

Lixivium Games General Partnership Agreement
(as amended on October 19, 2014)

This partnership agreement ("Agreement") made and effective this August 16, 2014 by and between the following individuals, referred to in this Agreement by as the "Partners":

- Michael Pruess
- Andrew Lin
- Gregory Schram
- Myles W Schaller
- David Pruess

The Partners wish to set forth, in a written agreement, the terms and conditions by which they will associate themselves in the Partnership, which are as follows:

1. Name and Place of Business.

The name of the Partnership shall be Lixivium Games (the "Partnership").

The Partnership's principal place of business shall be located at 1497 Hopkins St, Apartment 3C, Berkeley, CA, 94702, but the Partnership may own property and transact business in any and all other places as the Partners agree.

2. Goals. †

The purpose of the Partnership shall be to:

- Develop, produce, and sell a collectible card game (the "Game") in a financially sustainable manner.
- Provide social value via the Game.
- Treat workers with respect and provide them with a stable work environment that encourages creativity and teamwork.
- Do business where possible with like-minded entities.

3. Future Projects.

The Partnership does not anticipate participation in endeavors beyond the Game.

4. Term. †

The Partnership shall commence as of the date of this Agreement and continue until terminated as provided herein (see Section 13).

5. Decision-Making.

This section of the Agreement, except as noted within, is immutable, and not subject to amendment.

A. Categories of decision-making. The Partnership defines three categories of decision, each handled differently.

i) **"All-Hands Vote"**. For these matters, the Partnership on the whole will vote, with 1 vote per Partner. Decisions subject to All-Hands Vote include:

- Adding or terminating partners
- Altering the business structure or dissolving the partnership

ii) **"Active Partner Vote"**. These matters will only be voted on by Partners who have worked 90 or more hours in the previous quarter. Each Partner who qualifies to vote will have 1 vote.

- Adding, removing, or altering job roles
- Hiring and firing
- Raising and allocation of funds
- Business contracts

iii) **"Job Role Decision"**. Initial directorial roles will include decision-making responsibilities (see Subsection 9.A.i). Any role within the Partnership may be assigned additional decision-making power, or have its power curtailed, by Active Partner Vote.

Any decision that does not fall into one of these categories will default to be handled by Active Partner Vote until such a time as it is added to one of these categories or a new category is created, with new rules, for handling that decision.

B. Voting process.

i) **Voting Body**. The voting body for an All-Hands Vote is the set of all Partners. The voting body for an Active Partner Vote is the set of Partners who have earned 2 or more shares in the most recent quarter.

ii) **Notice of a Vote**. One week prior to a vote, that vote's topic will be relayed to all Partners who have the right to vote.

iii) **Partner Presence**. Each Partner with a vote should be present to vote in-person. Communicating a vote by phone or video conference is also acceptable.

iv) Advance Voting. Partners unable to attend a vote, either physically or digitally, are encouraged to discuss the topic of the vote with other Partners prior to the vote itself. If such a Partner wishes, they may submit a vote on the topic electronically at any time in the period between when the voting topic is announced and when the physical vote takes place. Partners who fail to vote in advance and don't make it to the vote do not automatically waive the right to vote, but the Partnership prefers for the Partners to either vote in advance or abstain.

v) Quorum. For a vote to be valid, $\frac{3}{4}$ of the voting body must vote. Whether these votes are placed at the time of the vote or prior, so long as $\frac{3}{4}$ of the voting body places votes, quorum will have been had. If fewer than $\frac{3}{4}$ of the voting body places votes, the vote is invalid, and the topic must be announced again for further discussion and voting.

vi) Waiving the Right to Vote. Any Partner may announce to the rest of the voting body that they are abstaining from a given vote. That Partner then counts for quorum, but not for calculating the result of the vote. Abstaining from one vote does not eliminate a Partner's right to vote in future votes.

vii) Majority. Except where explicitly stated otherwise, each vote defaults to requiring a 75% majority from the voting body to pass. This means that $\frac{3}{4}$ of the voting body must vote 'yes' on an issue in order to pass it. If one or more Partners abstain from a vote, they are not counted among the voting body for the purposes of calculating the result of the vote. *(E.g. The voting body is comprised of 5 partners. If all vote, 4 of the 5 must vote 'yes' for the topic to pass. If one abstains, 3 of the remaining 4 must vote 'yes' for the topic to pass.)*

viii) Short-Notice Votes. If quorum is had at a Partnership meeting, the present Partners may call a vote without notice to absent Partners. This is not encouraged, and should only be done for less significant issues or emergency issues that require immediate action.

ix) Automatic Forfeiture of Voting Rights. If a Partner neither votes nor abstains on an issue, and doesn't notify the other Partners as to the circumstances that prevented that Partner from voting or abstaining within one week of the time of the vote (that is, within two weeks of the notice of the vote), that Partner automatically waives right to vote and is treated as abstaining from all votes. Right to vote is restored if said Partner communicates with the Partnership and explains their absence. This clause is not intended to punish Partners for taking vacation; those Partners' needs with regard to voting should be accommodated where feasible. This clause exists primarily to allow the Partnership to continue operation smoothly even if a Partner disappears.

