

Draft 2.0 What's changed:

- Updated funding and token approach
- Updated entity structure
- Overall editing per comments
- Addendum detailing PPM and Constitution contents

FAN-OWNED SAILGP TEAM

DAO WHITEPAPER FOR POTENTIAL OWNERS/MEMBERS

What is this document?

Welcome to the whitepaper for the proposed Fan-Owned [SAILGP TEAM](#). This document is meant to inform and inspire participation into this new Decentralized Autonomous Organization (DAO) owned SailGP Team. We are looking for a group of like-minded sail racing enthusiasts who want to join together to acquire rights in a new SailGP Team. This document is meant to be an overview of the project. Investment specifics will be set forth in a PPM (Private Placement Memorandum) and subscription agreement and governance specifics will be set forth in a DAO Constitution and associated documents. This document should not be considered a solicitation to invest. Please rely solely on the PPM when choosing whether or not to invest in this new team.

PREAMBLE

Jackson Hole, Wyoming, February 2022

The founders and team members of **Bernoulli | Locke** ([BL](#) is focused on creating and investing in member-based businesses organized around passions and experiences) sat around a large wooden table, just outside of the window, the incredible Grand Tetons and the perfect ski resort competing for our attention. We had just finished an exhilarating and successful three days of “**The Wild West of NFTs**” conference that we had hosted. We were firmly entrenched into the world of web3, and how these new constructs create new opportunities for building businesses, creativity, inclusion, and energy towards a new world. Powered by this experience – we discussed what would be next for this team and the **Bernoulli | Locke** principles were at the front of our thoughts...

1. Experiences are powerful, we want to enable deep, meaningful experiences that are both enlightening, entertaining and rewarding
2. Focus on passions – motorsports, sailing, music, entertainment – where passionate fans are at the heart
3. Engage new structures and technology to drive business creation and operation: DAOs, blockchain and Web3 thinking are all top of mind

Sitting around that table, talking about these things, one idea kept rising to the top – can a DAO own a sports franchise? Was it possible to have an operating business with a core asset that is run as much as possible by its fans? This idea captivated us and propelled us.

We had exposure to **SailGP** and the USA **SailGP** team through one of our founders. Sailing, racing, and boating in general was a part of our team's DNA. What **SailGP** was doing as a sports innovator captivated us. Racing close to shore made spectating live engaging, the video

product was filled with incredible camera angles and data that gave the fan a new perspective on the racing. The boats themselves are at the pinnacle of current racing technology, generating unheard of speed and challenges for the top professional crews around the world.

Would SailGP consent to a DAO owned team? We started a dialogue with SailGP to find out. Simultaneously, serendipitously and in a sure sign of synchronicity, SailGP had just formed a partnership with the **NEAR** Foundation, a layer 1 blockchain and web3 technology ecosystem. We began to dig in to understand how we could do this, how to make it legally compliant, be fair to owners, and be more than a DAO in name only – and instead be an operating entity with meaningful decentralized decision making, while balancing the needs associated with managing an operating business – a sports team no less – 365 days a year. We also started to explore NEAR – and what their benefits and advantage could be, and we were impressed. In return, as it happens, SailGP and NEAR in digging into their partnership, put a DAO-owned team as a core goal. Again, serendipity.

It was in the stars so to speak – so we began almost a year of thinking, planning, meetings and more; a journey that leads us to this point of putting out this whitepaper to inspire others to join our mission, be owners of a team in the SailGP racing league and be a part of sports ownership leadership and innovation. This has been a massive learning process, we are in unexplored territory – and there are many points of view, and opinions, the legal side of DAOs are still a work in progress. We have had to close down some options and open up others. Ultimately, in order to accomplish our goals, we have refined our approach. We needed a new type of structure and a construct that would bridge the old world and the new. A summary of those goals, challenges and our response follows.

Goal:

Build a successful SailGP team with a large passionate fan/owner base (and have fun!)

