

Lift.Kitchen Operating Constitution

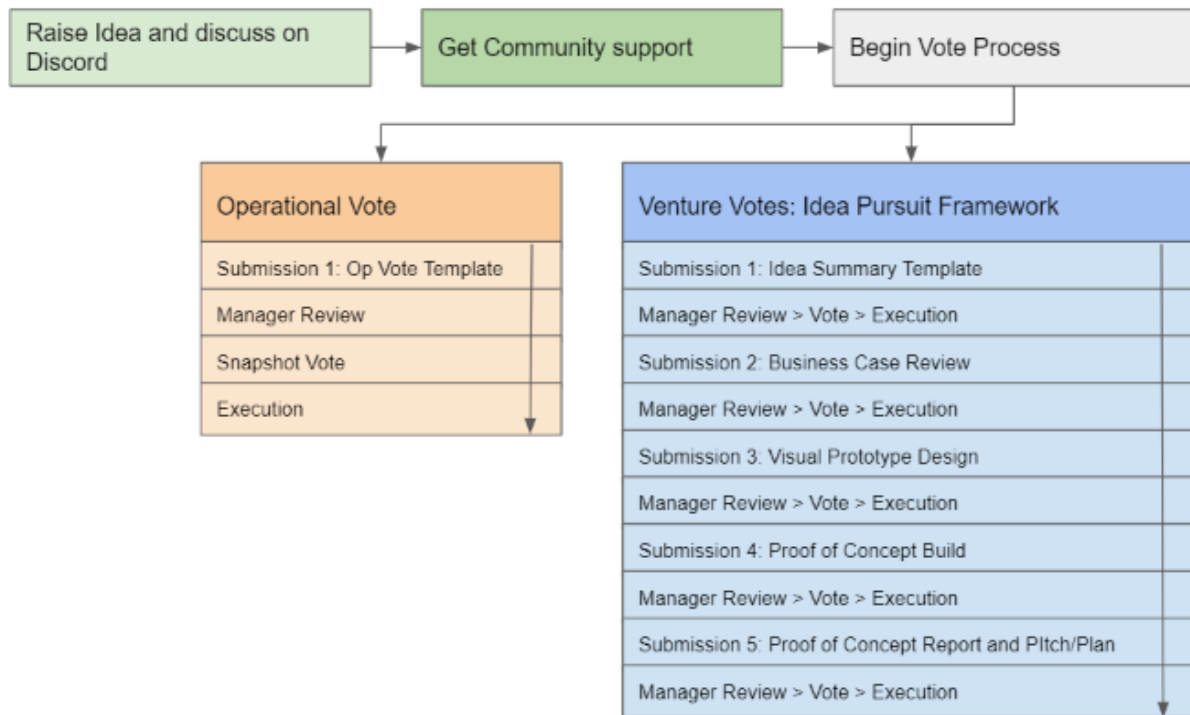
Operations standards, practices, and vote mechanics for the Lift.Kitchen DAO.

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Overview

The Operating Constitution, drafted by founding Fund Managers Alex Avendano, Chris Spears, and Mike Winburn, outlines the operating standards for new idea submissions, votes, and the overall activity required to operate the DAO and IdeaFund successfully. At a high level, the process works through a series of steps to ensure vote quality and integrity:



Definitions

Idea: For the purposes of this document an “idea” is defined as any use of capital that a community member puts forth that provides a use case for IfBTC or LIFT, and creates value for the fund and ultimately the CTRL holders. Additionally, an idea is defined as a modification to the DAO operating model that requires a vote; expenses, hiring, rule changes, and other changes necessary as determined by the community or Managers.

Idea Pursuit Framework (IPF): The set of steps and defined processes by which the Lift.Kitchen DAO runs concept incubation, seeding, and launch.

Sponsor: Generally, the person who conceived of the idea, but the Sponsor is the Team lead that will be responsible for meeting IPF obligations and responding to Manager requests.

Submission: A specific document or set of documents that will be used for any part of the IPF process, and sent through specific channels.

Team: The team members of any concept put through the IPF; founders, community members, support staff.

Vote: An event held through Snapshot (tech platform) that enables DAO members holding CTRL to act on submissions and activities of the DAO.

DAO Manager (Manager): An appointed official focused on managing the affairs of the DAO, maintaining, and building community, and reviewing all submissions to ensure integrity and quality before submitting to the community for review or vote.

Vote Queue and Submissions

To see the queue: <https://lift.kitchen/submissions/>

To submit an idea or furtherance of an idea for vote, visit our submission form: <https://lift.kitchen/submission-form/>

Two Types of Votes

Operational votes are submitted by anyone and pertain to management functions of the DAO. For example, Operational Vote to deploy funds for resources related to growing and managing the DAO itself. Operational votes have a special template and do not follow Idea Pursuit Framework (IPF).

