MEMBERSHIP AGREEMENT
of
GENESIS FRACTAL, a
TEXAS UNINCORPORATED NONPROFIT ASSOCIATION

Last Revised On: _____

THIS MEMBERSHIP AGREEMENT (this "**Agreement**") and the terms hereunder, as may be amended from time to time (the "**Terms**") is by and among the Parties (as defined below) of Genesis Fractal, a Texas Unincorporated Nonprofit Association (the "**Association**").

RECITALS

A. **WHEREAS**, the purpose of the Association is to explore, refine, and encourage the adoption of Fractal Democracy and Fractal Consensus throughout society or other nonprofit purposes as subsequently adopted by the Consensus Opinion (as defined below) (hereinafter referred to as the "**Purpose**" or "**Mission Statement**") pursuant to the processes defined in this Agreement;

B. **WHEREAS**, the Parties intend for the Association to operate in conformance with and be governed by the Texas Business Organization Code Title 6, Chapter 252 (the "**Code**") and the Unincorporated Nonprofit Association (UNA) Act (2008) (Last Amended 2011) (the "**Act**");

C. **WHEREAS**, the Parties do not intend for the Association and each of the Parties herein to constitute a partnership; and

D. **WHEREAS**, this Agreement and its set of 'Governing Principles' sets forth the terms and conditions under which all Parties must agree in order to be a Party to the Association.

NOW, THEREFORE, in consideration of the mutual representations, warranties, and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. DEFINITIONS

1.1 "**Associate**" means any Party to this Agreement who does not participate in the selection of persons authorized to manage the affairs of the Association nor in the development of the policies of this Association. Any Party who is not a Member.

1.2 "**Blockchain**" means a digital ledger selected by the Parties through Opinion which contains non-binding cryptographically signed messages which are interpreted using deterministic computer code, where the blockchain code is independently selected by each Party, and no Party is bound to use any particular code nor ensure that code follows any particular behavior.

1.3 "**Code Block**" means a deterministic computer software that may read input from any source and produce output used to inform, but not bind, the Opinion of the Party (e.g. the software run by a blockchain and the blockchain itself).

1.4 "**Consensus Meeting**" means a periodic meeting of the Members whereby each Member is randomly assigned to groups consisting of five (5) or six (6) Members and each group must reach a consensus consisting of three of five (3 of 5) or four of six (4 of 6) Members regarding the Contribution Level. Members shall be notified of Consensus Meetings through Notice published on the Blockchain.

1.5 "**Consensus Opinion**" means any written or digital message signed by at least 2/3 of the Council's Team Leaders for twenty-one (21) consecutive days (the "**Consensus Period**"). If a Team changes its Team Leader during the Consensus Period, the previous Team Leader's signature remains in effect unless and until the new Team Leader retracts the signature. Any Team Leader may retract their signature at any time and for any reason during the Consensus Period before a statement becomes a Consensus Opinion. A Consensus Opinion may only be retracted with a new Consensus Opinion.

1.6 "**Contract**" means any agreement between Parties that create mutual obligations enforceable by law.

1.7 "**Contribution Level**" means a number between zero (0) to eight (8) that is assigned for a Member at a Consensus Meeting such that a Member who has made a larger contribution towards the Purpose of the Association may receive a higher level of Respect than a Member who made a smaller contribution towards the Purpose.

1.8 "**Council**" means a group of at least three (3) Teams and not more than twelve (12) Teams, each of which must be represented by its Team leader. If more than twelve (12) Teams exist under the Association, the top twelve (12) Teams will form the Council. The Teams shall be ordered by the sum of their Member's Contribution Levels as determined at the most recent Consensus Meeting. In an event of a tie at the 12th place, the 12th Team shall be chosen at random amongst the Teams who tied for 12th place.

1.9 "**Creative Commons**" means the non-profit organization at www.creativecommons.org that allows creators to release their work to members of the public.

1.10 "**Fractal Consensus**" means the algorithm and process of reaching consensus between the members of a Fractal Democracy.

1.11 "**Fractal Democracy**" A democracy of democracies or a democracy of Fractals where consensus is reached in randomly selected small groups which promote a member to higher levels where the process is repeated in a *f*ractal manner. Fractal Democracy is intended to benefit and empower individuals by giving a voice to their ideas and opinions and providing a meaningful voting method to effect change.