This requires us to:

- Secure a territory for the team that is exciting and commercially viable. (While working within the SailGP league structure that to date has single nations competing against each other)
- Give true collective ownership to the community by successfully implementing the structure required to launch a top tier sports team that's owned by its fans
- Provide an inclusive opportunity to a wide set of fans with varying levels of interest and material means
- Encourage meaningful community input while providing the team with enough autonomy to win
- Build a hybrid bridge to blockchain investing for the more traditional investor but compelling to crypto natives

The challenges include, but are not limited to:

1. Decentralized control isn't conducive to split-second decision making and team operations have very demanding requirements. Sports teams are traditionally centralized by definition. So, in lieu of a *completely* decentralized operation – we need a way to approve general direction and allow managers and team personnel to execute on that direction, while keeping the community involved and enhancing engagement over time
2. Being compliant with securities laws and regulations and limiting liability for all parties

3. Leveraging a structure that can provide governance, access, and participation opportunities beyond the investors, including a broader number of fans
4. Significant costs arising from our initial development efforts
5. Significant obligations to SailGP under a participation agreement (the “Participation Agreement”) including an activation fee for a team, as well as team operations expenses create significant fundraising requirements, i.e. 2 years of operations + the activation fee will cost \$35 million dollars
6. Financial operations that are transparent, and allow for traditional contracts and payments to occur, essentially on-chain smart contracts that activate off-chain financial transactions
7. Limiting liability for participants in a way that a general partnership, which is what a “true DAO” is, does not limit

How we are meeting these challenges:

In order to find solutions to these challenges we have consulted experts, spoken to different firms for their points of view and opinions, we have coordinated with SailGP and with the NEAR Foundation to create a solution that attempts to thread the needle on these topics. We are continuously seeking counsel in various ways to validate and refine our approach. Most recently we posted our initial draft of this White Paper on our Telegram channel, and solicited input from many people in meetings and discussions.

Is our solution final and perfect? We would love to think so. However, the next step in this journey is to bring in outside opinion and most importantly the community of interested and potential investors/DAO members (you the reader of this whitepaper). We are doing this for all of us – and require the community to be involved as an active participant in this process.

- We are creating a new kind of “limited DAO” – bridging TradFi and DeFi – for:
 - up to 1,900 equity token holders (owners); and
 - Thousands of non-owner fans
- Equity token holders will be able to acquire from 1-40 tokens at a price of \$5,000 per token (investment details, process and pro forma financial forecasts are available in the PPM) in a limited liability company, that we call a DAO.
- Voting power in the DAO is tied to equity with some considerations to balance voting (governance and DAO operations are communicated in the DAO Constitution)
- This DAO operates in most respects like any DAO, with members able to propose and vote on proposals that are to be implemented.
- The DAO Constitution will mandate specific operational processes, like an annual budget proposal that allows the DAO to vote to empower specific actions and a sporting director, hiring the athletes or specific marketing plans. (See table of contents in the addendum of this document)
- The DAO PPM will outline the specifics around the business and various considerations for investors.
- A management services agreement (MSA) with a 3rd party management entity (Bernoulli | Locke – the founders of the DAO) will be executed to ensure day-to-day operations and fiscal management happen in a timely and professional manner for the benefit of the DAO, and in a manner as set forth in the DAO Constitution and MSA. This MSA would be proposed and voted on by DAO for each term of the MSA. (MSA will be available within the PPM)

- The equity token holders will have votes in the main DAO, they can make any proposals they want. Smaller subject matter committees (marketing, technology and security, etc.) decide on which proposals go to a full vote, and if passed get executed by the appropriate owner of this decision (typically the management team).
 - Non-owners seeking to participate can acquire a FanPass NFT. Holders of FanPass NFTs have votes delegated to the NFT Sub-DAO. They can make proposals and all NFT holders may vote to pass or reject proposals. Passed proposals go to main-DAO for a full vote and final decision. Some topics may be fully delegated to the NFT sub-DAO along the way, by a proposal or amendment to the Constitution.
 - SailGP's expansion of the Participation agreement allows us a multi-country region as a team territory.
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VISION

Fans will become a part of sporting history; trailblazers, getting closer to the sport than ever before as owners and DAO community members of a new SAILGP Racing Team.

