

AMENDED AND RESTATED OPERATING AGREEMENT

Fries DAO LLC

(a Wyoming Decentralized Autonomous Organization)
(Organized under the Wyoming Limited Liability Company Act
and
Wyoming Decentralized Autonomous Organization Supplement
§§ W.S 17-31-101 through W.S. 17-31-115)

ARTICLE I

INITIAL DATE AND PARTIES; AUTHORIZATION

Section 1.01. Initial Date of and Parties to this Agreement. This Agreement became effective the date Articles of Organization were filed with the Wyoming Secretary of State and is between the DAO and its Members.

Section 1.02. Authorization for this Agreement. This Agreement is made under the Wyoming Limited Liability Company Act and Wyoming Decentralized Autonomous Organization Supplement §§ W.S 17-31-101 through W.S. 17-31-115.

Section 1.03. NOTICE OF RESTRICTIONS ON DUTIES AND TRANSFERS. The rights of members in a decentralized autonomous organization may differ materially from the rights of members in other limited liability companies. The Wyoming Decentralized Autonomous Organization Supplement, underlying smart contracts, Articles of Organization and operating agreement, if applicable, of a decentralized autonomous organization may define, reduce, or eliminate fiduciary duties and may restrict transfer of ownership interests, withdrawal or resignation from the decentralized autonomous organization, return of capital contributions and dissolution of the decentralized autonomous organization.

ARTICLE II

DEFINITIONS

Unless the language or context clearly indicates otherwise, the following definitions apply:

- **Act of Members** mean approval of more than fifty percent (50%) of participating Membership Interests in a vote for which a Quorum of Members is participating. If multiple voting options, then the option with the majority vote shall be deemed acceptable. A Person dissociated as a Member as set forth in W.S. 17-29-602 shall not be included for the purposes of calculating the majority of Members.
- **Agreement** means this operating agreement.
- **Articles of Organization** means the articles of organization filed with the Wyoming Secretary of State which constitute the formation documents of this decentralized autonomous organization.
- **Assignee** has the meaning set forth in Article XI.
- **Blockchain** means as defined in W.S. 34-29-106 (g)(i).
- **Code** means the Internal Revenue Code, as amended.
- **DAO** means this decentralized autonomous organization organized under the LLC Act.
- **Default Rule** means a rule in the LLC Act which: (i) structures, defines, or regulates the finances, governance, operations, or other aspects of a limited liability company under the LLC Act and (ii)

applies except to the extent negated or modified by the Agreement, the Articles of Organization, or Smart Contract contained therein.

- **Digital Asset** means as defined in W.S. 34-29-101 (a)(i).
- **FRIES Token** means an Open Blockchain token issued by the DAO.
- **LLC Act** means the Wyoming Limited Liability Company Act and Wyoming Decentralized Autonomous Organization Supplement.
- **Manager** means one or more Members when managing the DAO.
- **Member** means those Persons with a Membership Interest in the DAO who have either initially signed this Agreement or been admitted as a Substitute Member.
- **Membership Interest** means a member's ownership share in this member-managed DAO represented by one or more FRIES Tokens.
- **Membership Interest Percentage** means a Member's Membership Interest in proportion to all Membership Interests issued by the DAO.
- **Open Blockchain** means a blockchain as defined in W.S. 34-29-106 (g)(i) that is publicly accessible with a transparent ledger of transactions.
- **Person** means an individual, corporation, limited liability company, partnership, limited partnership, association, trust, unincorporated organization, and any other legal entity, organization, or governmental body.
- **Quorum** means not less than a majority of Membership Interests that have voted on a matter relating to the DAO over the past 90 days. If there was no matter in the past 90 days, the Quorum shall default to 15% of Membership Interests (represented by circulating FRIES Tokens) or an amount that was determined by a prior approved proposal.
- **Required Records** means any records required to be maintained for the DAO by the LLC Act.
- **Required Token Amount** means no less than 400,000 FRIES Tokens, which amount may be amended from time to time by an Act of Members.
- **Smart Contract** means an automated transaction, as defined in W.S. 40-21-102 (a)(ii) or any substantially similar analogue, which is comprised of code, script, or programming language that executes the terms of an agreement and which may include taking custody of and transferring a Digital Asset, administering membership interest votes with respect to a decentralized autonomous organization, or issuing executable instructions for these actions, based on the occurrence or nonoccurrence of specified conditions. Such Smart Contract shall be able to be updated, modified, or otherwise upgraded by any Act of Members.
- **Substitute Member** has the meaning set forth in Article XI.
- **Transfer** means an assignment, conveyance, deed, encumbrance, gift, lease, mortgage, sale, security interest or other disposition or transfer, however phrased, whether direct or indirect.
- **Transferee** is a Person to whom a Member Transfers all or any part of a Membership Interest; however, unless admitted, a Transferee shall have no rights of a Member and shall merely be an Assignee until such time admitted as a Substitute Member.

