

# BEOS LCA MEMBER AGREEMENT

WHEREAS, the prospective member identified in connection with this Member Agreement desires to join BEOS LCA (a Utah Limited Cooperative Association, operating on a non-profit basis for the benefit of its members) and to acquire and use certain cryptocurrency tokens to be issued by the BEOS Limited Cooperative Association;

WHEREAS, BEOS is willing to evaluate and enroll prospective member and to facilitate BEOS token use according to the terms, conditions and instructions contained herein;

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, the above-named (hereinafter each referred to as “Party” or collectively as “Parties”) hereby agree as follows:

## I. *Membership.*

- a. *Application.* The prospective member (“Account Holder”) applies hereby to be accepted as a member of BLCA cooperative and agrees to be bound by its governing documents, rules and regulations as now or hereafter adopted.
- b. *Contributions/Deposits.* Account Holder may make contributions to BLCA by tender of property for conversion into tokens, or the receipt of tokens previously acquired by another Account Holder, as instructed by Account Holder. Once converted through escrow, Account Holder contributions shall be recorded and held electronically in trust as capital credits for Account Holder’s benefit.
- c. *Exchanges.* Account Holders may only exchange BEOS tokens for goods and services, including but not limited to CPU usage for smart contract execution, use of network bandwidth for data transmission, and RAM Data Storage.
- d. *Withdrawals.* Account Holder may withdraw tokens or underlying specie legal tender to the extent of the Account Holder’s available Account balance.
- e. *Escrow.* Except when specific transactions expressly provide otherwise, each BEOS exchange will be subject to an escrow function provided by an Escrow Agent which shall provide all escrow and trust services necessary for Account Holder contributions, deposits, bailments, exchanges, withdrawals, redemptions or sales, which shall be processed by Escrow Agent as soon as practicable. In most instances, this function will be seamless and virtually undetectable for most purposes. However, in certain cases where a valid transaction dispute has been filed, the

Escrow Agent may retain control of property until resolution is achieved. In the case of smart contract transactions, the escrow function will be performed in accordance with contractual provisions. Escrow functions are described in greater detail below.

f. *Privacy Policy.* Each Member agrees to the terms and conditions of the following BEOS™ Privacy Policy:

- i. *Storing Personal Information.* BLCA, its escrow agent, and/or its third-party identity verification vendor securely stores the basic personal information each Member provides when creating or updating an account. Such information may include full legal name, date of birth, physical and email addresses, telephone numbers, security questions and banking details, such as routing and account numbers. BLCA does not divulge this information to third parties except: (1) as provided herein; (2) at the Member's request; or (3) if legally obligated to do so. This policy also applies with respect to Member balances and other personal financial information the Association may possess.
- ii. *Sharing Personal Information.* BLCA does not sell or otherwise disseminate Member contact information to any third party. The only exception to this may be disclosures to entities contracted to use such information exclusively for the direct benefit of BLCA's membership, such as the Association's independent general counsel who provides escrow, legal and fiduciary services, and financial institutions providing bank accounts and/or debit/credit cards for Members' use. In addition, account information may be shared with the joint tenants, agents or beneficiaries designated for a given account. When Members offer their goods or services to each other and use their holdings in such transactions, each consents to the release of identifying information to one another. Of course, sharing of information with government authorities may also be required by law in certain circumstances.
- iii. *Altering Personal Information.* Members may request changes to their personal information stored by the Association. All such requests must be submitted on-line following authentication of Member login credentials or through the Member's verified email. If a Member loses control of the email registered with BLCA, we reserve the right to require proof of identity.
- iv. *Proving Identity.* For Non-Patron Members (defined below), neither BLCA nor its contracted service providers will request or store information such as

social security, passport or driver's license numbers, except in the following instances:

1. when a Member requests the withdrawal of physical coin, government-issued photo id may be required to verify identity;
  2. address changes or shipping orders may require proof of residency such as a utility bill or bank statement;
  3. name change requests require documentation such as a marriage license;
  4. financial institutions providing services to BLCA members, such as reloadable debit cards, may require proof of identity, including perhaps the Member's social security or other identification number; and
  5. in the event of a Member's passing, a death certificate will be required before any transfer of funds to designated beneficiaries.
  6. Patron Members will be required to provide name, address and identifying information.
- g. *Additional Distributions and Rewards.* Account Holders who qualify may be entitled to such rebates and rewards as may be declared or authorized by the Board from time to time. However, as a non-profit cooperative, BLCA will not have dividends or similar profit sharing.
- h. *Dues, Fees, Charges & Commissions.* All dues, fees, charges and commissions shall be assessed regularly according to the terms agreed upon by the Board.
- i. *Classes.*
- i. *Non-Patron Member.* A Account Holder may be granted provisional, non-patron member status upon submission of a Member Agreement and a Account Contribution. A Non-Patron Member has limited transaction privileges with the BEOS Cooperative and has no voting rights. Non-Patron members will be limited to daily transactions of less than \$2,000 per 24 hour period.
  - ii. *Patron Member.* A Non-Patron Member may become a Patron Member upon acceptance as a full member of the Association according to the guidelines established by the Board. These include providing more detailed contact and identification information in order for the BLCA to remain compliant