1.12 **"Full-time Member"** means any Member who has participated in a minimum of eight (8) of the past twelve (12) Consensus Meetings. Full-time members have additional privileges/options/rights that will be laid out later in this document.

1.13 "**Key**" means a secret number, typically but not necessarily 32 bytes, used to sign Messages.

1.14 **"Part-time Member"** means any Party who is a natural person and who has participated in a minimum of one (1) weekly Consensus Meetings within the past twelve (12) week period and who has not

formally resigned or otherwise had their membership terminated according to the Consensus State. Part-time Members may participate in the selection of persons authorized to manage the affairs of the Association and the development of the Association's policies, pursuant to the terms of this Agreement.

1.15 "**Message**" means any binary string of data broadcast by any means by any Party.

1.16 "**Notices**" published through Messages on the Blockchain shall be deemed duly given on the third (3rd) business day after the Message is published on the Blockchain.

1.17 "**Opinion**" means the inalienable and non-binding thoughts of any Party, including any signed Message.

1.18 **"Party" or "Parties"** means any person(s) or entity(ies) that is bound by this Agreement, including all Associates and Members.

1.19 "**Party Affiliate**" means any entity, trust, individual, firm, corporation, directly or indirectly, through one or more intermediaries, controlling or controlled by, or under common control with a Party.

1.20 "**Property**" means any tangible or intangible thing which has value or may have value in the future that may be transferred from one individual to another. In the context of this Agreement, Property includes any positive contractual or legal rights, intellectual property, trademark, copyright, patent, and trade secret.

1.21 "**Public Domain**" means the state of belonging or being available to the public as a whole, and therefore not subject to copyright.

1.22 "**Respect Token**" or "**Reputation Score**" means the tokenized(?) [not a property nor a right], numerical representation of the non-binding State regarding the current reputation of a person, place, thing, or idea. Respect Tokens may be received by performing acts or services that further the Purpose of the Association that are observed and acknowledged by the Parties of the Association.

1.23 "**Smart Contract**" means programs stored on a blockchain that execute and/or run when predetermined conditions are satisfied.

1.24 "**State**" means the non-binding output of one or more Code Blocks used to inform a Party who is free to accept or reject the State (e.g. Blockchain State or database contents).

1.25 "**Team**" means a group of at least four (4) and no more than twelve (12) Full-time Members ("**Team Members**") who have elected one Full-time Member to be the Team Leader. A Team ceases to be a Team if its Team Leader ceases to be a Full-time Member and the Team Members have not selected a new Team Leader.

1.26 "**Team Leader**" means the most recent Team Member elected with a minimum of 2/3 approval of the Team Members.

SECTION 2. TERM AND TERMINATION

2.1 **Term**. The term of this Agreement commences on the Effective Date and continues until there are less than three (3) Members in the Association.

2.2 **Withdrawal of Party**. Any Party may withdraw (secede) from the Association at any time, for any reason, with or without notice ("**Party Withdrawal**"). Disputes that arise prior to a Party withdrawing from the Association must be adjudicated in accordance with the procedures set forth under Section 7 below.

2.3 **Removal of Party**. Any Party may be removed as a Party of the Association at any time, for any reason, by a supermajority (67%) vote of the Members then serving ("**Party Removal**").

2.4 **Resignation of Member**. Any Member may resign as a Member at any time, for any reason, with or without notice ("**Member Resignation**").

2.5 **Removal of Member**. Notwithstanding anything contained herein, a Member may be removed as a Member of the Association

a. at any time, for any reason, by a supermajority (67%) vote of the Members then serving; or
b. if the Member fails to participate in at least one (1) Consensus Meeting over a period of twelve (12) consecutive weeks ("**Member Removal**").

Removal of a Member does not remove the Member as a Party of the Association. A removed Member may continue to participate in the Association as an Associate.

2.6 Survival. Sections _____, _____, _____ shall survive any Party Withdrawal, Party Removal, Member Resignation, or Member Removal.

SECTION 3. MESSAGES AND KEYS

3.1 **Public Domain**. To the extent that any Message contains copyrightable elements, the Parties agree that any Message published to the Blockchain for any purpose shall be put in the Public Domain to the fullest extent permitted by law, and if it cannot be put in the Public Domain, it shall be put into the Creative Commons.

3.2 **Waiver of Copyright**. To the extent that any Message can be put in the Public Domain or Creative Commons, each Party expressly agrees to waive all copyrights and will not seek to enforce copyrights if any part of the Message is copyrightable. The Parties agree not to publish any Message containing data that the Party does not have the right or license to put in the Public Domain or Creative Commons.