6. Capital, Spending, and Finances.

A. Initial Contributions. The Partnership will begin with \$800 in capital, raised internally. Each Partner is responsible for providing a portion of that amount equal to that Partner's interest in the Partnership. These initial contributions are to be made contemporaneously with the execution of this Agreement. In addition to each Partner's share of the profits and losses of the Partnership, as set forth in Section 7, each Partner is entitled to an interest in the assets of the Partnership, including this initial contribution.

B. Partnership Bank Account. The Partnership will maintain a bank account in its business name, to which all Partners shall have access. All capital contributions by Partners, as well as any Capital raised externally, shall be held in this account. All funds in this account are the property of the Partnership, and are to be used only after Active Partner Vote allocates portions of them to a specific or general cause. The business department will maintain transparent accounting of the Partnership's finances.

C. Raising Additional Capital. The business department will be responsible for planning the budget for future quarters and proposing methods of acquiring capital for Active Partner Vote.

D. Power to Spend or Borrow Money on Behalf of Partnership. Active Partner Vote allocates funds and authorizes the spending of them. Expense decisions that are covered generally by fund allocation are to be recorded in detail and presented transparently such that the Partner making the purchase can be held accountable for their decisions. Partners not explicitly authorized to spend Partnership funds may not do so. If a Partner must make a payment or purchase on the Partnership's behalf, and there isn't time to call a vote to allocate funds, or if available funds are insufficient, the Partner must pay personally—using Partnership funds without permission is a breach of this Agreement. An Active Partner Vote will be held at a later time to determine reimbursement for the Partner in question from the Partnership's funds. Borrowing money in the name of the Partnership must be approved by Active Partner Vote.

7. Profits and Losses. †

The profits of the Partnership shall be shared by all shareholders in the Partnership in proportion to their interest in the Partnership. All losses shall be shared by the Partners in proportion to their interest of of the Partnership, not counting shares owned by non-Partners.

Each Partner will hold a number of initial shares in the Partnership. The initial share distribution is as follows:

- Michael Pruess - 39 shares
- Andrew Lin - 24 shares

- Gregory Schram - 15 shares
- Myles W Schaller - 12 shares
- David Pruess - 12 shares

Additional shares will be created and earned as described in Subsection 9.C.

Distributions of cash or property may be made quarterly by the Partnership to its shareholders, in accordance with Subsection 9.C.

8. Books and Records of Account.

The Partnership books and records shall be maintained digitally and each Partner shall have access to the books and records at all reasonable times.

9. Management, Time, and Compensation. †

A. Management. The Partnership will have 4 departments: Design, Development, Creative, and Business. Each department will have one or more (co-)directors. These directors are in charge of making sure their department's work gets done. Co-directors share this responsibility equally. Partners and Non-Partner Workers assigned a task in a department are accountable to that department's director. While each partner's work is to be done on a want-to-do basis, the directors are responsible for making sure that work deemed necessary by the Partnership is done. To this end, directors are able to request work of Partners and Non-Partner Workers. If a director's schedule becomes unrealistic, that director is responsible for explaining the issues and working with the Partners to either solve any issues or amend said schedule. Directors may be granted additional management duties or powers by Active Partner Vote. Directorial roles initially held by Partners are as follows:

- Co-Directors of Design: Myles W Schaller, David Pruess
- Co-Directors of Development: Michael Pruess, Andrew Lin
- Co-Directors of Creative: Gregory Schram, Myles W Schaller
- Director of Business: Michael Pruess

B. Time Commitments. Each of the Partners is to work as much as they want on tasks either self-assigned or assigned them by a Partner in a directorial role. While each Partner is encouraged to do as much or as little work as desired, once a task is assigned that Partner is expected to devote such time as is necessary to complete that task. If a Partner cannot complete assigned tasks, notice should be given at the earliest possible time so that directors can redistribute tasks or change schedules. Hours worked are to be reported weekly, digitally and transparently. Non-Partner Workers carry the same expectations and responsibilities.