with its legal obligations. Patron Members have voting rights and participate in leadership elections and policy determinations.

iii. *Founding Patron Member.* All initial members of the Board are Founding Patron Members. Patron Members may become Founding Patron Members by remaining a Patron Member in good standing for the prescribed length of time and/or by achieving thresholds of Account holdings and/or Account transactions which the Board may establish from time to time. A Founding Patron Member enjoys specific voting rights with regard to the majority of the Association's Board seats and such other benefits and privileges which the Board may establish from time to time.

j. In applying to become a Member of the BLCA, the applicant expressly acknowledges that some specifications, functionalities, features, exchange opportunities or enhancements may be unavailable at any given time, or even permanently, and that the BEOS tokens, and all related technologies, are provided "as is" and without warranty of any kind. Moreover, the Member expressly acknowledges that the Member has reviewed and understands the *Risk Factor Disclosures*, set forth hereinbelow.

## 2. *Initial Token Distribution.*

- a. *Enrollment.* To qualify for initial BEOS token distribution, a Member must:
  - i. Create an Account on the BEOS network (the "BEOS Account"); and
  - ii. Fund that BEOS Account with any amount of BTS via the BEOS network gateway.
- b. *BEOS Account Creation.* Any Member may create a BEOS Account for a one-time fee of 500 BTS. The BEOS network gateway will read the public keys of the Bitshares Account from which the Account creation fee is paid and automatically assign the same keys to the Member's newly created BEOS Account, so that the Member can use the same private keys to control both accounts. Thereafter the Member may change keys at any time on either blockchain.
- c. *BTS Token Accounting.* When a Member deposits BTS via the BEOS network gateway, the Member's BEOS Account is credited with an equivalent amount of a BTS IOU token. BLCA will retain 2/7 of the 3,674,470,000 authorized BEOS tokens in order to promote Association purposes. The remainder will be distributed to Members.

- d. *Token Distribution Period.* BEOS tokens will be distributed to Account Holders on an hourly basis over a period of 89 days and 64GB of RAM will be distributed over an 80-week. Both periods begin on April 9, 2019.
  - e. *Token Apportionment.* During the applicable distribution periods, BEOS and RAM tokens will be apportioned between Member Account Holders based upon their proportionate holdings of BTS IOU tokens. For example, if there are only 2 BEOS accounts at the end of an hourly reward period, one holding 90 tokens and the other holding 10 tokens, the 90 holder will receive 90% of the BEOS awarded for that reward period and the 10 holder will receive the remaining 10%.
  - f. *Token Redemption.* BEOS tokens are backed by BLCA Quint holdings, such that 1 million BEOS tokens equals 1 Quint. For more information, see [www.quintric.com](http://www.quintric.com).
  - g. *IMPORTANT NOTE:* Until a withdrawal is made, the “actual BTS” deposited to the BEOS network gateway will be held in an account called “beos.gateway” on the Bitshares network. This account is managed by the Board, and by making deposits to this account, a Member explicitly grants the Board the right to vote the BTS so deposited in ways that support the health and growth of the BEOS network. Members have the option of withdrawing their BTS IOU tokens via the BEOS network gateway at any time back to their own control.
3. *Escrow Transactions.*
- a. *Receipt and Verification of Good Funds.* Escrow Agent shall carry out escrow functions according to instructions provided, which usually begins with receiving and verifying as Good Funds Account Holder’s initial deposit into escrow. Account Holder may make additional deposits into escrow from time to time, which Escrow Agent shall verify as Good Funds in the regular course of business. Account Holder agrees not to initiate or conclude any chargeback, return or similar step attempting to reverse a deposit of Good Funds. The Parties agree that all disputes regarding any escrowed transactions subject to this agreement, including Account Holder deposits shall be resolved by means of the escrow dispute resolution services provided through BLCA.
  - b. *Exchange of Good Funds.* Once Escrow Agent has verified Account Holder’s deposit as Good Funds (or as otherwise provided in the preceding section) Escrow Agent shall proceed to exchange such funds for the item to be exchanged according to the schedule specified by Account Holder or in subsequent written instructions pertaining to a particular deposit.