SailGP is a purpose-led, global racing league. It is one of the fastest growing sports properties and the world's most exciting racing on-water. Now in its third season, SailGP features national teams battling in short, intense races at iconic stadium-style venues across the globe, with sailing's top prize money of US\$4.3 million at stake. The high-tech, high-speed action features the sport's best athletes racing in identical, hydro foiling F50 catamarans, flying at speeds approaching 100 km/h.

The **SAILGP** Team DAO mission is to create a decentralized community giving governance to DAO members with a class of limited (1,900) equity token holders as team owners and an "unlimited" number of FanPass NFT holders who get access to experiences and governance rights but not ownership or any right to the profits from the business.

The team's territory combines the Caribbean and Bermuda, an internationally recognized sailing and business destination, providing the team with a diverse, culturally vibrant, and historic sailing region to mount a competitive SAILGP team.

THE DAO

As a DAO, the community of token holders has governance and decision-making benefits regarding efforts to be competitive, commercially successful, and a global leader and innovator in fan experience. Every DAO member will be a part of the adrenaline, exhilaration, excitement, and competition of this new race series at the very pinnacle of global racing.

We believe this DAO, through its community of members, can be a powerful catalyst for the SailGP league's continued growth and success, stimulate deeper penetration across global

audiences, support the SAILGP team and the league in ways that a traditional single owner could not do.

Developing and showcasing the power of this new model of professional sports-team ownership will pave the way for others to follow, bringing more and more fans closer to the sports they love.

HOW

Entity Structure Diagram Here

The Sail GP Team will be an ecosystem of three entities working together to bring a diverse group of participants to support this new experiment in team ownership, specifically:

1. FAN TEAM DAO LLC (Wyoming LLC) –the team resides here – this entity will contract with SailGP to hold participation rights and have rights and obligations associated with the team including to make payments to and receive payments from SailGP. This entity will enter into a management services agreement with Bernoulli | Locke to help ensure management of the day-to-day business, compliance, management of funds and execution of decisions. This entity will sell DAO Equity Tokens to up to 1,999 token holders who must be accredited investors. Token holders will have governance rights as described in the DAO Constitution.
2. FAN TEAM FanPass (Cayman Foundation with its own wholly owned subsidiary) for NFT creation and sales will have contractual rights to mint and sell NFTs, providing NFT holders with the “Season Pass” and voting rights relating to make proposals for the DAO.

WHAT

Specifics on Each Entity in the Ecosystem:

The DAO

Governed by the DAO Constitution, the DAO is responsible for:

- Raising funds necessary to pay the fees to SAILGP League required to activate the license for a team as well as for 2 years of operating expenses as required by the Participation agreement through its contractual relationship with the FAN TEAM DAO LLC.
- Paying such amounts to SailGP as required by the Participation agreement.
- Hiring (and supporting) the managing entity - initially Bernoulli | Locke, LLC for the first three years, (subsequent years supported by DAO vote) to run the business affairs of the DAO within a reasonable cost. Bernoulli | Locke is also receiving founders’ tokens for its role in establishing the DAO and shepherding this opportunity to completion.
- Passing an annual operating budget through a proposal submitted by the managing entity and voted on as per DAO Constitution.
- Hiring and supporting the Sporting Director who in turn will be responsible for the critical sporting related decisions to operate a high-performance sports team - management of the sailing team, hiring and training, and all racing decisions
 - DAO will vote to hire this position

- The DAO can establish proposals to the Sporting Director, subject to the DAO Constitution
- Promoting the awareness of the team, sport, and events.
- Supporting the overall commercial efforts and revenue generation, executed by the management team, across key revenue streams including sponsorships, media sales, merchandise, NFT Fan Passes, Special Experiences and Event sales.
- Focusing on environmentally responsible sport and protection of our oceans, through:
 - Selecting a team charity (in accordance with SAILGP Participation agreement and DAO Constitution)
 - Supporting the selected charity
- Adhering to the SailGP participation agreement.
- Contracting with NFT FanPass Entity to provide rights to issue the “Fan Pass”, NFT’s and voting rights relating to make proposals for the DAO.
- Distributing any profits in accordance with the DAO Constitution to Equity token holders.