ARTICLE III BACKGROUND OF THIS AGREEMENT

Section 3.01. History and Nature of the DAO. The DAO was organized in Wyoming and is authorized to operate for any lawful purpose, regardless of whether for profit. Notwithstanding the

foregoing, the Members may limit the activities of the DAO and the conduct of those activities through one or more Smart Contracts identified in the DAO's Articles of Organization.

Section 3.02. Powers. The DAO has all powers granted under the laws of Wyoming.

Section 3.03. Registered Agent and Office. Pursuant to W.S. 17-31-105 (b), this DAO shall have and continuously maintain in Wyoming a registered agent. The DAO's initial registered agent and its office are specified in the Articles of Organization. The registered agent may only be changed by an Act of Members.

Section 3.04. Term. The DAO commenced existence on the date its Articles of Organization were endorsed by the Wyoming Secretary of State and shall exist in perpetuity unless sooner dissolved as provided in Article XII.

ARTICLE IV RELATIONSHIP OF AGREEMENT TO DEFAULT RULES AND ARTICLES

Section 4.01. Relationship of Agreement to LLC Act Default Rules. Regardless of whether this Agreement specifically refers to a Default Rule:

- If any provision of this Agreement, the Articles of Organization, or a Smart Contract identified therein, conflicts with a Default Rule, the provisions of this Agreement, the Articles of Organization, and Smart Contract control to the extent the law allows, and the Default Rule is modified or negated accordingly; and
- If it is necessary to construe a Default Rule as modified or negated in order to effectuate any provision of this Agreement, the Articles of Organization, or a Smart Contract identified therein, the Default Rule is modified or negated accordingly.

Section 4.02. Relationship Among Agreement, Articles of Organization, and Smart Contract. To the extent the Articles of Organization include a publicly available Blockchain identifier of any Smart Contract, if any provision of this Agreement or the Articles of Organization conflicts with the Smart Contract, the Smart Contract governs the operation of the DAO to the extent the law allows. If any provision of this Agreement conflicts with the Articles of Organization, the Articles of Organization govern to the extent the law allows.

ARTICLE V MEMBERSHIP INTERESTS; PERCENTAGES; CONTRIBUTIONS

Section 5.01. Membership Interests and Membership Interest Percentages. Each Member's Membership Interest in the DAO shall be represented by one or more FRIES Tokens and shall be reflected in the Required Records. Membership Interests for voting and all other purposes shall be calculated as follows:

(a) Digital Assets Contributed. Membership Interests of each Member shall be calculated by dividing a Member's contribution of Digital Assets to the DAO divided by the total amount of Digital Assets contributed to the DAO at the time of a vote.

(b) No Digital Assets Contributed. If a Member does not contribute Digital Assets to the DAO as a prerequisite to becoming a Member, then each Member shall not be entitled to any Membership Interest or any vote.

The DAO shall not issue Membership certificates.

Section 5.02. Additional Contributions. Additional capital contributions may be made by Members as needed for DAO purposes. The Members by an Act of Members may determine when such contributions are necessary. All Membership Interest Percentages shall be adjusted according to the contributions made.

Section 5.03. Return of Contributions. No Person has the right to require the return of any contribution; however, the DAO may return all or any portion of a Member's contribution if: (i) all liabilities of the DAO have been paid or sufficient property remains for payment and (ii) approved by an Act of Members.

ARTICLE VI NO DISTRIBUTIONS

Section 6.01. No Right to Distributions. No Person has a right to any distribution of excess cash or any other asset from the DAO other than (i) a distribution on termination of the DAO; or (ii) as approved by an Act of Members. If any distribution is made, the distribution shall be allocated according to Membership Interest Percentages outstanding at the date of distribution.

ARTICLE VII TAX MATTERS; ACCOUNTING

Section 7.01. Tax Characterization and Returns. The Members shall initially select the tax treatment of the DAO by an Act of Member. A change in that treatment requires an Act of Members.