- c. *Receipt and Verification.* Upon receipt of items to be exchanged through escrow, Escrow Agent shall perform (when applicable) the requested verifications. All verified items held for the benefit of Account Holder shall remain in the care, custody and control of Escrow Agent, its contracted vaulting facilities, or common carriers, and shall at all times be insured against loss or damage until withdrawn or redeemed for surrender of tokens.
- d. *Issuance of Monetary Tokens to Account Holder.* If a transaction involves the issuance of new Monetary Tokens, Escrow Agent shall issue or transfer to the Account of Account Holder the requisite number of tokens to achieve the token proportions specified in this Agreement, or specified in subsequent written instructions issued to Escrow Agent by Account Holder. Such tokens shall be issued as soon as practicable.
- e. *Process the Exchange of Monetary Tokens Between Account Holders for Goods & Services.* Escrow Agent shall upon Account Holder's request verify to a specific seller of goods or services sufficient Monetary Tokens held in escrow for transfer to the seller upon good delivery of such goods or services to Account Holder's satisfaction. The exchange of Monetary Tokens between Account Holders shall only be undertaken with respect to the purchase and sale of Goods & Services.
- f. *Provide Dispute Resolution Services Pertaining to Exchanges for Goods & Services.* Escrow Agent shall for a reasonable fee render dispute resolution services to Account Holder and other interested parties with respect to any issues or questions that may arise out of the transfer of tokens to or from Account Holder.
- g. *Provide Information of Escrow Account.* Escrow Agent shall provide Account Holder with access to information regarding escrow transactions.
- h. *Process Surrender of Monetary Tokens for Specie Legal Tender.* Escrow Agent shall process any demand by Account Holder's to be paid in Quint or its equivalent in U.S. Specie Legal Tender held on deposit upon surrender by Account Holder of the requisite number of tokens. Such withdrawals are to be in minimum increments that may be established from time to time. Escrow Agent shall likewise process Account Holder's redemption requests involving the tender of iQuint or iQuintS tokens.
- i. *Vaulting & Insurance.* For all transactions involving physical property entrusted to the Escrow Agent's care, custody and control (including transactions backed by specie legal tender or its tokenized equivalent), Escrow Agent will utilize its contracted vaulting facilities, or common carriers, that shall at all times be fully insured against loss or damage.

4. *Risk Factor Disclosures.* All transactions involving emerging technologies or new business models include a degree of risk, including those described below as well as others which may at this time be unknown. Therefore it is not appropriate for a Member to hold more tokens in his Account than he or she can afford to lose upon the occurrence of a catastrophic or unforeseen event. If any of the following risks actually occur, a Member's business, financial, or operational condition could be harmed by a loss in value of the Member's Account, which could decline, even to zero.

Prospective Members should carefully consider the risks detailed below before deciding to join BLCA, utilize or hold its BEOS tokens. Prospective Members must not construe the risks and other disclosures in this document as constituting investment, legal, tax or other professional advice. Before making any decision to acquire tokens and Accounts, Members should read these risk factors and consult with their own legal, tax and other professional advisors.

Each prospective Member is advised that BLCA will assert that the Member has been advised of and accepted the risks described below if a claim is brought against BLCA or any of its directors, officers, employees, advisors, agents or representatives in connection with membership, the value of Accounts, or otherwise.

1. *Risks Related to the Market.*

- a. *BEOS is designed to facilitate transactions and to be held in Accounts.* The BEOS model does not constitute a diversified investment, and the operation plans for the BLCA do not call for a high degree of diversification. BLCA may not be able to adapt to changing market conditions or endure a significant decline in the popularity or usefulness of the BEOS token. The value of Accounts may not remain stable, particularly if Members choose to maintain them longer-term for holding purposes rather than to be utilized to facilitate transactions.
- b. *Accounts/tokens will be subject to value risks.* The value and utility of BEOS may be affected by numerous factors outside the control of BLCA or any other enterprise, entity or even government; BEOS transactions may involve interactions and interdependencies with multiple currencies, including gold, silver, paper dollars and various cryptocurrencies. BLCA may not have complete control over the timing of exchanges and redemptions, and this may adversely affect value. The value of BEOS tokens and Accounts will be subject to this risk.

