

Note: This is an initial draft for public discussion. Details may be changed in the final version.

Disclaimer: This enterprise is an experiment that to our knowledge has never been done before. We are taking legal precautions in designing the ownership structure under the advice of attorneys. However, we can make no personal or corporate guarantee at any stage of this process. We will make every effort to follow through and realize our goals, just as we have with the BASE token and the LBUN project overall. This white paper does not make any guarantees to buyers of Land Rush Tokens, Acre NFTs, or Land NFTs. It is a description of the concept which we intend to implement. We may have to make changes along the way, based on events outside of our control. DO NOT use any money in cryptocurrency that you cannot afford to lose. This endeavor is the effort of a group of digital pioneers. We invite you to come with us at your own risk.

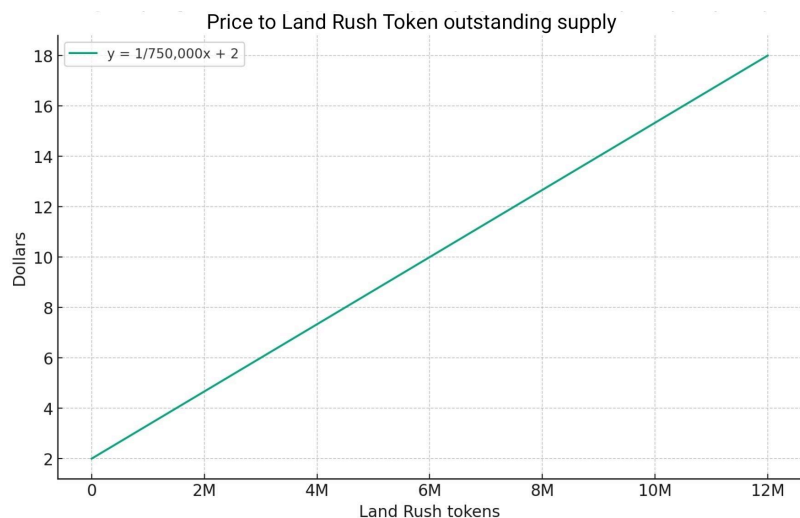
Cryptocurrency is a groundbreaking, low transaction cost means of transferring perceived assets. It's censorship resistant and, if designed correctly, a perfectly trustless system. The challenge with cryptocurrency is that it has mostly resigned itself to become a labyrinth of increasingly imaginative systems with no underlying real world utility, that only grow from the injection of more and more real world fiat. Do Kwon, in his foresight and innovation, began down the road toward a sovereign yet real world economy with the Chai payment system, but for reasons unknown, did not or was not able to expand this into a global enterprise.

Recently, real world asset tokenization is a growing trend. There are coming or actual opportunities to buy fractionalized assets in real estate and real businesses. This is novel, but more like stocks dressed as tokens. What we propose is the tokenization of specific parcels of land that can be personally used by the owner for recreation, to build a cabin, as a bug out location, for hunting, timbering the lumber, ATV riding, horse riding, planting crops or homesteading, or loaned against in crypto markets, rented in a crypto airbnb or simply HODLed as a crypto asset backed by real property.

THE PROCESS

Phase 1 - Land Rush Token Mint

Land Rush Tokens will be issued across multiple chains as a bidding instrument for Acre NFTs. For SEC compliance, these tokens will be proof of work (POW). They will have a starting price of \$2 and will be fixed to a gradually increasing linear bonding curve that is \$10 per token at an outstanding supply of 6 million tokens (slope is 1/750,000). This will give early buyers greater purchasing power when Acre NFTs are minted.



The swap tool will charge normal network fees with an additional \$5 transaction fee, which increases linearly to \$10 for a \$10,000 transaction and 0.1% of transactions greater than \$10,000, of which 50% will be used to buy and jail BASE tokens and 50% to supplement team expenses. BASE tokens that are jailed will have a positive effect on BASE price and vicariously on Luna Classic price as well. Jailed BASE tokens will be locked perpetually.

Land Rush Token sales must reach a critical mass of \$500,000 in the bonding curve before Acre NFTs are minted, due to the nature of trust management. We cannot guarantee this will happen because it will be based on reception by the market. Until critical mass is reached, and after it is, Land Rush Tokens may be bought and sold along the bonding curve.

Phase 2 - Acre NFTs Minted and Auctioned

Whole Acre NFTs

Acre NFTs will be minted and numbered in the order they are created starting at 1. This is important because mint order will determine order of preference when converting to specific land plots with Land NFTs. For this reason, it is expected that low mint number NFTs will sell at a premium to later mints. Each Acre NFT will represent one acre of raw/undeveloped land. The NFT drop will be in incremental stages. Bidding on the Acre NFT will require acceptance of the contract between the land trust and NFT holder (trust beneficiary) which will define the NFT holders rights as land owner (see below). Acre NFTs will have a reserve price but bidding will start at 1 Land Rush token.