C. Compensation. Partners are to be compensated with a share in any profits. For each Partner, at the end of each quarter, round the hours worked that quarter by each Partner down to the nearest multiple of 30, then divide by 30. That many shares in the Partnership are to be created and given to that Partner. The quarter's profits are then to be divided into 2 pools, the former containing 60% of the quarter's profits and the latter containing 40% of the quarter's profits. Each Partner will receive a percentage of the first pool equal to the percentage of total shares that Partner owns. Each Partner who earned shares that quarter will receive a percentage of the second pool equal to the percentage of newly-created shares that Partner owns. Beyond this mode of compensation, Partners will not receive salaries. All shareholders are to be paid in this manner quarterly, including non-Partners (see Subsection 10.A.).

(1) If the Partnership is not profitable in a given quarter, shares are still created but no profits are distributed.

(2) In Quarters 3 and 4 of 2014, as well as Quarters 1 and 2 of 2015, Partners will earn twice the normal number of shares for their hours worked.

D. Giving Shares. The Partnership may hold an All Hands Vote at any time to create one or more shares in the Partnership to be given to an individual in recognition of significant contributions to the Game.

10. Non-Partner Workers and Admitting New Partners. †

A. Non-Partner Workers. “Non-Partner Workers” are workers hired with the potential of becoming Partners and compensated with shares in the company. The Partnership may variously pay service fees or commissions in exchange for work; this term does not apply to those paid in such situations. Non-Partner Workers are brought on as independent contractors paid in the same manner as Partners—receiving shares every quarter, and a portion of profits based on their shares, as described in Subsection 9.C.—only their shares will not vest until an Active Partner Vote held 9 months after working with that contractor. Contractors whose shares have not yet vested still receive a share of profits based on these shares, even though they do not technically own them. Non-Partner Workers share none of the liabilities of the Partners, but also do not gain any of the rights outlined in this Agreement. Their contract will independently detail the compensation structure outlined in Subsection 9.C.

B. Terminating Non-Partner Workers. An Active Partner Vote can be held at any time in the first 9 months of working with a Non-Partner Worker to terminate that worker, following a review of that worker's performance and interests. If a Non-Partner Worker is terminated before actually gaining ownership of any shares, the shares set aside for that contractor never vest. Termination does not excuse the Partnership from compensating a Non-Partner Worker for work already done.

C. Admitting New Partners. If a Non-Partner Worker is not terminated in their first 9 months, and the active partners vote to have that contractor's shares vest, the Non-Partner

Worker will become a non-Partner owner, regardless of whether they are actively working with the Partnership. Non-Partner owners can be made Partners by All Hands Vote with at any time following a review of the non-Partner owner's contributions to the partnership, assuming said non-Partner owner wants to be a Partner. Partners added to the Partnership by this process share all rights and responsibilities of Partners laid out in this Agreement.

11. Transfer of Partnership Interests. †

A. Restrictions on Transfer. None of the Partners shall sell, assign, or otherwise dispose of the whole or part of that Partner's interest in the Partnership, and no purchaser or transferee shall have any rights in the Partnership as an assignee or otherwise, unless and to the extent that an All Hands Vote has given consent to such sale or disposition, but only if the transferee assumes and agrees to be bound by this Agreement and to become a Partner.

B. Transfer Does Not Dissolve Partnership. No transfer of any interest in the Partnership, whether or not permitted under this Agreement, shall dissolve the Partnership. No transfer, except as permitted under Subsection 10.A. above, shall entitle the transferee to participate in the management of the Partnership or to require any information or account of Partnership transactions, but shall merely entitle the transferee to receive the profits to which the holder of that interest would be entitled, as described in Subsection 9.C..

12. Death, Incompetency, Withdrawal, or Bankruptcy.

A. Withdrawal. A Partner may voluntarily withdraw from the Partnership by giving at least 90 days' written notice to all other Partners. The effective date of withdrawal shall be stated in this notice. A Partner who withdraws may remain a shareholder, though the Partnership would prefer to liquidate or buy out that Partner's interest if possible, due to the nature of the Partnership's distribution of profits and losses.

B. Continuation of Partnership Upon Death or Withdrawal of a Partner. Upon the death or withdrawal of a Partner, the remaining Partners have the right to continue the Partnership, as long as they elect to either accept the successor to the interest of the deceased or withdrawn Partner as a Partner or liquidate that Partner's interest, as agreed upon with that Partner or that Partner's successor. Failing either of these, the Partnership may treat the deceased or withdrawn Partner as an expelled Partner, following the process outline in Subsection 19.B. Under no circumstances shall the death or withdrawal of one Partner necessitate the dissolution of the partnership.