Section 7.02. Accounting Decisions. The Manager determines all accounting matters.

ARTICLE VIII GOVERNANCE

Section 8.01. Designation of Manager. The DAO shall be managed by its Members. The Members shall manage the DAO's activities by an Act of Members, and individual Managers shall carry out the DAO's activities as directed by the Members. When one or more Members are managing the DAO's activities, such Member or Members shall be referred to as a Manager.

Section 8.02. Authority of Manager. Except as otherwise provided in this Agreement, the Members serving as Managers have sole authority to manage the DAO. While an Act of Members is required to direct the Manager, once such direction is given the actions and signature of a single Manager shall bind the DAO.

Section 8.03. Duties of Managers. Each Member when acting as a Manager shall have no fiduciary duty to the DAO or any other Member except that Members acting as Managers must discharge their responsibilities subject to the implied contractual covenant of good faith and fair dealing.

ARTICLE IX ACTS OF MEMBERS

Section 9.01. Acts of Members. An Act of Members is defined in Article II.

Section 9.02. Proposals. Any Member or group of Members holding no less than the Required Token Amount may submit a proposal for consideration of all other Members through Snapshot.org via Commonwealth.im, or such other online governance platform selected by an Act of Members. Any such proposal properly submitted and adopted by an Act of Members shall be binding on the DAO and shall be enacted by a Manager or one or more Smart Contracts, as applicable.

ARTICLE X REQUIRED RECORDS

Section 10.01. Location of Required Records. The Manager shall maintain the Required Records of the DAO on the Open Blockchain or some other location as approved by Act of Members.

Section 10.02. Rights of Members, Managers, and Dissociated Members to Information. Members shall have no right under W.S. 17-29-410 to separately inspect or copy records of the DAO and the Manager shall have no obligation to furnish any information concerning the DAO's activities, financial condition, or other circumstances to the extent the information is available on an Open Blockchain.

ARTICLE XI ADDITIONAL MEMBERS AND MEMBERSHIP INTEREST TRANSFERS

Section 11.01. Admission of Additional Members. A Person may be admitted to the DAO by (i) acquiring any number of FRIES Tokens and (ii) agreeing to be bound by the terms of this Agreement. No consent from other Members shall be required to admit additional Members.

Section 11.02. Transfers Permitted. Members shall be permitted to Transfer all or any part of a Membership Interest to any Person without consent from other Members.

Section 11.03. Assignee Interest Transferred. The Person to whom a Membership Interest is conveyed by a Member shall be an "*Assignee*" until such time, if ever, that Person agrees to be bound by the terms of this Agreement and becomes a "*Substitute Member.*" Until such time as an Assignee is admitted as a Substitute Member, the Assignee shall have only those rights set forth in the following section.

Section 11.04. Rights of an Assignee. A Transfer from a Member to another Person shall become effective on the date all conditions set forth in this Article are completed in full. Until the effective date an Assignee is admitted as a Substitute Member, the DAO and the Members may treat the assignor of the transferred Membership Interest as the absolute owner of the transferred Membership Interest.

Section 11.05. Limitations. Notwithstanding the provisions of the foregoing Sections, no Person shall be admitted as a Member until that Person has:

- paid any expenses connected with admission; and
- provided evidence satisfactory to the Manager, if requested, that admission will not violate applicable securities law or cause a termination of the DAO under the Code or LLC Act.

A violation of this Article in any respect shall make the admission of any Person as a Member null and void and of no force and effect; however, on full completion of these requirements, the proposed admittee shall be deemed a Member.

**ARTICLE XII
DISSOLUTION AND WITHDRAWAL**

Section 12.01. The DAO shall dissolve and wind up upon the occurrence of any of the following events:

- (a) When the period fixed for duration, if any, expires;
- (b) By an Act of Members;
- (c) At the time or upon the occurrence of events specified in the underlying Smart Contracts; or
- (d) The DAO has failed to approve any proposals or taken any action for a period of one (1) year.

Section 12.02. Distributions on Dissolution. On dissolution and satisfaction of all debts and other obligations of the DAO, an Act of Members shall determine whether DAO Digital Assets shall be (i) distributed in kind or (ii) liquidated and distributed in cash, in each case such distributions shall be made in accordance with outstanding Membership Interests Percentages at the date of distribution.