The Equity Token Owner Benefits:

- Insider access to racing content, data and events as available.
- Access to committees and “Sub-DAOs” that are expected to be created covering specific areas of need and expertise, in order to leverage the energy and passion of the community for the betterment of the team and the benefit of the DAO.
- Connection and direct access to DAO ecosystem members and community.
- Ability to propose, comment and vote on DAO proposals across a broad range of potential governance topics including event participation (allocation of tickets and special experiences during race weekend), allocation of limited opportunities, commercialization, fan engagement opportunities, marketing and promotion, annual budget approval, team decisions and other team related decisions which will be set forth in the DAO’s constitution.
- Proposals and voting on team name and livery
- First access to new efforts of commercialization including merchandise, Season Pass and other NFTs, among other things.
- Equity tokens are expected to be tradeable, subject to restrictions and holding requirements under existing securities regulations and contractual restrictions to be highlighted in the PPM.

The FanPass NFT Holder Benefits:

- Annual FanPass NFTs will be issued, and holders are expected to have a limited set of rights and access that will be designed to further create fan engagement.
- Proposal and voting rights within a sub-DAO (if proposals are passed, they are passed up to DAO for final voting).
- FanPass insider access to racing content, data and events as available.
- FanPass NFTs can be renewed, upgraded and updated for subsequent years (using dynamic NFT technology)
- FanPass NFTs can be sold and traded as NFTs, and are valid for 1 year but can be renewed for additional years.
- Benefits for continual holding over multiple years will be considered
- Price range for NFTs is expected to be within \$100-\$500 to any interested fan
- NFTs are not equity interests. NFT owners will have no rights to profits from the DAO or any other entity.

- *Note: Community comments have made interesting and varied suggestions regarding the NFTs and how they are structured. We will finalize this within December 2022 and develop a FanPass document that includes more detail and take these ideas into further consideration.*

Simple Governance (Governance will be detailed out in the constitution)

- Equity token holders will vote on instructions to be provided to the DAO with votes delegated to token holders based on their investment.
- The DAO Constitution will outline different quorum and voting options as well as specific proposals that are mandatory (license and operational fees to SailGP, annual budget funding, athlete funding, and other operational requirements).
- The main DAO will accept passed proposals from sub-DAOs including the FanPass NFT holders and enter these proposals into the main DAO voting process. We have determined that this is strongest approach to giving FanPass holders a voice and declare what they are interested in while still respecting the primacy of the equity holders rights.
- The treasury is unhooked from the DAO and is managed under the management services agreement with the operating partner within the parameters of the budget and approved proposals.

WHEN

Our objective is to be ready to compete for the start of season 4 in June 2023.

- DAO ecosystem will be launched for equity token holders and founders in mid-December, 2022.
- FanPass NFTs will begin to be sold by NFT FanPass Entity in early January, 2023.
- Individuals can commit to purchase equity tokens on the Fa
- In order for individuals to commit to purchase equity tokens, they will need to sign an NDA, read and sign key documents, perform KYC and investor accreditation as well as indicate their level of token participation – which they can increase up to closing.
- Upon completion of these steps and prior to closing we will add committed investors to the DAO to participate in proposals and voting prior to closing.
- We will take funds once we reach closing – there is no escrow component required.
- Final closing is anticipated at end of February in order to compete in Season 4.
Assuming this deadline is met:
 - Team/Athlete selection will be completed in February
 - Training and initial team operations will begin in March, leading to Season 4 first event 1 in June
- Should the requested funds not be raised within this timeline, the DAO may choose to continue to raise funds to launch in Season 5. Once this decision is made, if requested within 30 days, individuals who have committed to purchase tokens can withdraw their commitment.