3.3 **Key Policy**. Each Party agrees that their Key is not their Property and that any key used on any blockchain is a non-creative statistically random number that may be generated for any person for any purpose. However, each Party agrees that it is their own responsibility to secure the use of their Key and

prevent others from gaining access or using their Key without permission. Any Party may modify or change their Key at any time according to the Code Blocks adopted by a Consensus Opinion.

3.4 **Key Security**. Each Party is solely responsible for the security and use of their Key. No other Party or the Association shall be liable for any losses caused by any unauthorized use of a Key. In the event two Parties have identical Keys, the Team Leaders shall provide a final resolution through a Consensus Opinion. A Party may not claim damages against another Party or the Association as a result of the use of a Key.

SECTION 4. RESPECT TOKENS AND CONSENSUS PROCESS

4.1 **Token Balance**. Each Party understands and agrees that their Respect Token balances are not constant or guaranteed, and that the Respect Token balances represent merely the non-binding Opinions of the Parties. Each Party is free to change their Opinion at any time for any reason.

4.2 **No Voting Rights.** Each Party understands and acknowledges that Respect Tokens convey no voting rights or other control over governance or policies of the Association.

4.3 **No Value**. Each Party understands and acknowledges their time and effort spent towards furthering the Purpose of the Association and earning Respect Tokens may not result in any actual positive gain or value.

4.4 **Loss of Reputation Score**. Each Party understands and acknowledges that any loss or decrease of their Respect Token balance shall not be nor constitute any claims for damages.

4.5 **Token Ownership**. Respect Tokens are intended to represent each Party's reputation and are not intended to be the Property of the Association or the Property of any Party of the Association. However, in the event that Respect Tokens are deemed by any governmental authority or agency to be a form of Property (the "Imputed Property"), the Parties acknowledge and agree the owner of the Imputed Property shall be the Association, and no Party shall have any exclusive right to hold, own, transfer, or otherwise use the Imputed Property.

4.6 **Consent to Record Video Conference Calls**. Each Member agrees to appear on camera and hereby gives consent for the meetings to be recorded (through Zoom or other alternatives) by any other Party. Each Member agrees to allow the recordings to be published by any means and acknowledge that all content and communication will be made public. Further, each Member understands that posts to the Blockchain are beyond the power of any Party to remove.

4.7 **Consensus Algorithm**. Each Party understands that the algorithm used to determine each Party's Reputation Score may be changed at any time by any Party. No Party is expected to implement any algorithm in any particular manner. Any Party may propose an alternative algorithm and Parties may collectively determine which algorithm is valued highest based on individual actions, which shall not be binding on any other Party.

4.8 **Not an Offering of Securities, Commodities, or Swaps**. Respect Tokens are the opinions (and the digital expression thereof) of the Parties. It is not the intent of the Parties to treat the Respect Tokens as securities, commodities, swaps on either securities or commodities, or as a financial instrument of any kind. Each Party understands and acknowledges that they are not subject to the protections of any laws or regulations governing financial instruments. This Agreement, including any White Papers, does not constitute a prospectus or offering document, and is not an offer to sell, nor the solicitation of an offer to buy any investment, security, commodity, or a swap on either a security or commodity.

SECTION 5. GOVERNANCE

5.1 Members.

a. This Agreement may only be amended with the supermajority (defined as 67%) vote of the Members then serving (an "**Amendment**").

b. Upon the occurrence of an Amendment, Members will/may ensure the update of the Code Block for consistent implementation between the software and the Amendment.

c. If conflict arises between the Code Block or software and this Agreement, including any subsequent Amendments (an "**Inconsistency,**" or multiple "**Inconsistencies**"), the Members then serving shall provide Notice of a Consensus Meeting to reach a Fractal Consensus through a supermajority vote of the Members present at the Consensus Meeting to determine which version (between the software or the Agreement) shall take precedence. If an Inconsistency cannot be resolved through a Fractal Consensus, any Party may create a Fork. A "**Fork**" means an alternative version of the Association that uses a software or Code Block protocol different from this Association (the "**Forked Association**"). The Forked Association will be considered a separate association and parties of the Forked Association may, but will not necessarily include, Parties to this Association. Any Party may join another a Forked Association, or any other community or association at any time, with or without notice.