Section 12.03. Required Filing. As soon as possible following the occurrence of any of the events identified in Section 12.01, the Manager shall execute and file a statement of intent to dissolve with the Wyoming Secretary of State.

Section 12.04. Member Withdrawal. A Member may only withdraw from the DAO as follows:

- (a) As set forth in the Articles of Organization, this Agreement, or applicable Smart Contract; or
- (b) Transferring or forfeiting all Membership Interest; or
- (c) If no terms and conditions for withdrawal are set forth in the foregoing, with the consent of the Members obtained through an Act of Members.

Section 12.05. Effect of Member Withdrawal. Unless the DAO Article of Organization or applicable Smart Contract(s) provide otherwise, a withdrawn Member forfeits all Membership Interests in the DAO including all governance and economic rights.

**ARTICLE XIII
AMENDMENTS**

Section 13.01. Amendments Generally. The provisions of this Agreement, the Articles of Organization, or applicable Smart Contracts may not be waived, altered, amended, edited, changed, or repealed, in whole or in part, except by an Act of Members.

Section 13.02. Amending, Updating, Editing, or Changing Smart Contracts. When the publicly available Blockchain identifier of a Smart Contract is included in the DAO's Articles of Organization, the Members may only amend, update, edit, or change such Smart Contract in accordance with the terms of **Exhibit A**.

Section 13.03. Required Filing Upon Amendment or Restatement of Articles of Organization. When the Members update or change the Smart Contract included in the DAO's

Articles of Organization, the Manager shall promptly file an amendment or restatement of the DAO's Article of Organization with the Wyoming Secretary of State.

ARTICLE XIV MISCELLANEOUS

Section 14.01. Governing Law. This Agreement and any question, dispute, or other matter related to or arising under this Agreement shall be governed by the laws of Wyoming.

Section 14.02. Binding Effect. This Agreement binds the Members, Substitute Members, Assignees, and all other Transferees.

Section 14.03. Complete Agreement. This Agreement, the Articles of Organization and any Smart Contract identified therein, all as amended from time to time in accordance with the terms found therein, constitutes the complete and exclusive agreement of the Members and supersedes all prior agreements, oral or written.

Section 14.04. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable:

- that provision shall be severed, and this Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never been part;
- the remaining provisions of this Agreement shall remain in full force and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance; and
- in place of the illegal, invalid, or unenforceable provision, there shall be added to this Agreement a legal, valid, and enforceable provision as similar to the illegal, invalid, or unenforceable provision as legally possible.

Section 14.05. Notices. A notice to be given under this Agreement must be in writing and shall be considered to have been given when made available to Members through Snapshot.org via Commonwealth.im, or such other online governance platform selected by an Act of Members.

Section 14.06. Multiple Counterparts and Electronic Execution. This Agreement may be executed in several counterparts either in writing or through any electronic means of obtaining the agreement of the Members, each of which shall be considered an original and all of which shall constitute one and the same document. Proving the execution and contents of this Agreement against a party may be done by producing any copy or verified electronic record of this Agreement signed by that party.

Section 14.07. Additional Documents and Acts. Each Member agrees to execute and deliver whatever additional documents and to perform such additional acts as may be necessary or appropriate to effectuate and perform all terms, provisions, and conditions of this Agreement and the transactions contemplated by this Agreement.

[signature on the following page]

ACCEPTED AND AGREED TO BY: *Fries DAO LLC*

Fries DAO LLC

Operating Agreement

EXHIBIT A

When the publicly available Blockchain identifier of a Smart Contract is included in the DAO's Articles of Organization, the Members may only amend, update, edit, or change such Smart Contract by an Act of Members carried out in accordance with the terms of this **Exhibit A**.

1. Discussion of issues that may require a potential change to the Smart Contract(s)
2. Governance proposal to change specific features of the Smart Contract(s)
3. Discussion of the proposal in official governance forums or communication channels
4. Rewriting of the Smart Contract(s)
5. Publishing via public Github or similar publicly viewable repository
6. Deployment to testnet with test migration
7. Testing, auditing, and rewriting as needed
8. Deployment to production with migration
9. Publish documentation and/or announcement to the community with any relevant instructions to interact with the updated or migrated Smart Contract(s)

In the event of an emergency that may potentially affects the treasury or user funds in an adverse manner, a discussion and governance process may be waived in order to protect the protocol, followed by a public report pertaining to the threat and resolution.