

In order to meet its compliance and administrative obligations – the Towns Lodge DUNA was created with a number of administrator authorizations and existing service contracts already in place. These limited grants of authority were executed to provide the necessary operational railways and functions for the DUNA to be operational at its formation and to facilitate the transition to token governance on January 1, 2026.

### ***Membership Control***

Ultimately, the members (through token governance) control what administrators are authorized to do and who is authorized to fill those positions, with the essential grants of authority already in place for the Towns Lodge DUNA to function. Governance provides mechanisms for removal of administrators and the filling of these positions as established in the Towns Lodge Association Agreement.

Additionally, the decisions to retain, extend or replace existing service providers is ultimately controlled by the members through token governance.

### ***Existing Authorizations of Authority***

The existing authorizations for administrators of the Towns Lodge are contained within three sets of administrators 1) the Rules Committee; 2) Cowrie – Administrator Services LLC and DUNA Workspace Solutions LLC; and 3) David Kerr as a member of Towns Lodge.

The existing authorizations are limited to the following purposes:

#### **1) Rules Committee**

- a. The Rules Committee Commissioners' authorization of authority is narrowly drawn for the explicit purposes of:
  - i. responding to Governance Proposals that would be violative of legal requirements and/or the terms within the Association Agreement – the Commissioners are not authorized to utilize their judgment on the merits of a particular Governance Proposal beyond this intentionally limited scope of review;  
  
**[Note – this authorization remains dormant until governance goes live on January 1, 2026].**
  - ii. changing the call addresses within the Towns Protocol as required for technical or security reasons; and
  - iii. specific grants of authority necessary for the operation of the Association intentionally limited to their initial authorization of authority and enacted Governance Proposal.

**[Note** – this limited authorization includes executing digital asset transactions involving the treasury necessary for the Towns Lodge to maintain a bank account for the purposes of paying any tax obligations, municipal payments, existing service contracts (existing service contracts include Agora, Meow and Anchorage), and funding authorization to attain advice and counsel regarding the Governance Proposals).

b. The Rules Committee Administrator’s authorization of authority is narrowly drawn for the explicit purposes of:

- i. drafting Governance Proposal summaries for the Rules Committee Commissioners to facilitate their evaluative function;
- ii. specific grants of authority necessary for the operation of the Association intentionally limited to the initial authorization of authority and enacted Governance Proposals, including the enactment of tax reporting for outbound dispositions from the Treasury.

**[Note** – the role of Rules Committee Administrator is currently being performed by Cowrie – Administrator Services, but the governance process to select replacements or re-engage Cowrie – Administrator Services will be determined through governance vote as contained in the Association Agreement.]

## 2) Cowrie: Administrator Services LLC and DUNA Workspace Solutions LLC

a. Cowrie – Administrator Services authorization of authority is narrowly drawn for the explicit purposes of:

- i. Preparation of quarterly and annual financial statements;
- ii. Preparation of tax return filings as required for federal, state and international taxing authorities;
- iii. Quarterly updates provided to the membership regarding financial statements and tax filings;
- iv. Preparation of explanatory material regarding the operations of the DUNA and participation in any related community discussions;
- v. Administration of required tax information reporting for outbound treasury dispositions and payments from Towns Lodge – through Cowrie’s proprietary tooling;

- vi. File registration of trade name, including having forms notarized and signing authority;
- vii. Execution of tax payments as needed to relevant taxing authorities;
- viii. Execution of payment to third-party service providers as authorized by agreement or enacted governance proposal;
- ix. Administration of bank account maintained with authority to pay income taxes and administrative expense (i.e., WY service charge for filing notice of Registered Agent, tax returns, filing tradename, third-party service providers, enacted governance proposals to be paid from bank account and recurring filing fees);
  - 1. David Kerr and Justin Childres of Administrator Services will be the sole administrators of the bank account and will have access to the funds as required to meet compliance obligations (including estimated taxes and municipal filing costs) and existing obligations to third-party service providers.
  - 2. Any additional utilization of the bank account must come from an enacted governance proposal to be an authorized transaction.
  - 3. Administrator Services has no obligation to transfer the bank account to other members of the DUNA and in the event of a transfer in banking authority through governance proposal or expiration of service – Administrator Services LLC is to continue its function for 90 days, to allow other administrators to acquire a bank account. Should a bank account not be attained in this time, Administrator Services LLC is to close the existing account and transfer the funds in stablecoin to the DUNA Treasury.
- x. Administration of digital asset custody accounts as signatory to authorize disposition from the treasury (David Kerr and Justin Childres on behalf of Administrator Services).
- xi. Prepare evaluation of governance proposals for Rules Committee review; and
- xii. Execute Necessary Tax Filings (i.e., attain EIN, file 8832 – election for corporate tax treatment) and interact with the relevant taxing authorities on current and prior period tax issues as needed.

b. Cowrie – DUNA Workspace Solutions has been engaged to serve as the Towns Lodge DUNA registered agent for service of process authorized to:

i. Serve as Registered Agent and file annual service of process documentation.

3) David Kerr

a. David Kerr, as an individual and member of the Towns Lodge DUNA, has been authorized to:

i. Review, with authority to remit for changes, all tax returns and other documents submitted to the IRS or other relevant taxing authorities.

ii. Sign all tax returns and other documents requiring organizational signature with the IRS, or other relevant taxing authorities, on behalf of Towns Lodge.

*Indemnification*

All administrators have been indemnified to the fullest extent permitted by applicable law, and Towns Lodge shall indemnify, defend, and hold harmless the administrators from and against any and all claims, losses, damages, liabilities, expense and legal fees incurred in connection with their good-faith service, except to the extent arising from an administrator's willful misconduct, gross negligence, or knowing violation of the law.

*Fiduciary Duties*

To the extent any administrator will be exercising his/her judgment in connection with his/her authorization of authority, the administrator owes the fiduciary duties of Care, Loyalty, Confidentiality and to Follow Instruction in all matters undertaken on behalf of Towns Lodge.

***Existing Engagement of Service Provider***

A number of external third-party service providers have been engaged to provide services to the Towns Lodge DUNA, including:

1) Agora provides the following services:

- a. Agora DUNA info page and dashboard;
- b. Governor Contract operated by Agora;
- c. Hosting of Towns Lodge homepage; and
- d. Various "software services" supporting features in conjunction with the above services.

2) Meow Technologies provides banking services through its partner, Grasshopper Bank, in particular a high-yield business checking account.

3) Anchorage Digital Bank provides secure custody of digital assets.