Venture votes are submitted by anyone and are specific to concepts that should be pursued through the IPF. For example, a new company idea that we should build through Lift.Kitchen IdeaFund.

Idea Pursuit Framework (IPF)

The IPF is the set of steps that are required to take an idea from start to full funding. These steps may change from time to time based on community learning and input, and any such changes will be administered via Operational Votes. These steps will be managed through Votes at Snapshot.

DAO Managers

DAO Managers (“Managers”) are elected by CTRL holders and hold office for six months. Managers review submission for Votes and ensure that materials submitted meet the stated criteria. If there are issues, the Managers will work with the submitting team/community to prep the submission correctly. Managers ensure that votes are held purposefully.

Managers will be judged on the following criteria; community activity, responsiveness to submitting teams, grooming of quality ideas, quality of assets that make it to voting,

successful utilization of capital, efficient deployment of capital leading to high ROI events.

IPF High Level

1. Sponsor shares high level idea framework in #00-submit-ideas
2. Engage community in idea, answer questions and solicit feedback
3. Sponsor submits an Idea (for Venture vote path) to Fund Managers
4. Managers approve the submission and pass to a formal Vote
5. Vote Passes =>
6. Sponsor and team produce the discovery and documents to get next vote
7. Sponsor submits Visual Prototype Docs (VPD) to Fund Managers
8. Managers approve the VPD for Vote
9. Vote passes =>
10. Sponsor and team produce the Proof of Concept (POC) Docs
11. Sponsor submits the POC docs to Fund Managers
12. Managers approve the POC Docs for Vote
13. Vote passes =>
14. Build POC
15. Market test POC and POC Report
16. Vote to seek capital based on POC results
17. Vote passes =>
18. Spin out entity and capital raise, with founding team

IPF Details

1. Sponsor creates community engagement through #00-submit-ideas channel
 1. Sponsor needs to show a well thought out idea, cannot be anonymous, should participate in an AMA with the community, and generally build consensus on the idea, value creation opportunity, and expected financial outcome with a timeline.
2. Sponsor submits Idea to Managers
 1. Sponsor is any member of the community that will act as the lead on this idea through the IPF process.
 2. **Idea Summary Worksheet** Completed (templated document)
 1. Includes relevant costs for next step
3. Fund Managers will perform reviews of the Sponsor & Team.
 1. Potentially pulling credit, background checks, wallet reviews, previous experience (linkedin/resume), professional references, interviews, and other activities as needed.

2. Fund Managers will publish findings (**Team Diligence Template**) for community review prior to idea voting
3. The goal is to ensure a high quality and validated team to ensure the success of any investment.
4. Managers approve the submission and pass to a formal Vote
 1. Create proposal and vote on Snapshot beholden to Vote Mechanics
 2. Timeline: Submit for vote within 24 hours of approved Idea Submission
 3. Voting Window: Vote will be open for 48 hours.
5. Vote passes → Sponsor and team produce the discovery and documents to get the next vote. Must produce and submit **Business Case Review**:
 1. **Detailed Brief and Pitch Deck**
 2. **Customer Interviews and proof of demand**
 3. **Business case and Financial model**
 4. **Visual Prototype Spec and Request for Funds**
 5. This case review must be complete in 14 days.
 6. Upon completion, the case review should be submitted to the App.
 7. Time from start to finish: Variable, but assume not more than 2 weeks.
 8. Managers review and approve or suggest changes
 9. This will publish to the community and prepare for Vote.
 10. Upon publish, schedule a vote within 24 hours.
 11. Voting Window: Vote will be open for 48 hours
6. Vote Passes → Funds are released to execute Visual Prototype Docs
 1. Timeline 4 weeks: Half provided at passed vote, half provided upon submission of approved Visual Prototype Documents.
7. Sponsor submits **Visual Prototype Documents** to Managers
 1. **User Experience Design**
 2. **Visual Design**
 3. **Concepting of idea**
 4. **Customer Interviews**
 5. **Proof of Concept Spec and Request for Funds**
 6. Upon completion, the Visual Prototype should be submitted to the App.
 7. Time from start to finish: Variable, but assume not more than 4 weeks.
 8. Managers approve the VPD for Vote
 9. This will publish to the community and prepare for Vote.
 10. Upon publish, schedule a vote 24 hours out.
 11. Voting Window: Vote will be open for 48 hours.
8. Vote passes → Funds are released to execute Proof of Concept Architecture Docs
 1. Timeline 2 weeks: Half provided at passed vote, half provided upon submission of approved Proof of Concept Architecture Documents.
9. Sponsor and team produce the **Proof of Concept Architecture Docs**
 1. **Full spec and CTO placement for POC build**
 2. **CTO must sign off on POC docs**