How to participate:

- Potential investors can begin their journey on <https://Fanvest.io>
- Official Telegram Channel is: [Fan Owned SailGP Team](#)
- Investors will be able to read further documentation, invest, purchase their equity token and become DAO participants at <https://NewSailGPTeam.com> (with a targeted live date in mid-December, 2022)

- Flexible investment: Fans can purchase from 1-40 tokens at \$5,000.00 each and change their investment allocation up until closing to ensure participation.
- Closing: We will close when we reach \$35M (total raise level of \$35M). Closing occurs when we have reached the investment level across a set number of investors. (1900 investors max)
- Investor Selection: Higher investment levels will get priority in order to meet the raise requirement. Tie-breakers on investor selection will go to the earliest commitment.
- KYC: All purchasers must go through a “know your client” (KYC) process
- Requirements for equity token purchase: Non-disclosure agreement, PPM reviewed, Subscription Agreement, funding the committed amount and proof of accredited investor status.
- Required for NFT purchases: NFT purchase agreement and funding the sales price.
- How equity tokens are acquired: Once documents are signed, an ACH gateway to accept funds will be available inside the closing window. Equity Tokens are \$5,000 – you can invest from 1 to 40 tokens. Crypto (USDC) will be accepted.
- Transferability Restrictions: Equity Tokens will not be transferrable for 1 year from closing. After the first year of operation, a secondary market will potentially be provided through the DAO.

Additional Specifics:

- The DAO and tokens are being built on the **NEAR** blockchain, a partner of **SAILGP** and a leading, energy efficient, blockchain ecosystem.
- The new team is anticipated to be the 10th team in the league and is aggressively targeting a launch for Season 4 (June 2023) with 14 events currently scheduled worldwide including one within the home [Bermuda] territory.
- Approvals of the DAO Constitution and the Bernoulli | Locke initial management agreement will be part of the initial DAO setup.
- Equity Owners will be able to vote on further proposals commensurate with their tokens.
- The new team’s name, flag, nickname and livery will be proposed and voted on by founding DAO group if time allows.
- Inclusion of regional participation from the Bermuda and Caribbean territory in the DAO community is anticipated and will be encouraged. The DAO will provide ways to integrate in and participate with the region through its leadership, potential commercial interests, culture, athletes, and fan-base in the region.

About Bernoulli | Locke:

Bernoulli | Locke is focused on creating and investing in member-based businesses organized around passions and experiences. The company invites individuals to explore their interests in new ways by utilizing the tools of Web3 to create unique and innovative community engagement and to invest in and own businesses leveraging the benefits of a DAO to better serve their passions.

Our Founders

David F. Palmer, Founder

David Palmer is an enigma. Starting with a background in Physical Chemistry, but ultimately a thoughtful global leader in the hospitality industry, David moves from scientific analysis to a deeply human, passionate creator and patron of the human

experience. David's passions run from all forms of adventure, whether mountain, road or sea to photography, art, architecture, and a desire to understand the details buried far under the surface. He is a creative force with a rare, precise aesthetic and with the required vision and endurance to see that vision to fruition. His accomplishments across hospitality and finance are legendary, but you will (quite intentionally) not find a word or mention across social media. Like the namesakes of Bernoulli | Locke – David is a scientific philosopher – who is most passionate about the power of experience to transform humankind. David's over 30 years of experience as a private equity/financial professional and his deep, thoughtful approach to elevated experiences give Bernoulli | Locke its purpose and power.