5.2 Associates. Each Party who is an Associate acknowledges and understands that Associates may engage in the economy of the Association, but do not have the right or obligation to partake in the governance of the Association, and agrees to be governed by the process and procedures under this Agreement and any Amendments thereafter that may be determined in the sole discretion of the Members of this Association.

SECTION 6. LIMITATIONS ON AUTHORITY

6.1 No Representation. Subject to Sections 6.5 and 6.6 below, no Party may represent the Association in any way, or have any authority to commit to or take any action that would legally obligate any other Party or the Association.

6.2 **No Association Property**. The Association shall not intentionally acquire Property of any kind, for any reason, by any means. Any intention by the Parties to hold Property in the name of the Association shall require an amendment of this Agreement by the unanimous written consent of the Parties. No Party or Party Affiliate may transfer, license or assign any Property to the Association. Any attempt to transfer Property to the Association shall be deemed null and void.

6.3 **No Association Contracts**. Absent the unanimous written consent of all Parties, and subject to the exceptions in Sections 6.5 and 6.6 below, the Association may not enter into any Contracts. No Party may bind the Association or any other Party to any Contract, obligation, liability, written or oral agreement, either unilaterally or by agreement by less than all the Parties.

6.4 **No Unsigned Agreements between Parties**. No oral, verbal, implicit, or any other kind of Contract exists or shall exist between the Parties unless it is written and signed (with ink or cryptographic signatures). The Parties agree that no software nor any state on any blockchain, published by any means, shall constitute evidence of intent to create a Contract of any kind between two or more Parties. All Contracts between two or more Parties must explicitly articulate the intent of the software or code to the extent that the Contract may be interpreted without reference to the output of any blockchain software.

6.5 **Attorney Contract**. The Association may enter into Contract with an attorney for purposes of defending the Association in a dispute, provided that the legal fees are not paid by the Association and such Contract is approved through the Consensus Opinion of the Council. In the event the Association must defend against in a legal dispute, the Council shall determine, through Consensus Opinion, the method and means of defending the legal dispute.

6.6 **Optional Registered Agent**. The Council may appoint a Registered Agent on behalf of the Association through the Consensus Opinion if a Full-time Member agrees to the appointment. The role of the Registered Agent shall be limited to receiving service of process and distributing any relevant documents to the Parties through the Association's shared ledger.

6.7 **No Assignment or Beneficiaries**. No Party shall assign his/her/its right under this Agreement to any other party. All rights and obligations of each Party hereunder shall extend to that Party only, and no Party may assign any rights or obligations arising hereunder to any third-party beneficiaries, including but not limited to a Party's spouse, significant other, or estate.

6.8 **Separate Entity**. Each Party acknowledges and agrees that the Association is a legal entity separate from the Parties for purposes of determining and enforcing legal rights, duties and liabilities.

SECTION 7. REPRESENTATIONS AND WARRANTIES

7.1 **No Transfer of Assets**. The Parties represent and warrant that the expenditure of a Party's time, service, labor, inventiveness, physical or intellectual skill, creativity or managerial, promotional or marketing activity, industry, personal effort, and money shall remain with the Party and shall not be considered assets of the Association.

7.2 **Not a Partnership**. The Parties represent and warrant that it is not the Parties' intent to create a general partnership. Parties agree not to hold themselves out to be partners of the Association, and no Party shall have authority to commit to or take any action that would create a presumption of a partnership or establish a general partnership.

7.3 **Not an Investment**. Each Party represents and warrants that his/her/its participation is not an investment. Each Party agrees that he/she/it is not giving anything of value in exchange for Respect. Each Party represents and warrants that she/he/it is not participating in the Association for investment purposes (as defined under Section 3(a)(1)(C) of the Investment Company Act of 1940), and any time, effort, energy or money expended by any Party as a result of his/her/its participation is a voluntary donation for the Purpose of the Association and shall not constitute any Contract or create any other relationship or obligations between any Parties.

7.4 **No Profits**. Each Party represents and warrants that they do not hold or manage, directly or indirectly, any assets on behalf of any other Party in relation to the Association. Each Party represents and warrants that there are no sales or profits to be distributed amongst the Parties that are related to the activities of the Association.

7.5 **Regulatory Compliance**. Each Party represents and warrants that he/she/it complies with all anti-money launder and counter-terrorism financing requirements. No Party or Party Affiliate is subject to sanctions administered or enforced by any country or government ("**Sanctions**") or is organized or a resident of a country or territory that is the subject to country-wide or territory-wide Sanctions.

