approve City Node Operators
- ✓ Oversee network operation

Requires:

- 1,000 [Tokens](#) / Key
- 10,000 [Tokens](#) / Node

2. Managing

Managers require access **Cards** with
a **Citizen Subscription** (\$29 / month)

Creating a new App

- ✓ Choose the App name
- ✓ Choose the initial template
- ✓ Configure App settings

Requires:

- 1 [Land](#)
- 1,000 [Tokens](#)

Licensing Chunks

- ✓ Add App functionality
- ✓ Buy from the Carmel Store
- ✓ Configure Chunks settings

Requires:

- [Purchase](#) Chunks
- One-time fee / Chunk

Collaborating on Quests

- ✓ Create new Quests
- ✓ Contribute ideas to Quests
- ✓ Fund Quests

Requires:

- Fill Gems with [funds](#)
- Gems can be refilled

3. Developing

Developers require access **Cards** with
a **Resident Subscription** (Free forever)

Making Quest contributions

- ✓ Submit App changes
- ✓ Make Chunks changes
- ✓ Create new Chunks

Earning an income

- ✓ Get paid for contributions
- ✓ Earn lifetime Chunks royalties
- ✓ Collect performance rewards

Acquire knowledge and skills

- ✓ Take courses & challenges
- ✓ Unlock badges and level up
- ✓ Earn experience points



Ecosystem Stakeholders

How does everyone **contribute** and who is who?



Alice



Bob



Chris

City Governor

Creates and governs Cities along with other City Governors.

Professional Developer

Contributes to Quests and developers Chunks.

Apprentice Developer

Takes courses, challenges and contributes to Quests & Chunks.



David



Eric



Fiona

Node Operator

Is hired by Cities to operate City Nodes.

Land Owner

Owns Lands and rents them out to App Owners.

App Owner

Creates, funds and manages Apps.



Gloria



Harry



Isabelle

App Stakeholder

Funds and contributes ideas to Apps.

Technical Consultant

Created technical specifications for Apps and reviews code.

App User

The end user of an App and a resident of Carmel.