Jerry Stone, Founder

Jerry Stone is an unparalleled force of nature with a remarkable ability to work seamlessly between marketing, business operations, and finance over the last 35+ years. Jerry is consistently able to "pierce the veil," revealing insight and solutions that are invisible to most. A passionate leader, investor and entrepreneur – Jerry's contribution and endeavors have generated billions of dollars of value for investors and shareholders. A truly iconic personality, energetic and turbo-charged day in and day out – doing incredible things, often empowering his team and partners to build mountains out of thin air. Jerry Stone brings extensive experience in direct marketing, advertising, promotions, creative, production, subscription clubs and capital investing. As an intensely curious person, he is now deeply involved through Bernoulli | Locke in bringing his experience and passion for success to Web3 projects.

About the Caribbean & Bermuda Territory

Rather than a single country for the team we wanted to pay tribute to one of the greatest sailing grounds in the world – the Caribbean & Bermuda. This includes all countries that the Caribbean Sea touches across the island chain up into the Atlantic to Bermuda including Central American countries touching the Caribbean Sea. The region is home to remarkable islands, legendary sailing, rich history, diverse culture and is a perfect home for this team.

The territory of the team is Bermuda, Antigua and Barbuda, Bahamas, Barbados, Cuba, Dominica, Dominican Republic, Grenada, Haiti, Saint Kitts, Nevis, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Trinidad, Tobago, St. Martin/Marten Turks and Caicos, Puerto Rico, US Virgin Islands, British Virgin Islands, St. Barts, Anguilla, Aruba, Cayman Islands, Curacao, Guadeloupe, Martinique, Montserrat, St. Eustatius, Honduras, Nicaragua, Costa Rica, Panama, Belize, & Guatemala.

This broad region gives the team the opportunity to maximize athlete potential and growth, enhances possible commercial potential, counts on the appeal of the region, its colors, culture, and beauty to help drive the fan base, and factors in other opportunities:

- A base of operations in Bermuda (business, crypto, tourism and sailing friendly location for the new team).
- Supports both the Caribbean and Bermuda causes through fund-raising efforts and exposure.
- Allows a wide variety of sponsorships.
- Ability to hire and recruit from the world's top sailors while following the SailGP Nationality Requirements as an "Other Country" with the territory being any of the

individual countries specified in the region. Initially 3 of 6 athletes will need to be from the territory growing to 5 of 6 by the fourth season of participation.

This White Paper should not under any circumstances be relied upon when making a decision to invest in any equity tokens offered for sale by the DAO, if and when any such tokens are offered for sale. This White Paper does not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful. Any offering of equity tokens by the DAO will comply with the requirement of the U.S. Securities Act of 1933, as amended, and the applicable securities laws of any other jurisdiction in which such tokens may be offered for sale by the DAO. Any ultimate offering may be withdrawn or revoked, without obligation or commitment of any kind, at any time before notice of acceptance given.

Addendum (4 December 2022)

Response to Whitepaper feedback (topics not addressed within the whitepaper)

Topics that will be addressed in the PPM:

- The Company & Corporate Entity Structure (and why)
- Management
- The Tokens
- The Platforms
- Acquisition, Use, Transfer, and Exchange of Company Tokens following Platform Launch
- Development Plans and Status
- Potential Benefits of Platform
- Use of Proceeds
- 6 Year Plan: Annual Revenue and Expense forecasts
- Payments to the Founders and their Affiliates
- Working Capital Requirements
- Resale of the Tokens/Secondary Market for Tokens
- Subsequent Offerings
- Details and disclosures by SailGP/Vision for the league, sustainability, and position on the future
- Closing & Funding process
- Overview of expected returns and risks

The salient details regarding the Sail GP participation agreement.

Topics that will be addressed in the Constitution:

- Governance
- Token
- Wallets
- Entity and DAO Flowchart
 - DAO to sub-dao relationship, rights, and benefits
 - Sub-DAOs
 - Creation
 - Structure
 - Purpose
- Proposals
 - Proposal Process
 - Initial DAO Setup Proposals
 - Mandatory Proposals
 - Enacting and Monitoring Proposals
- Voting
 - Voting Process
 - Different voting types
 - Required votes
 - How quorum/weighting works
- Transparency, Blockchain and Technology