7.6 **No Conflict**. Each Party represents and warrants that the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a material default under, with or without the passage of time or the giving of notice: (a) any provision of any judgment, decree or order to which the Party is a party, by which it is bound, or to which any of its material assets are subject; and (b) any laws, regulations or rules applicable to Party.

7.7 **Assumption of Risk**. Each Party represents and warrants that they have read this Agreement in its entirety, have had the opportunity to consult with counsel and advisors, and by participating as a Party of the Association, hereby assumes all risks, whether now known or unknown, with such participation in the Association.

7.8 **Language**. Each Party acknowledges that they can read, write, speak and understand the English language and that they agree to speak English at all times when participating on a video call.

7.9 **Voluntary Execution**. Each Party warrants and represents that they fully understand the concepts within this Agreement and accepts the terms of this Agreement as fair, just, reasonable, and equitable. Each Party further represents and warrants that they executed this Agreement of their own accord, freely and voluntarily, and not as a result of duress, coercion, or undue influence by any person. Each Party understands their rights and obligations under this Agreement and acknowledges that they have provided the other Parties with fair and reasonable disclosures.

SECTION 8. DISPUTE RESOLUTION

8.1 **Dispute Hearing**. Any disputes arising under this Agreement and the transactions contemplated herein may be resolved through a Dispute Hearing, whereby the disputing Parties shall have an opportunity to address and present the facts of their dispute to the Council prior to a decision rendered through a Consensus Opinion ("**Dispute Hearing**"). Failure by a disputing Party to appear at the Dispute Hearing shall result in default judgment against the non-appearing Party. The Parties agree to resolve all disputes in good faith through the Dispute Hearing process.

8.2 **Arbitration**. All disputes arising out of or in connection with the Agreement or the transactions contemplated herein not resolved through the Dispute Hearing process must be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said rules. The arbitration shall occur in the State of Texas.

8.3 **Prevailing Party Fees**. If any arbitration, litigation or other court action or similar adjudicatory proceeding is commenced by any Party against any other Party, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, incurred by the prevailing Party in such litigation, action, arbitration or proceeding shall be reimbursed by the losing Party; provided, that if a Party to such litigation, action, arbitration or proceeding prevails in part, and loses in part, the court, arbitrator or other adjudicator presiding over such litigation, action, arbitration or proceeding shall award a reimbursement of the fees, costs and expenses incurred by such Party on an equitable basis.

SECTION 9. INDEMNIFICATION AND RELEASE OF LIABILITY

9.1 **Indemnification**. By entering into this Agreement, each Party agrees to defend, indemnify and hold the Association harmless from and against any and all claims, costs, damages, losses, liabilities, and expenses (including attorneys' fees and costs) incurred by the Association arising out of or in connection with (a) the Party's violation or breach of any term of this Agreement or any applicable law or regulation; (b) the Party's violation of any rights of any third parties, or (c) the Party's negligence or willful misconduct.

9.2 **Release of Liability**. Except for rights expressly provided for in this Agreement, the Parties mutually waive respective rights (equitable or otherwise) and release the Association and all other Parties from all claims arising out of this Agreement and the transactions contemplated herein. Each Party hereby releases, acquits, and forever discharges and waives any and all claims against the Association and all other Parties that arise from or relate to their participation in the Association and activities in furtherance of the Purpose – including but not limited to, causes of action, suits, and/or demands for personal injury, death or property damage, accrued or to accrue in the future, known or unknown (collectively, "Claims") relating to or arising out of any negligent, grossly negligent and/or intentional or unintentional acts on the part of the Party in connection with entry into and participation in the Association. Without limiting the foregoing, each Party agrees that the Association and other Parties shall not be liable to them, their family, heirs, administrators, executors or assigns for Claims arising from or related to the Party's entry into and participation in the Association.

9.3 **Misrepresentations**. Notwithstanding Section 8.2 above, any Party who makes a material misrepresentation in the signing of this Agreement shall be liable for all costs incurred by the other

Parties in the defense of any action brought by governments or regulatory agencies as a result of the Party's misrepresentation.