C. Payments Upon Retirement or Withdrawal of a Partner. Any payments to a Partner or that Partner's legal representative necessitated by that Partner's death, withdrawal, or expulsion shall be paid in full, in cash, within 12 months of the date of that Partner's death, withdrawal, or expulsion.

13. Procedure on Dissolution of Partnership. †

Except by unanimous All-Hands Vote, the Partnership may not be dissolved. Upon dissolution, the Partners shall proceed to liquidate the Partnership business and assets, pay all Partnership liabilities, and distribute the balance, if any, to all shareholders in accordance with their interest in the Partnership.

14. Partnership Property.

A. Definition of Partnership Property. The Partnership owns the intellectual property of the Game. The Partnership does not foresee owning business assets besides intellectual property, capital, and inventory of product. All Partnership assets are owned jointly by the partnership, and any interest produced by these assets shall accrue to shareholders according to their interest in the Partnership.

B. Title to Partnership Property. If title to Partnership property is taken in the name of a nominee or individual Partner, the assets shall be considered to be owned by the Partnership and all beneficial interests shall accrue as in Subsection 14.A.

C. Transference of Partnership Property in Case of Dissolution. Intellectual property will be transferred to Michael Pruess if the Partnership is dissolved. All other business assets will be liquidated as described in Section 13.

15. Leases.

All leases of Partnership assets shall be in writing and on forms approved by all Partners.

16. Controlling Law.

This Agreement and the rights of Partners under this Agreement are governed by the laws of the State of California.

17. Notices, Meetings, and Maintenance of Records.

A. Notices. Any written notice required by this Agreement, its amendments, or other decisions made by any Partner vote shall be sufficient if sent to a Partner or other party by electronic mail, addressed to the recipient's last known e-mail address, in which event the date of the notice shall be the send date of the e-mail.

B. Meetings. There will be weekly meetings, to which as many active Partners and Non-Partner Workers will show up as possible. If fewer than four partners can attend the meeting in person, a digital meeting may substitute. Meetings will have the following items or properties:

- A meeting whip will volunteer or be designated to manage the agenda and run the meeting.
- A notetaker will be designated each meeting to record minutes.
- The time and location of the next meeting will be decided.
- Each director will report on their department's progress, discuss issues or successes, and decide the next week's work.
- Any partner can bring up an issue that they feel requires a discussion or vote.

C. Maintenance of Records. The business department will be responsible for transparent maintenance of financial and meeting records.

18. Amendment of this Agreement. †

Each section in this Agreement with the exception of Section 5., as noted therein, is subject to amendment by Active Partner Vote. Some Sections, marked with a †, can only be amended by All-Hands Vote, until such a time as an All-Hands Vote amends this item.

19. Mediation, Arbitration, and Expulsion of a Partner.

A. Mediation or Arbitration. If a conflict or concern regarding potential conflict arises among Partners, the affected party or parties should bring attention to the issue. Whether the issue should be brought up in public or in private (either to other affected parties or to a neutral party) is up to the affected party or parties' judgment. If an issue can't be resolved in private, a meeting—either scheduled or convened specifically for the issue—will be held to discuss the issue. Affected parties will present their opinions and suggestions. If an agreement can't be reached, an Active Partner Vote will either decide the issue or elect another decision-making process for handling the conflict. This process may involve as many rounds of discussion and voting as the Partners deem necessary. As issues arise and are resolved, precedents will be set to smooth the process. If an urgent issue concerning a Partner arises, it is acceptable to hold meetings and votes regarding that issue without notifying the Partner in question nor counting them in the voting body.

B. Expulsion of a Partner. If a conflict or issue arises that can't be resolved in a satisfying manner in accordance with Subsection 19.A., for instance one that prevents one or more Partners from continuing to work together, an All-Hands Vote will determine which of the affected parties will be expelled from the Partnership. Expelled Partners may remain shareholders, but the remaining Partners would prefer to buy out the interest of any Partner expelled in this manner.

20. Binding Upon Heirs.

This Agreement shall bind each of the Partners and shall inure to the benefit of and be binding upon their respective heirs, executors, administrators, devisees, legatees, successors, and assignees (subject to the Sections 11 and 12).

IN WITNESS WHEREOF, the Partners have executed this Agreement the date first above written.

[signature stuff]