Fractionalized Acre NFTs

A portion of Acre NFTs will be set aside for fractionalized purchase with a "buy now" price equal to the current real world market rate determined by comparables for small acreage plots in the area (approximately \$8000 per acre). The fractionalized NFTs will be 1/8000th of a whole acre NFT and may be redeemed for a whole Acre NFT with an exchange rate of 8000 to 1 to start (future exchange rates will vary according to market prices and the inflation of the fractionalized

NFTs). If fractionalized NFTs are converted to whole Acre NFTs, they may then be converted to Land NFTs from the remaining supply. Taxes, trust fees and liability insurance (for fractionalized NFTs only) will be paid over time by minting and selling more fractionalized NFTs to cover these expenses. The net effect of the value of the fractionalized NFTs will be the market value of the land minus taxes, trust expenses and insurance.

Price (fractionalized Acre NFT) = Market Land Value (Increase/Decrease) - Taxes/Trust Expenses/Insurance

An Acre NFT may be converted to a Land NFT for personal use from the remaining NFTs. If multiple land parcels go through the tokenization process, exchange rates for fractionalized to whole NFTs will vary if underlying land values between different series vary.

The Acre NFTs will remain at auction until the combined total of whole and fractionalized sales is at least 250.

Phase 3 - Land Purchase

Capital from Acre NFT sales will be converted to fiat to purchase acreage equal to or exceeding the number of Acre NFTs sold. For the first NFT issuing, a corporation will be formed to receive fiat funds and purchase a tract of land in the mountains of rural West Virginia. The corporation will commission the creation of an irrevocable 1000 year trust. An irrevocable trust is similar to a renounced smart contract. Once created, it cannot be changed or dissolved, it is a legal entity that carries out the instructions with which it has been programmed. The trustee (executor of the trust) will be a law firm chosen by the corporation, but may be changed by the NFT holders by a 2/3rds majority vote through their DOA (see below). The purchased land will be assigned to this trust and will remain in it for 1,000 years. When the trust expires, it will be instructed to convey deeded ownership to the current Land NFT holders. Expenses related to surveying and deeding each parcel will be the responsibility of the NFT owner at that time, and will be paid to the trustee. If the Land NFT refuses or is unable to have the deed transferred after 90 days, the land will convey equally to the adjoining acres. A contract will be written and will be required to be accepted when bidding on an Acre NFT. Each Acre and Land NFT will be stamped with a website link to the contract between the NFT holder and the trust. Purchase of the NFT denotes acceptance of the agreement. The contract will be between the trust and the NFT holder (the trust beneficiary) and will convey any and all surface use rights and any liabilities associated with the land to the NFT owner.

Phase 4 - Converting Acre NFTs to Land NFTs (the Land Rush)

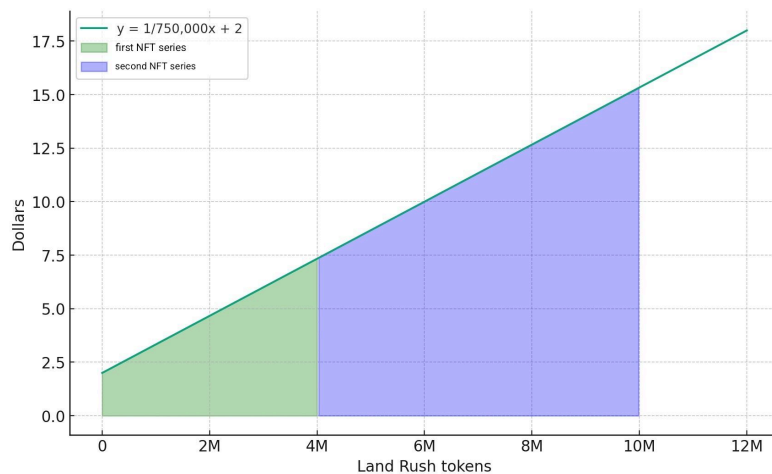
A plot map of the available acreage will be published prior to NFT conversion eligibility to allow Acre NFT holders to choose what plots they prefer. When the Land Rush opens, Acre NFT holders may choose which Land NFT plot they wish to permanently convert. To equitably distribute the land, choice will be based on the mint order of the Acre NFTs. Earlier minted Acre NFTs may always displace Acre NFTs minted during the open conversion process. For example, if a 99 mint Acre NFT chooses a plot to permanently convert, a 98 mint Acre NFT holder can displace them and kick the 99 mint out, and so on, until you get to 1 mint which cannot be

displaced. For this reason, it's important to have backup plans if you bid on lower mint number Acre NFTs. The conversion process will continue for one week or until all Acre NFTs have been converted to Land NFTs (permanent), whichever occurs first. If Acre NFTs are left undecided after one week, they will be randomly assigned plots from those remaining. Land NFTs will be encoded with coordinates marking the boundaries of the property.

Tokenomics of Land Rush Token

When collateral is removed from the Land Rush Token bonding curve it will always be removed from the bottom portion of the curve to prevent a price crash. Land Rush tokens still in the curve may continue to be bought and sold and used to bid on future Acre NFT offerings.