3. Sponsor submits the POC docs to Managers
 4. Managers approve the POC Docs for Vote
 5. This will publish to the community and prepare for Vote.
 6. Upon publish, schedule a vote 24 hours out.
 7. Voting Window: Vote will be open for 48 hours.
10. Vote passes → Funds are released to execute Proof of Concept Build
1. Timeline 4-12 weeks: 25% distributed at funding, 25% distributed at first demo, 25% distributed at final demo & submission, 25% distributed upon approval of submission for vote.
- 11. Proof of Concept Build**
- 1. Build the PoC app**
 - 2. Return to customer interviews for PoC alpha demos**
 - 3. Prepare PoC Report**
 - 4. Prepare PoC Security**
 5. Upon completion, the POC Report should be submitted to the App.
 6. Time from start to finish: Variable, but assume not more than 4-12 weeks.
 7. Managers review and approve or suggest changes
- 12. Market test POC**
- 1. Team will promote and solicit feedback on Proof of Concept to establish demand and determine path forward**
 - 2. Team will be provided with a simple wordpress template for marketing promotion**
 - 3. Team will execute marketing & community playbook**
 - 4. Full pitch deck and proforma business model**
 5. Upon publish, schedule a vote 24 hours out.
 6. Voting Window: Vote will be open for 48 hours.
13. Vote passes → Spin out and capital raise, with founding team
1. Pay for an audit of smart contracts involving financial instruments
 2. Pitch traditional PE firms and launch pad opportunities for growth funding

Issue Resolution

Sponsors – Unresponsive sponsors, sponsors that fail to follow the process, general failure will be dissuaded from future idea submissions

Teams – Teams that fail to deliver expected deliverables at every milestone will be dissuaded from participating in future idea submissions.

Deliverables – Deliverables that fail to meet expectations will be reviewed with Sponsor and Team until viable deliverables are provided.

Pivots – Any Team, at the recommendation of the Sponsor or Manager, may determine that a pivot is necessary. At which point the Manager will determine if the idea needs to start back at the beginning or may move forward without resubmission.

Deal Structures

We expect to entertain and pursue deals that provide value and ROI to the overall future growth and return to LIFT token holders and DAO community. To that end, we place no restrictions on the types of deals the DAO may pursue through the IPF. We believe each deal to be unique and will provide as much deal flow and access to our community as possible, while allowing the IPF and Vote system to determine which deals the community chooses to pursue. We expect to consider deals including, but not limited to:

- New concept incubation from scratch, wholly owned
- Joint ventures with existing startups and organizations, varying equity/debt arrangements
- Debt and Equity/Options agreements into existing companies and startups
- Consulting and Services deals to help launch new token offerings
- Custom and Alternative Asset investment

Vote Mechanics

There are multiple events in the IPF (defined above) that can trigger a formal vote. All votes adhere to the following rules. All votes are managed through our Snapshot site, <https://ctrl.lift.kitchen/>, which automatically manages the smart contracts and visibility of our contracts. This also automatically provides the technical features to enable voting.

Community vote: Defined as (total available CTRL) minus (CTRL held by Founder vote)

Founder vote: is defined as ctrl held by
0x2B8E68db56b43d34389C2934bb75eAD8df8Dd388 (Founding team wallet) plus
0x6c7654AAc97615aaA8d3f429589C538a82D46833 (DAO distribution wallet)

This definition is eliminated once ctrl held by founders is less than 50% of total control.

Vote Rules:

1. Anyone that holds CTRL, earned or staked in the Boardroom or held in wallet, may partake in any Vote.
2. Votes are counted proportional to share of CTRL.

3. As many ideas may be submitted, faster than managers can review, a Vote Queue will be maintained
4. Once a Vote is approved by Managers:
 1. Votes are held over a 48 hour period, on Snapshot
 2. Votes are scheduled and controlled by Fund Managers
 3. From the time idea is published by Fund Managers, vote will be no more than 48 hours from the date of publish
5. Founder vote cannot force a YES vote;
 1. To stop a vote: Community vote must exceed 50% voted, and at least 51% of vote must be NO
6. Founder vote can force a NO vote:
7. FAILED VOTES:
 1. Votes
 1. Vote can be brought again with any modifications recommended. If substantial changes aren't made to the submission the Managers may decline resubmission until they meet expectations.
 2. Multiple failed submissions may be ignored by Managers