- c. *Market demand may fall short of our projections.* Our operating model is based on what we view as an opportunity to help members create an enhanced monetary/value exchange platform. We believe that the demand for this platform and our member services is likely to grow substantially over the coming years. However, due to a variety of factors that we may not be able to foresee or predict, these opportunities and demands may not materialize as we anticipate which would have a negative effect on the value of BLCA Accounts. The value of tokens and Accounts will be subject to this risk.
- d. *Market liquidity may hamper operations.* Members' full ability to acquire or sell tokens or Account assets is dependent upon having counterparties willing to effectuate transactions. The consistent availability of counterparties is subject to a variety of factors, such as a downturn in relevant markets and the availability of other exchange platforms, and this could cause the market for BLCA membership interests to stagnate. If the market experiences such stagnation, it may diminish the value of BLCA. The value of tokens and Accounts will be subject to this risk.
- e. *Relative price fluctuations may reduce value.* With respect to certain aspects of our operating model, BLCA will attempt to maintain or increase the value of BLCA Accounts on behalf of members, but members should always be mindful that membership in BLCA is not an investment in any traditional economic sense, meaning that it is not an investment of value in a common enterprise with an expectation of profit that is to be derived from the efforts of others. BLCA is a non-profit cooperative hosting an exchange platform to greater serve member individual and collective interests; it is not a seller of investment opportunities.
- f. *Aberrations in other markets may adversely affect BLCA.* Because the value of the tokens and Accounts, in part, relates directly to the value of other items of exchange or purchase, the value of the tokens and Accounts are susceptible to downturns in the markets for other instruments or products, which may be affected at any time by international, economic, monetary and political factors, many of which are unpredictable and include, without limitation:
  - i. the global supply of, and demand for, commodities, investments, goods or services, which are influenced by factors such as: (i) forward selling by producers; (ii) purchases made by producers to unwind hedge positions; (iii) central bank activities; (iv) fluctuating market



demands; (v) market sell-offs triggered by national or global crises; (vi) large-scale liquidations of diverse assets all at once or in an uncoordinated manner by the official sector (consisting of central banks, other governmental agencies and multilateral institutions), private parties holding significant portions of a market sector, etc.;

- ii. governmental actions, such as those of U.S. Congress in 1933 to take the domestic economy off the gold standard and place it on the silver standard, or the abandonment of any precious metal standard altogether in 1971; the imposition of new or additional regulatory regimes, or changes in policy or reinterpretation of existing statutes, rules or policies with regard to monetary, tax or other economic or exchange systems;

2. *Risks Related to BLCA Management.*

- a. *BLCA has a limited operating history.* BLCA was formed in 2019; as a result, there is minimal information on which prospective members may base an evaluation of BLCA and its leadership team. The value of tokens and Accounts may be affected by or subject to risks related to potential mis-steps, negligence, inexperience or failure to spot or anticipate risks or opportunities in relation to performing services for members or managing the affairs of BLCA.
- b. *Members must rely on management's and members' decisions.* BLCA's operational results may be influenced by the performance of BLCA's member-elected leadership. BLCA's bylaws provide that, except for certain significant actions requiring the approval of a majority of the members, BLCA's leadership shall together have responsibility for certain duties undertaken, the performance or execution of which members will have only limited opportunity to evaluate. Further, as a limited cooperative association, individual members may get out-voted in leadership selection decisions. If the leadership were to make an error in judgment with respect to BLCA, or if a key leadership figure were to leave, BLCA could be adversely affected. The value of tokens and Accounts will be subject to this risk.
- c. *Transaction or depository fees may be incurred.* BLCA anticipates storing some of its assets or holdings or member Account holdings in physical form or in electronic form that may be subject to usage or storage fees, insurance or other account surcharges, and certain transactions either at the BLCA level

or at the individual member level may incur transaction fees or charges. The value of tokens and Accounts will be subject to this risk.