CARMEL

City Ecosystem



Isabelle
App User



Alice
City Governor



Chris
Apprentice Developer



Bob
Professional Developer



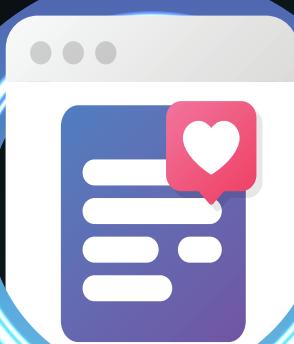
Fiona
App Owner



GEMS



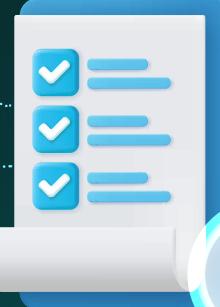
APP



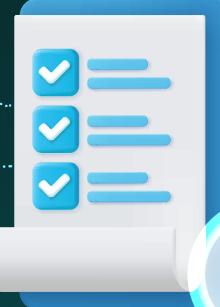
Gloria
App Stakeholder



CHUNKS



QUEST



LAND

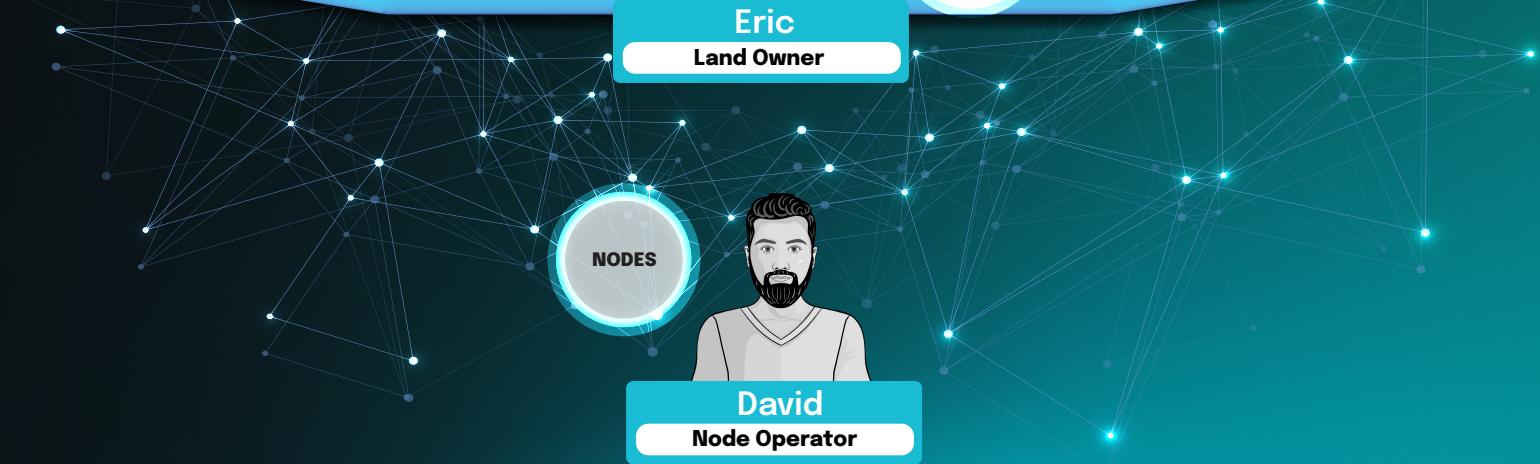


Eric
Land Owner

NODES



David
Node Operator





Revenue Model

How Carmel **generates** and **distributes** revenue.

Carmel generates revenue in four different ways, of which a certain amount is distributed to the main Carmel City (**Genesis**) and the rest is distributed to the entire ecosystem of **Cities, Developers** and **App Stakeholders**.

Carmel Revenue Streams:

Quests Payments	Chunks Licensing	Apps Revenue	Subscriptions Revenue
5% Genesis City	10% Genesis City	10% Genesis City	100% Genesis City
5% App City 90% Developers	20% Developer Royalties 70% Owners Royalties	10% App City 80% App Stakeholders	

Genesis City Monthly Recurring Revenue Simulator:

	Quests Payments	Chunks Licensing	Apps Revenue	Subscriptions Revenue	Total Revenue
Metrics:	20 quests	100 chunks	50 apps	500 subscribers	
Total:	\$30,000	\$20,000	\$50,000	\$22,000	\$122,000
Genesis:	\$1,500	\$2,000	\$5,000	\$22,000	\$40,500
Metrics:	200 quests	1K chunks	500 apps	5K subscribers	
Total:	\$300,000	\$200,000	\$500,000	\$220,000	\$1,220,000
Genesis:	\$15,000	\$20,000	\$50,000	\$220,000	\$405,000
Metrics:	2K quests	10K chunks	5K apps	50K subscribers	
Total:	\$3,000,000	\$2,000,000	\$5,000,000	\$2,200,000	\$12,200,000
Genesis:	\$150,000	\$200,000	\$500,000	\$2,200,000	\$4,050,000

Genesis City Monthly Revenue Distribution Simulator:

Total Genesis Revenue	Development Fund (20%)	Treasury Fund (30%)	The 50 Genesis Domains (50%)	Per Genesis Domain (1%)
\$40,500	\$8,100	\$12,150	\$20,250	\$405
\$405,000	\$81,000	\$121,500	\$202,500	\$4,050
\$4,050,000	\$810,000	\$1,215,000	\$2,025,000	\$40,500



Token Distribution and Sales

How Carmel Tokens are **created, distributed and sold.**

Of the total **11,670** Carmel Lands, the first **927** are allocated to the Genesis City. Each of these **Genesis Lands** contains Carmel Tokens, locked for **24 months**.

The Genesis Lands contain **93.36%** of the total **25,000,000 Carmel Tokens**. The remaining **6.64%** are liquid and are used to bootstrap the economy.

The Tokens are created when the Lands are created. The process of creating a Land **automatically creates the tokens** within that Land as well.

217 of the Genesis Lands are reserved, **210** are sold in a Private Sale and the remaining **500** are sold in a Public Sale.

