

From: "jeffrey E." <jeevacation@gmail.com>
To: Richard Kahn <[REDACTED]>
Subject: Re: Layer 1 Term Draft
Date: Thu, 02 Aug 2018 14:04:28 +0000

ask him for it

On Wed, Aug 1, 2018 at 4:50 PM, Richard Kahn <[REDACTED]> wrote:
please advise as it appears Jeremy has only sent LLC operating agreement info and nothing on Layer 1 company..
thank you

Richard Kahn
HBRK Associates Inc.
[575 Lexington Avenue 4th Floor](#)
[New York, NY 10022](#)

tel: [REDACTED]
fax: [REDACTED]
cell: [REDACTED]

Begin forwarded message:

From: Jeremy Rubin <[REDACTED]>
Subject: Re: Layer 1 Term Draft
Date: August 1, 2018 at 4:44:11 PM EDT
To: Richard Kahn <[REDACTED]>

Just wanted to check in to see if this is sufficient & what sort of turnaround time I might be able to expect (the team inquired as to how long revision might take).

Best,

Jeremy

On Thu, Jul 26, 2018, 12:47 AM Jeremy Rubin <[REDACTED]> wrote:

Hi Richard,

The linked operating agreement seems relatively close to what will work for Layer1. [REDACTED]
[document/d/1UhcPkGwhqhfQPwMeAd0pbTDEdDmgtMmJBQde9Qmytc](#) Does this look like a reasonable starting point to you?

I think the open questions around this are, to me:

1) The founders will have 70% of the units, but will distribute some portion of that to early employees. We want these somehow to be redistributable to employees under vesting schedules. We also want to limit the governing power of these shares until the initial capital is returned (see below).

One option would be to have the 70% vest and not have voting power while vesting...

2) We want is to add language that has some sort of "preferred distribution" so that we get priority on capital return until initial capital is returned. E.g.,

Any distributions, dividends, etc, must be paid to solely to the investors in proportion to the amount invested up until the total distributions made reach the Preference Distribution Limit. Following this point, distributions, dividends, etc will be paid solely to non-investors in proportion to the amount owned until the total distributions reach twice the Preference Distribution Limit. Following this point, all distributions, dividends, etc, must be paid in proportion to ownership with no preference for investor or non-investor.

3) It's not clear to me who should be a Managing Partner -- I think maybe 2 investors and one of the founders? Once enough of their units vest/initial capital repayed they should be able to take the majority of seats?

4) We want to define a point before they begin fund raising for their SPVs where we can vote (with other MP) to dissolve.

Best,

Jeremy



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please note

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