Suppose during the first series, 4 million Land Rush tokens are used to purchase Acre NFTs. The tokens used to purchase will be permanently jailed and their respective liquidity will be extracted from the bottom portion of the curve (the green shaded area below) to purchase land. This will allow Land Rush token holders to exit their position (in the purple shaded area) or hold for the next series. Successive series are not guaranteed, and will be issued based on demand. Now suppose a second series is issued and 6 million Land Rush Tokens are used to purchase Acre NFTs. After sales are complete, the Land Rush tokens used will be permanently jailed, then the liquidity under the purple portion of the curve will be removed and those who still hold Land Rush tokens will be trading in the liquidity to the right of the purple area, and so on for however many series are issued.



Right of Ways

If a plot is landlocked, the owner may access the property along the borders of other parcels as closely as topography will reasonably allow. All land plot borders will be right of ways as needed. If someone owns adjoining plots and builds a structure across a right of way, then right of way access may circumvent the structure as necessary for access. Disputes will be resolved by popular vote according to the governance structure DAO set in place. Each Land NFT will count as one vote.

If a structure is built across a right of way, and in the future, Land NFTs are sold to separate owners, each of the owners will own the portion of the structure on their land, separately by a plane that extends vertically from the property line. If one of the owners decides to demolish the structure on their side of the property, they cannot be held liable for structural issues or damages caused to the structure on the adjoining property. For this reason, if structures are built across a property line, it is recommended that the plots be sold as a pair to retain value.

Governance Structure

The Land NFT holders may elect 3 liaisons for 2 year terms through the DAO. Any liaison may be removed from office by a proposal that passes with a 75% vote and a new liaison elected by popular vote to finish the term. The liaisons will assist in filing building/septic/electrical permits with the contractor or NFT owners may deal with the contractor directly. As the trustee, the attorney must sign any building/well/electrical permit applications. Liaisons will convey only the proposals passed by governance to the attorney. Attorneys collect substantial fees for their time so interaction should be used sparingly. Any fees for permits or otherwise incurred by individual requests must be paid to the trust attorney's wallet.

A new trustee may be chosen by the DOA with 2/3rds popular vote. The trustee must be an attorney who practices law in WV and whose office is located in WV. Their trust management fees may not deviate more that 25% above the median cost of attorney trust management of attorneys in WV.

Each year, property taxes (currently about \$55 per acre) and trust fees (approximately \$50 per acre) will be collected and deposited in a wallet owned by the law firm managing the trust. There will be a three month grace period after which, if the fees are not paid, the Land NFT will revert to DAO ownership to be auctioned to a new owner. The proceeds of the auction will pay the taxes and any remainder will be deposited in the tax/trust fee wallet to be deducted from future expenses.

In the event of an internal dispute between land owners, the DAO will settle the dispute by 2/3rds majority vote. If an NFT owner ignores the resolution of the dispute, the DAO may fine the violator up to \$75 per month which will be added to the annual fees due each year. Illegal violations of other owners rights will be reported and handled through conventional law enforcement. DAO fines are limited to right of way access violations, property line violations, or illegal offenses which diminish the value of surrounding properties. Otherwise NFT owners may use their land for whatever legal purposes they see fit.

A land owners association with a monthly or annual fee structure may be formed under governance, but membership must only be voluntary, not compulsory. The purpose of such an association may be to improve road access, make power more accessible, dig community wells, or any other constructive purpose deemed necessary or desirable.

Property insurance for new structures will be paid directly to the trustee wallet according to annual premiums.

Determining Land Boundaries and Setbacks

Plot boundaries will be determined by GPS coordinates encoded on each Land NFT. Devices that have at least 1 meter accuracy will set the boundaries for building purposes or disputes. Unless the adjoining property is owned, structures may not be built closer than 10 ft from the property line. 10ft is the permanent structure setback. This does not include roads, over ground electric, landscaping, crop cultivation, timbering or other impermanent changes. Fences may be constructed within 5 ft of the property line so long as the combination of fence and topography does not make the right of way unpassable. If the right of way is naturally unpassable, then a fence may be constructed at the 5 ft setback. If the right of way is passable and construction of a fence makes the right of way unpassable, then the fence must be set back enough to allow a minimum of 9 ft of clearance for a vehicle to pass.

Tips for bidding on the land you want

What do you plan to use the land for? Southern facing land is good for growing crops. Look at the topography in GPS maps or visit the site in person. Look at water access if you'd like to build a homestead or with atmosphere for a cabin. If you want to build a bunker, land on the side of a small mountain would be ideal for tunneling into. Do you want to timber the land, see if you can identify the types and sizes of trees compared to market prices for those species.

Scalability

The estimated value of all land on earth is over \$100 trillion. So we shouldn't have any shortage of supply.

Foreign Ownership

There's no law against foreign ownership of US land, or any additional taxes or requirements that landowners be United States citizens. There is legislation in some Midwestern states that seek to limit foreign ownership of farm land, but this is raw land and there is presently no known legislation to that effect in West Virginia. If you are a potential foreign owner, we advise you to seek your own legal counsel regarding land ownership regarding your rights as a citizen in your country and ownership of land in the US.