9.4 **Inconsistencies of Software**. Each Party acknowledges and understands that the Code Block and all other relevant software used by the Association are open-source software and may be changed by any individual. As such, Inconsistencies (as defined above) may exist or arise between this Agreement, any subsequent Amendments, and the software. In an event of an Inconsistency, each Party agrees and acknowledges that no individual or Party, including but not limited to the developer of the Code Block or any relevant software used by the Association and any Member of the Association, shall be liable for any damages incurred by a Party as a result of the Inconsistency.

SECTION 10. OTHER TERMS

10.1 **Taxes.** The Association may not own Property or generate income, revenue or profit. As such, the Association does not intend to apply for a federal taxpayer identification number or engage in any activities that would require applying for a federal taxpayer identification number without the written consent of all Members. Nothing contained in this Agreement is intended, nor shall it be construed, as providing advice to the Parties regarding the tax consequences of this Agreement and/or participation in the Association. Each Party is urged and encouraged to consult with their own tax advisor to determine potential tax consequences resulting from participation in the Association. Each Party hereby acknowledges and agrees that they are responsible for reporting and paying their own taxes. Each Party shall protect, defend and indemnify each other Party from any and all loss, cost or liability arising from the indemnifying Party's failure to report and pay their own taxes.

10.2 **Entire Agreement**. This Agreement, including all exhibits attached hereto and any other materials incorporated herein by reference, constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof, including, without limitation, any public or other statements or presentations made by any Party with regards to the Respect Tokens, the Blockchain, or any other blockchain or tokens on any other platforms.

10.3 **Severability**. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, inoperative or unenforceable for any reason, the provision shall be modified to make it valid and, to the extent possible, effectuate the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

10.4 **Ambiguities**. Each Party has had the opportunity to seek the advice of counsel or has refused to seek the advice of counsel. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against the Association or any Party.

10.5 **Waiver**. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition. Any waiver

by any Party of any provision of this Agreement or any right hereunder shall not be deemed a continuing waiver and shall not prevent any Party from hereafter enforcing such right.

10.6 **Modifications**. This Agreement may not be amended or modified except by an instrument in writing signed (with ink or cryptographic signature) by each of the Parties hereto. Any acts by or between any Parties in contravention to this Agreement shall not be deemed a modification of this Agreement, nor shall it set any precedent as to future responsibilities under this Agreement.

10.7 **Force Majeure**. Each Party understands and agrees that no other Party or the Association shall be responsible or liable for any failure, delay, or loss of control of the Association or the transactions contemplated herein arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, labor disputes or other industrial disturbances, failure of electrical, telecommunications, hardware, software or other utilities, software bugs or weaknesses, earthquakes, storms, or other natural catastrophes or acts of God, blockages, embargoes, riots, acts or orders of government, acts of terrorism or war, technological changes, changes in interest rates or other monetary conditions, and changes or disruptions to any blockchain-related protocols.

10.8 **Social Experiment**. Fractal Democracy and Fractal Consensus are new, and the proposed consensus process may not produce the expected results. The Parties may or may not enjoy the process, and it is possible for the process to be manipulated in ways that may cause a failure to achieve the Purpose of the Association. Even if the Association functions as intended, there may be insufficient interest from Parties to achieve the Purpose of the Association.

10.9 Reliance on Third Parties. The Association and the Parties may rely upon third party services that may prevent the Parties from achieving the desired Contribution Level or the Purpose of the Association.

10.10 Software Bugs. Each Party understands and acknowledges that all software has bugs, and that Code Blocks may not behave as expected. Bugs may result in unexpected State and may create difficulties in reaching Consensus Opinions. Because all software used herein is open-source software, each Party agrees that the sole remedy for any software bug is for each Party to independently modify their software in such a way and manner that it produces the desired State. No Party has the right to demand any other Party adopt any particular version of any software or Code Blocks.

10.11 Informal and Imprecise Language. The blockchain industry uses the terms “smart contract,” “token,” “money,” “asset,” “property,” and “DAO,” among others to describe blockchain software, scripts, and consensus state. Each Party acknowledges that the informal use of these terms shall not be construed to change the meaning and intent of the interaction of the Parties nor the language of this Agreement. Specifically, the parties agree that informally referring to a Code Block as a “smart contract” does not implicitly establish an intent of the Parties to create a Contract. Referring to Respect as “tokens”, “assets”, or “property” shall not change the formal definitions as defined in this document and intended by the Parties. The Parties agree and acknowledge that all State and/or signed messages are fundamentally the non-binding opinions of certain Parties, and do not create Property rights, assets, liabilities, or Contracts among or between any Parties absent a separate written and signed Contract stating that intention.