- d. *Regulatory oversight will be somewhat limited.* Because BLCA does not and will not trade in commodity futures contracts regulated by the Commodity Exchange Act of 1936, as administered by the U.S. Commodity Futures Trading Commission (the “CFTC”), it is not a commodity pool for purposes of the Commodity Exchange Act, and it is not subject to regulation by the CFTC as a commodity pool operator or a commodity trading advisor. Moreover, BLCA does not intend to seek a banking charter or money transmitter licensure. Consequently, BLCA members do not enjoy the full range of protections provided to investors in regulated entities. The value of tokens and Accounts will be subject to this risk.
- e. *Technological missteps could affect BLCA.* BLCA intends to make extensive use of emerging technologies to develop its exchange platform. Because technological trends may be short lived, elements of the path pursued by BLCA may become unsupported, obsolete, or subject to unforeseen security and performance risks. Moreover, unanticipated challenges with respect to the design, testing and deployment of BLCA’s technologies could adversely impact the value of BLCA. The value of tokens and Accounts will be subject to this risk. A malfunction either on the BEOS network gateway or the new BEOS blockchain itself could result in BTS funds being locked up until the problem is resolved.
- f. If a Member loses the keys to a BEOS account, the trustees cannot refund BTS locked up as BTS IOU tokens in that BEOS account because the trustees cannot reclaim the IOU tokens and have no way to determine if the account is permanently lost.
- g. *A Lack of adequate indemnity for losses may occur.* If BLCA or a member suffers a loss as a result of hacking, data breaches, or of assets being lost, stolen or damaged, depending upon the availability, cost and terms of insurance coverage, etc., BLCA may not be able to recover and may not be able to help a member recover compensation for the loss, in whole or in part. The value of tokens and Accounts will be subject to this risk.

### 3. *Risks Related to the Financing.*

- a. *All or a portion of Member contributions is immediately at risk.* Immediately upon acceptance of membership and acquisition of tokens and Accounts,

those tokens and Accounts will be immediately at risk with no assurances that BLCA can continue the project or that the project will be realized. BLCA Accounts are not guaranteed or insured by any government, governmentally-sponsored enterprise (e.g. the FDIC) or private sector equivalent. The value of tokens and Accounts will be subject to this risk.

- b. *The perception of value in tokens and Accounts was based on a particular view current or future events that may not be well-founded or may not materialize, so a Member may not be able to sell or transact with the Member's tokens and Accounts at an anticipated price or at any price.* Price or value perceptions for the tokens and Accounts does not have any direct relationship to specific assets, earnings, book value or other measurable criteria of value. BLCA makes no representations, whether express or implied, as to the value of the tokens and members' Accounts. There can be no assurance that the tokens and Accounts can be sold or used at any price in the future. The value of tokens and Accounts will be subject to this risk.
- c. *Tokens and Member Accounts may not be limited to certain quantities, and this could be perceived as diluting Member interests in BLCA.* As a member-based cooperative, BLCA does not promise to engage in any specifically fixed course of action with regard to tokens, memberships, etc., and future actions may be undertaken without seeking specific approval of existing members. The sale, issuance or use of additional tokens, acceptance of Accounts, or other actions could be perceived as lowering the value of tokens and Accounts by diluting relative membership interests in BLCA. The value of tokens and Accounts will be subject to this risk.

4. *Risks Related to the Tokens and Accounts.*

- a. *The tokens and Accounts to be acquired have no public market.* There is no pre-existing, established public trading market for our tokens and membership Accounts are not securities and cannot be traded. As a result, tokens and Accounts may not be readily marketable and a Member may be required to hold tokens and Accounts indefinitely. The value of tokens and Accounts will be subject to this risk.
- b. *There are restrictions on the transfer of BLCA's tokens and Accounts.* The tokens and Accounts are acquired in accordance with exemptions from registration under federal and state securities laws. It is possible that subsequent developments, or changes in facts or law, may require subsequent sales or transfers be registered or separately exempt from such registration

requirements. These restrictions may make tokens and Accounts unattractive to prospective transferees. As a result, Members may not be able to complete a transfer that they wish to make and may be required to assume the risks of maintaining their Accounts with BLCA for an indefinite period of time. The value of tokens and Accounts will be subject to this risk.

- c. *BLCA will not pay dividends.* BLCA is a member cooperative and its operating plan does not involving pooling member interests to generate revenue or acting in a collective manner that would produce dividends to its members or otherwise.
- d. *Member Accounts may be subordinate to BLCA indebtedness.* As a limited cooperative association, if BLCA leadership acquired indebtedness on behalf of BLCA, creditors may be able to impose obligations on member Accounts if the BLCA cannot otherwise meet the association's obligations. In any liquidation of BLCA, some or all of BLCA's debts and liabilities must be paid before any payment is made to members, including Account balances. Although BLCA does not currently expect to incur significant indebtedness, BLCA may do so to address cash flow needs or to complete particular projects necessary to the execution of BLCA's operating model. The amount of that financing would create a substantial risk that in the event of any bankruptcy or liquidation, and BLCA would have no assets remaining for distribution to members. The value of tokens and Accounts will be subject to this risk.
- e. *BLCA is not required to deliver reports to its members.* BLCA is not required to deliver special reports or other information to its members. BLCA may be required by law as not-for-profit cooperative to make government disclosure filings, but these are available for member inspection only and are not otherwise circulated to members. Other disclosures are required in connection with annual meetings, but are not otherwise circulated to members.

