

RecPoker Staking Agreement - Pool A

Tournaments between September 30, 2021 and November 30, 2021

Last Updated - September 22, 2021

RecPoker is excited to continue building community using a pooled staking arrangement, bringing players and investors together. We love giving recreational players the opportunity to play bigger stakes by mitigating their risk while giving investors the opportunity to support those dreams and live vicariously through them. After a pilot in August, it was decided to move from facilitating individual staking arrangements to a pooled approach.

QUICK DEFINITIONS and SUMMARY

- INVESTMENT POOL: \$9,000 used to provide 30% staking for selected players in eligible tournaments up to a total of \$30,000 in tournament buy-ins
- INVESTORS: Invest into the Pool and pay 10% markup on those investments. At the conclusion of the program, investors will receive their portion of the Pool based on the results realized.
- PLAYERS: Receive 30% of buy-in amounts from the Pool on chosen and eligible tournaments and will pay into the Pool 30% of net payouts received. Tournaments must start between September 30, 2021 and November 30, 2021.

The following are the selected players and their allocation into the Pool. Earnings reported at thehendonmob.com are included below; note this only includes results from locations that participate in Hendon Mob reporting and does not include any online results.

Player	Amount	% of Pool	HendonMob
Steve Fredlund	7,000	23.33%	\$111,200
Jim Reid	6,000	20.00%	\$1,500
Taylor Maas	4,000	13.33%	\$17,000
Keith Brandt	2,500	8.33%	\$2,300
Daniel Wick	2,500	8.33%	\$3,000
John Somsy	2,000	6.67%	\$29,100
Kimberley Kilroy	2,000	6.67%	\$236,400
Jim Gibson	2,000	6.67%	\$1,100
Kelli Storck	1,000	3.33%	\$800
Chad McVean	1,000	3.33%	\$400

INVESTMENT POOL

Investments are made into an Investment Pool which supports selected players, providing 30% of their buy-in into eligible tournaments that have been chosen by the players. The size of the Pool is \$9,000, providing 30% staking on \$30,000 of buy-ins. Players included in the Fund, and their allocations, were selected based on Membership status, engagement and desired staking.

Investment commitments are accepted until September 25th, at which time the agreement will be finalized including players and their allocations. Investors will have until September 28 to submit their investments.

The Pool will be updated at least daily. As players enter tournaments, the Pool will be reduced by 30% of those eligible buy-ins. As players cash tournaments, the Pool will be increased by 30% of the net payout received (after withholding and tip).

For ease of tracking, the Pool will be broken into a number of Shares and a Share Price. Each investor will know how many shares they have (based on their investment amount) so they can quickly calculate their current value. Investment amounts do not need to be a round number of shares.

Investors may not sell shares in the middle of a package, unless selling them to other investors. New shares are not anticipated to be available for sale mid-package.

EXAMPLE CALCULATIONS

- \$9,000 Pool (representing 30% staking on \$30,000 of buy-ins)
- 90 shares at starting value of \$100 per share
- Example 1: \$2,000 in buy-ins results in \$4,000 of net payouts
 - Pool is responsible for \$600 of the buy-ins and receives \$1,200 of the payouts
 - Pool balance is now \$9,600 driving the share price up to \$106.67
 - Since \$2,000 of the \$30,000 has been invested, there is \$28,000 of buy-ins remaining
- Example 2: \$2,000 in buy-ins results in \$0 of net payouts
 - Pool is responsible for \$600 of the buy-ins and receives \$0 in payouts
 - Pool balance is now \$8,400 driving the share price down to \$93.33
 - Since \$2,000 of the \$30,000 has been invested, there is \$28,000 of buy-ins remaining

INVESTORS & MARK-UP

Investors pay a 10% mark-up on all investments, which will be split between RecPoker (for management) and players (for expenses). Investors are responsible for any payment transaction fees (PayPal, etc). The net amount received by RecPoker (after fees and mark-up) will be invested in the pool.

Investments are open to the public, but if necessary, priority is based on RecPoker membership status and prior engagement.

Investment commitments are accepted until September 25, 2021. As commitments increase, RecPoker will increase the Pool allowing more buy-ins for approved players, adding additional players and/or extending the end date of the program.

All investors must sign the current version of the Staking Agreement and send investment funds to RecPoker by September 28, 2021. If received after that date, the investments might not be allowed or they will be adjusted for current pool experience.

PLAYERS & SELECTION PROCESS

To be eligible, all players in the fund must be approved by RecPoker and sign this agreement.

The number of players and amount of staking received is based on the amount of investment received, membership status, engagement level and staking amount requested.

For all players, the following maximums were applied:

RECing Crew Members: \$2,400 individual buy-in amount and \$8,000 total buy-ins

Premium Members: \$1,200 buy-in amount and \$4,000 total buy-ins

Community Members \$600 buy-in amount and \$2,000 total buy-ins

Throughout the Pool, players are responsible for the full buy-in amounts and staking funds will not be sent in advance. In some situations, players may request staking funds but those will be handled separately. For players with significant positive results, they will be required to send a portion to RecPoker prior to the end of the program.