10 Reserved Lands, the **first 20 Lands** sold in the Private Sale and the **first 20 Lands** sold during the Public Sale are called Genesis Domains. They have the particular ability of **collecting 1%** of the entire Genesis City revenue, **as Rent**.

Carmel Token Distribution & Creation (93.36%):

1. Reserved			2. Private Sale	3. Public Sale
Founders	Partners	Ambassadors	\$2,500 / Land	\$3,500 / Land
15.40%	11.16%	5.10%	25.20%	36.50%
3,850,000	2,790,000	1,275,000	6,300,000	9,124,946
77 Lands	62 Lands	51 Lands	210 Lands	500 Lands
50,000 Tokens / Land	45,000 Tokens / Land	25,000 Tokens / Land	30,000 Tokens / Land	Decreasing Tokens / land

During the Public Sale, the number of Carmel Tokens in each of the 500 Lands for sale decreases based on a **logarithmic formula**. Starting with 40,000 Carmel Tokens locked in the first Land, down to 2,427 Carmel Tokens in the 500th.

This has the effect of increasing the value of the Token with every purchase.



Demand Drivers

How demand is **generated** in Carmel.

Carmel Tokens Demand Drivers:

Tokens are required to unlock functionality	Tokens Required:
• Establishing a new City	100,000
• Activating a new City Network Node	10,000
• Generating a new City Network Node Key	1,000
• Inviting a new City Council Member	1,000
• Creating a new App	1,000
Part of the revenue is used to automatically buy Tokens	Used to buy Tokens:
• Quests Payments	20%
• Chunks Purchases	20%
• Apps Revenue	20%
• Subscriptions Revenue	20%

Carmel Assets Demand Drivers:

Assets are required to unlock functionality	Assets Required:
• Becoming a Carmel Member	1 Card
• Establishing a new City	1 Shield
• Becoming an App Stakeholder	1 or more Gems
• Inviting a new City Council Member	1 Land
• Creating a new App	1 Land



Internal Market Making

How economic **exchange** and **liquidity** is driven by demand.

When doing something that requires Carmel Tokens, a new **Virtual Liquidity Pool** is created. This is how demand for tokens is driven. For example when someone wants to establish a new City, that action requires 100,000 Carmel Tokens. Since the tokens are locked for 24 months, during that period an internal exchange is established to provide internal liquidity. Here's how it works.

Carmel Internal Exchange:

The customer pays the equivalent in **dollars** at the current token price. So in our example if the price is \$0.07, then to establish a city, the customer would pay \$7,000 to do so. Then a new **Virtual Liquidity Pool** is created automatically with \$7,000 and 100,000 **virtual** Carmel Tokens (non-existent). All these pools get queued in a **Virtual Liquidity Queue**.

Each of the 927 Genesis Lands acts like a **microbank**, since they're the ones that contain most of the Carmel Tokens. They have the opportunity to **unlock** their Carmel Tokens by selling them to the next pool in the **Virtual Liquidity Queue**. The sales happen on a first come, first serve basis. So in our example, a Genesis Land Owner can choose to sell, say 10,000 Carmel Tokens. Those are sent to the pool and \$700 are sent back from the pool to that Genesis Land.

Out of each pool, the first 20% of sales are reserved for the Carmel Treasure, which buys back those tokens automatically out of every pool. Essentially, the Genesis Lands and the Virtual Pools form an **internal exchange system**. When a pool is fulfilled, then 10% of the tokens accrued get burned and the rest are sent to the **Carmel Treasury**.

When all the tokens from the Carmel Genesis Lands are sold and when the economy functions sustainably, then a portion of the tokens will be listed on secondary markets for **increased liquidity**.

Carmel Transaction Fees:

Every time Carmel Tokens are **transferred**, a 1% transaction fee is paid by the sender. Of that amount, 7.3% goes to the Carmel Treasury and the remaining 92.7% is distributed to each of the 927 Genesis Lands. Effectively, each Genesis Land collects **0.001%** of every single Carmel Tokens **transaction in the system**.



Let's do this

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