5. *Risks Related to Conflicts of Interest.*

- a. *Conflicts of interest may arise out of transactions with directors, officers and affiliates.* Conflicts of interest may exist in our proposed structure and operation, and we may enter into transactions with our directors, officers and affiliates. Conflicts of interest could cause our directors and officers to put their personal interests ahead of those of BLCA and our other members. For any period of time that our directors, officers and affiliates continue to

own a significant percentage of our tokens, their influence and/or voting power could increase the likelihood of conflicts of interest and reduce the ability of our members to replace them as directors and officers. These conflicts of interest could harm the cooperative and reduce the value of tokens and Accounts, which will be subject to this risk.

- b. *Directors and officers may be distracted by other business interests.* BLCA's directors and officers have business interests and responsibilities that may be given priority over the time and attention that they are willing to devote to BLCA. This could result in errors of management and governance that could adversely affect BLCA's operations and the value of tokens and Accounts, which will be subject to this risk.
- c. *Other interests may conflict with BLCA's interests.* Entities and individuals whom BLCA engages or may in the future engage as consultants and contractors will have financial interests that may conflict with BLCA's interests and the interests of its members. Each of BLCA's consultants and contractors is likely to become--at least in the short term--a creditor of BLCA, which could affect their advice and commitment of time and resources to BLCA. As a result, they may have a conflict of interest as they allocate personnel, materials and other resources between BLCA's needs and that of others. It is also possible that some of BLCA's consultants and contractors, or their affiliates, may also become members, in which case they may be in a position to influence BLCA's decisions and actions in favor of their own interests. The value of tokens and Accounts will be subject to this risk.

5. *Definitions.* As used in this Agreement, the following terms have special meaning as specified below:

- a. "Account" means an Association capital credit account created on the BEOS network for the purpose of holding digital tokens, including but not limited to BEOS.
- b. "Account Holder" means a Member of BLCA having one or more Accounts.
- c. "Agreement" means this document.
- d. "BEOS" means the cryptocurrency token described at <http://www.wgd.co/>.

- e. "Bitshares" means cryptocurrency blockchain technology described at <https://bitshares.org/>.
- f. "BLCA" means the BEOS Limited Cooperative Association.
- g. "Board" means the BLCA governing board of directors.
- h. "BTS" means the Bitshares token.
- i. "Escrow Agent" means the lawyer, law firm, licensed escrow agent or other authorized entity performing escrow functions described in the Agreement, namely Legal Tender Services, PLLC, dba Legal Tender Exchange (LTE), and/or such other persons or entities as the Board may from time to time appoint.
- j. "Gold Dollar" means Specie Legal Tender consisting of one fiftieth of a United States American Eagle (22 karat) or American Buffalo (24 karat) coin, having one troy ounce of fine gold content and a "50 dollar" nominal face value, as described in 31 United States Code Annotated (USCA) §§ 5112(a)(7), (a)(11), (i)(1) & (q).
- k. "Good Funds" means legal tender on account with or under control of Escrow Agent which are not subject to chargeback, return or similar transaction reversal.
- l. "Member" means the individual or entity executing this Agreement as more fully described herein.
- m. "Monetary Tokens" means cryptocurrency tokens payable on demand in a specific Specific Legal Tender, including without limitation the BEOS and Quint.
- n. "Paper Dollar" means a U.S. Federal Reserve Note, as referred to in 31 USCA § 5103, or its electronic equivalent issued through the Federal Reserve Banking system, together with base metal coinage issued by the United States of America.
- o. "Party" or collectively "Parties" refers to Member/Account Holder, Escrow Agent and/or BLCA, as the context may dictate.
- p. "Proprietary Information" shall mean any information and data disclosed by one Party hereto to the other of a confidential nature, including but not limited to proprietary, developmental, technical, marketing, sales, operating, performance, cost, know-how, business and process information, computer programming techniques or software, client or customer information, operating models, product plans, etc. Proprietary Information shall be stamped or verbally identified by disclosing Party as "proprietary" (or bear a similar legend denoting the disclosing Party's proprietary interest therein) if in written or tangible form, or identified as Proprietary Information at the time of disclosure if disclosed orally.