10.12 **Hosted Services**. Each Party understands and acknowledges that the Association is unable to host servers, and any web services are independent offerings between two or more Parties. Access and use of those servers shall be governed by separate agreements between the Parties.

10.13 **Uncertain Regulatory Framework**. The regulatory status of cryptographic tokens, digital assets, and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether government authorities will regulate such technologies, and what those regulations and rules will be. It is possible that new regulation changes could impact the Respect Tokens in various ways (e.g. a determination that Respect Tokens are regulated financial instruments that require registration). Parties may be required to cease use and distribution of the Respect Tokens, cease use of the Blockchain, or cease operations in certain jurisdictions in the event government regulations make it unlawful or commercially undesirable to continue the Purpose of the Association.

10.14 **Security Registration Exemptions**. It is not the intention of the Parties or the Association to create, issue, or deal in securities, commodities, or other forms of financial instruments or Property. However, in the event that the Respect Tokens are deemed to be a security by a governmental agency, and a court of competent jurisdiction determines that the Respect Tokens belong to each Party as assigned, each Party hereby certifies that they will not sell or transfer any restricted securities in contravention of any securities laws or regulations.

10.15 **Risk of Government Action**. The industry in which the Parties are operating under this Agreement is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. The Association and other Parties make no assurance that governmental authorities will not examine the operations of the Parties and/or pursue enforcement actions against the Association or Parties. All of this may subject each Party to judgments, settlements, fines, penalties, or cause the Parties to restructure the operations and activities of the Association, or to cease offering certain features, all of which could harm each Party's reputation or lead to higher operational costs, which may have a material adverse effect on the Respect Tokens and the development of the Blockchain.

10.16 **Non-Disparagement**. Each Party agrees and covenants that they will not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments or statements concerning the Association or any Parties of the Association. This does not in any way restrict or impede any Party from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Party shall, to the extent permitted by applicable law, promptly provide written notice of any such order to the Association and other Parties.

10.17 **Anti-harassment Policy**. This Association is dedicated to providing a harassment-free experience for all Parties, regardless of gender, gender identity and expression, sexual orientation, disability, physical appearance, body size, race, age or religion. Harassment of any Party will not be tolerated at any time, in any form. Any Party who violates these rules may be sanctioned or expelled from meetings at the discretion or consensus of the other Parties. Harassment includes offensive verbal comments related to gender, gender identity and expression, sexual orientation, disability, physical appearance, body size, race, religion, sexual images in public spaces, deliberate intimidation, stalking, following, harassing

photography or recordings, sustained disruption during meetings or other events, inappropriate physical contact and unwelcome sexual attention. Any Party asked to cease any harassing behavior is expected to comply immediately. If the offending Party continues to engage in harassing behavior, Team Leaders may take any action they deem appropriate, at their sole discretion, including warning the offending Party or expulsion without warning from the meeting(s). Any Party being harassed, or who notices another Party being harassed is urged to communicate the observation and concerns to the meeting participants.

10.18 **Relationship of Parties**. For avoidance of doubt, the Parties intend to operate the Association as an Unincorporated Nonprofit Association. This Agreement is not intended to create a partnership, joint venture, franchise, agency, fiduciary or employment relationship between the Parties.

10.19 **Headings**. The headings of this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation or construction of this Agreement.

10.20 **Updating These Terms.** The Members may modify the Terms of this Agreement from time to time, in which case the "Last Revised On" date at the top of this Agreement will be updated. It is each Party's sole responsibility to review this Agreement for updated Terms from time to time to view any changes. The updated Terms will be effective at the time of posting, or such later date as may be specified in the updated Terms. A Party's continued participation in the Association after the modifications have become effective will be deemed the Party's acceptance of the updated Terms.

10.21 **Electronic Signature.** Each Party understands and acknowledges that the execution of this Agreement may be completed through a computer-based system, and such execution of this Agreement by a Party by means of an electronically-produced signature shall have the same legal effect as if such signature had been manually written and shall be deemed to have been signed by such Party for the purposes of any statute or rule of law that requires such documents to be signed. The parties acknowledge that, in any legal proceedings between them in any way relating to this Agreement, each Party expressly waives any right to raise any defense or waiver of liability based upon the execution of this Agreement by means of an electronically- produced signature. This provision shall apply to this Agreement and all Amendments after the date hereof.