Notwithstanding the foregoing, "Proprietary Information" shall not include any information that is:

- i. already in the possession of the receiving Party or its subsidiaries at the time of disclosure;
  - ii. independently developed by the receiving Party or its subsidiaries without reference to any Proprietary Information;
  - iii. publicly disclosed by the Party that owns the Proprietary Information;
  - iv. rightfully received by the receiving Party or its subsidiaries from a third party;
  - v. approved for release by written agreement with the Party that owns the Proprietary Information;
  - vi. readily available by the inspection of any product marketed or offered for sale in the ordinary course of business; or
  - vii. disclosed pursuant to the requirement or request of a governmental agency or third party to the extent such disclosure is required by operation of law, regulation or court order.
- q. "Quint" means a cryptocurrency token which certifies five U.S. gold cents (1/1,000th of a troy ounce) held on deposit by Quintric payable to the bearer on demand in one-ounce, fifty dollar face value, U.S. American Eagle or Buffalo gold coin, at 1,000 tokens per coin. For more information, see [www.quintric.com](http://www.quintric.com).
- r. "Specie Legal Tender" means precious metal coin that is authorized as legal tender by a sovereign entity.
- s. "U.S. Specie Legal Tender" means precious metal coin that is issued by the United States of America as legal tender, and as otherwise provided in Utah Code Annotated (UCA) § 1501.1.
- t. Uses of terms may be interchangeable without implying substantive differences. For example, no interpretive preference should be presumed, unless the context clearly indicates otherwise, if this Agreement uses the terms "Member" interspersed with references to a Account Holder, because no person is a Member without holding an Account; however, this does not imply sameness among Account Holders, because multiple types of membership are possible. Similarly, references to tokens *and* Accounts should not imply that Accounts are defined as something other than the mechanism by which a member's holdings (e.g. tokens) are deemed contained for record-keeping purposes.

6. *Miscellaneous.*

- a. *Notices.* Any notices to be given by one party to another shall be in writing and may be transmitted either by personal delivery, registered mail or through the on-line account management system maintained by Escrow Agent.
- b. *Governing Law.* This agreement shall be governed by and construed in accordance with the laws of the State of Utah and of the United States of America. For purposes of construing the legal tender status, valuation and treatment of Paper, Gold and Silver Dollars, the following authorities shall be controlling: UCA §§ 59-1-1501 et seq.; 31 USCA §§ 5101, 5102, 5103, 5112(a)(7), (a)(11), (h), (i)(1) & (q), 5118(d)(2) & 5119(a); together with the following U.S. Supreme Court Decisions: *New York ex rel. Bank of New York v. Board of Supervisors*, 74 U.S. 26 (1869); *Lane County v. Oregon*, 74 U.S. 71 (1869); *Bronson v. Rodes*, 74 U.S. 229 (1869); *Butler v. Horowitz*, 74 U.S. 258 (1869); *Thompson v. Butler*, 95 U.S. 694 (1878); and such other relevant authorities and precedents as the parties to this agreement may invoke.
- c. *Venue.* Any action at law or in equity instituted in connection with this agreement shall be brought in the appropriate court located within Salt Lake or Utah Counties, Utah.
- d. *Attorney's Fees and Costs.* If any legal action is necessary to enforce or interpret the terms of this agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled.
- e. *Equitable Relief.* Each Party agrees that in the event of a breach or threatened breach of the provisions of this Agreement by the other Party, the non-breaching Party may have no adequate remedy at law, and accordingly shall be entitled to an injunction against such breach in addition to any other available remedy.
- f. *Mediation.* The Parties hereby agree to participate in good faith in at least eight (8) hours of non-binding mediation during the early stages of any dispute or controversy arising out of this Agreement, with each Party bearing half the cost of such mediation proceedings.
- g. *Advice of Counsel.* Member acknowledges having been afforded the opportunity to consult with legal counsel, as well as tax and financial advisors, at the Member's own expense, regarding the provisions of this agreement prior to execution of the same.
- h. *Tax Law Compliance.* Neither this agreement, nor any provision contained herein, is intended to be, to operate as, or to be construed in any manner as a "tax shelter" or



other means or device to defeat or evade (in whole or in part) any lawful tax or other public charge, due, debt, reporting requirement, or any other duty or obligation imposed by law or arising out of contract or other underlying transaction to which this agreement pertains. In agreeing to the terms hereof, the member agrees not to attempt to utilize BLCA for any unlawful purpose in the jurisdiction in which the member resides or operates.

- i. *Escrow Services of other Legal Tender transactions.* The parties agree that all conversions of one form of legal tender to another shall be performed by Escrow Agent. Paper Dollar deposits or contributions by the Member with Escrow Agent shall by default be converted to BEOS or Quint and the Member may direct. Conversions of Quint to Paper Dollars for purposes of paying a bill or invoice tendered by Member shall be performed by Escrow Agent on the due date specified by Member or the closest business day. Please note that some exchanges of value trigger transaction or information return reporting requirements in various jurisdictions, and the LCA will seek to comply with all of its legal obligations
- j. *Conflict Waiver.* The parties agree to waive any and all potential conflicts of interest that may or do exist by virtue of Escrow Agent or any of its owners, officers, directors or employees being in privity of contract with both Member and an entity which is in privity of contract with the Member. Any legal services provided by Escrow Agent to Member other than those contemplated herein shall be subject to a separate attorney/client agreement containing such conflict of interest disclosure and waiver provisions as may be warranted under the circumstances.
- k. *Reliance.* The Parties may rely on, and shall not be liable for acting or refraining from acting in accordance with, any written notice, instruction or request or other paper furnished hereunder or pursuant hereto and believed to have been signed or presented by the proper Party or Parties. Under such circumstances, the Parties shall not be liable to each other for any lost profits, lost savings or other special, exemplary, consequential or incidental damages.
- l. *Offset Rights.* If at any time the Account Holder owes to BLCA or Escrow Agent fees for any cost or service, including without limitation shipping, storage, fabrication costs or other costs and such fees are past due, BLCA or Escrow Agent may liquidate a portion of Account Holder's holdings on deposit to pay such overdue fees.
- m. *Force Majeure.* A Party is not liable for failure to perform the Party's obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection,

military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity or telephone service or third-party criminal activity.

- n. *Representations and Warranties.* Each Party represents that it has all necessary powers, rights, and authority to enter into this Agreement and to make the disclosures contemplated by this Agreement. Account Holder hereby represents and warrants, after inquiry, that the information provided herein is true and correct and that Account Holder is not known to:
- i. be listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, U.S. Department of the Treasury ("OFAC") pursuant to Executive Order number 13224, 66 Federal Register 49079 (September 25, 2001) (the "Order");
  - ii. be listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC or any other applicable requirement contained in any enabling legislation or other executive orders in respect to the Order (hereinafter collectively the "Orders");
  - iii. be engaged in activities prohibited in the Orders; or
  - iv. have been convicted, pleaded nolo contendere, indicted, arraigned or detained on charges involving money laundering or predicate crimes to money laundering.
- o. *Termination.* Either party may terminate this agreement upon 30-days notice to the other party. Upon termination, full Account Balances shall be refunded to the Member in minimum single coin increments, with Escrow Agent retaining any amount under the minimum increment.
- p. *Modification.* Any modification of this Agreement shall be approved in advance by the Board and posted on the BEOS website at least 7 days before taking effect. Thereafter, any use of the BEOS network gateway, its associated blockchain or tokens, shall constitute acceptance of the revised terms.
- q. *Waiver.* The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or

relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

- r. *Headings, Counterparts, Number.* The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement and any affidavit, certificate, instrument, agreement or other document required to be provided hereunder may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. Unless the context shall otherwise require, the singular shall include the plural and vice-versa, and each pronoun in any gender shall include all other genders.
- s. *Entire Agreement.* The terms and provisions of this Agreement constitute the entire agreement among the Parties hereto in respect of the subject matter hereof, and no Party has relied on any representations or agreements of the other except as specifically set forth in this Agreement.
- t. *Exclusive Benefit.* This Agreement is for the sole and exclusive benefit of the Parties hereto, and nothing in this Agreement express or implied, is intended to confer or shall be construed as conferring upon any other person any rights, remedies or any other type or types of benefits.
- u. *Severability.* The parties hereby agree that if for any reason any provision of this agreement is found to be unenforceable by a court of competent jurisdiction, all remaining provisions shall continue in full force and effect.
- v. *Successors/Assignments.* This agreement shall be binding upon and inure to the benefits of the respective successors, assigns, and personal representatives of the parties, except to the extent of any contrary provision in this agreement. This agreement may not be assigned by any party without the advance written consent of the other party.
- w. *Electronic Execution.* Pursuant to the provisions of the Electronic Signatures in Global and National Commerce Act (E-SIGN, 2000) and the Uniform Electronic Transactions Act (UETA, 1999), execution of this agreement by electronic means provided on websites or mobile applications maintained by the Escrow Agent for that purpose carries the same weight and legal effect as traditional paper documents and handwritten signatures.

IN WITNESS WHEREOF, the Parties hereto electronically execute this Agreement effective the date of the creation of Member's account herein.