As long as there are funds remaining in the Pool and the player has not reached their maximum, the player may continue to use the pool to help fund their action. If a player wishes to play an eligible tournament, but that tournament buy-in exceeds the amount remaining in their Pool limit, they can still play that tournament but the staking percentage will be reduced so the amount coming from the Pool uses up that player's remaining allocation.

Individual player ROIs will be retained for future investment package communications with potential investors.

ELIGIBLE TOURNAMENTS and PAYOUT CONSIDERATIONS

Each player is subject to the individual tournament buy-in and overall maximums based on their RecPoker membership status. Additional restrictions apply to every tournament entry for all players:

1. Eligible tournaments or qualifiers/satellites include No Limit Hold 'em or Mixed Game variants
2. Only live tournaments and qualifiers at casinos (no cash games, on-line tournaments, home games)
3. All tournaments in the package must be full value (no charity) with the majority of payout in cash-only prizes (no trips, vehicles, or buy-ins to other tournaments that are not easily convertible to cash)
4. If a player chooses to include a qualifier/satellite in their staking, then the value of the seat they win is considered the payout and the appropriate portion (30%) is payable to the Pool. The staking does not automatically roll over to the next event. If the player wants to also be staked for that event, it is considered a separate transaction and buy-in (as long as it is eligible).
5. Trophies, rings or other additional winner acknowledgments will belong solely to the player and not passed to any investors
6. The investment pool excludes buy-ins and payouts associated with special items not directly associated with specific tournament results (such as bad beat jackpots, door prizes, last longer).

7. Payouts subject to mandatory withholding will be reduced to the amount received (after the withholding); for example, a \$20,000 payout that is reduced to \$14,000 because of withholding will contribute \$14,000 to the staking pool.
8. 2% of net payout will be earmarked for players to tip dealers and staff. Players may choose how much to tip, but for the investment pool, there will be a 2% reduction for this.
9. Chop decisions are at the sole discretion of the player and details of the chop must be confirmed by a tournament director or public forum

MARK-UP

All investments incur a 10% mark-up charge paid by the investor. A portion will be paid to some players to help with their expenses with the remainder helping cover RecPoker management costs:

- RECing Crew Members receive 50% of the mark-up (5% of investment)
- Premium Members receive 30% of the mark-up (3% of investment)
- Others receive 0% of the mark-up

For those investors who are also players in the Pool, the portion of mark-up that is associated with their own playing, will be waived.

PLAYER REQUIREMENTS - PROCESS

No tournaments are automatically included in the package. **Proof of buy-in must be sent to Steve PRIOR to the first hand in the tournament (or the first hand played if tournament has started).** If this is sent later, the tournament will not be included in the Pool results and will not be eligible for staking. No assumption is made about re-entries; the same requirements apply to all entries.

The following is required in order to be included - this must be emailed to Steve@rec.poker:

1. Picture of the tournament buyin receipt sent prior to the start of the tournament OR picture of the tournament buyin receipt next to the starting stack on the table before the first hand played
2. Name and location of venue
3. Tournament start time
4. Buy-in amount
5. Assigned table and seat (accountability, pictures, updates)

Following the tournament, the following must be emailed to Steve@rec.poker

1. Place finished and number of entries
2. Payout amount (even if \$0)

Steve will be checking on players regularly as well as taking pictures. If it is discovered a player used staking funds to enter a tournament and did not report a payout, that player will not receive the staking funds they had been scheduled to receive, they will be pursued for funds owed, they may be called out on social media to alert the poker industry and they may not be allowed to participate in a RecPoker staking package in the future. Any unrecouped winnings will reduce cash flow into the Pool and ultimately lower the return for the investors.

OTHER CONSIDERATIONS

1. Players and investors are responsible for their own income and tax reporting, and should seek professional advice. RecPoker will provide details of all transactions as well as any other information upon request.
2. Financial loss due to fraud, theft or other issues with the players is a risk borne by the investors, although RecPoker will do everything it can to have strong systems to remove as much of this risk as possible.
3. Swapping of any kind is not facilitated by RecPoker as part of this staking agreement. Payouts will be based solely on the results of the players being staked. Players can do whatever they want their remaining 70% as long as it doesn't conflict with any of the RecPoker Pool agreement.
4. RecPoker will keep detailed records via GoogleSheets and will be updated on an ongoing basis, available to players and investors. Players are responsible to ensure the accuracy of the information at all times.
5. During the staking package, the player is responsible for their full tournament buy-ins. Any net cash flow they are entitled to (staking less payouts) will only be received at the end of the staking package. In some specific situations, intermediate payments may be warranted.
6. Any currency risk is borne by the investor. Funds will be paid in USD (or prevailing equivalent) and payouts will be paid in USD (or prevailing equivalent). Any exchange or country fees are the responsibility of the investor or player.
7. Players that have had significant success may be required to transfer a portion of their payouts to RecPoker before the close of the program to reduce investor risk by realizing expected cash flow.

FINAL SETTLEMENT

Following the close of the Pool, players have 3 days to settle up with RecPoker. RecPoker will settle up with investors within 5 days of settling up with all players.

- At the end of the Pool, the Player will receive from RecPoker (if negative, the Player will send):
 - + Pool funds associated with the actual buy-ins
 - - Funds owed to the Pool as a result of net results
 - + Player portion of mark-up
 - +/- Cash flows completed during the package
- At the end of the package, the Investor will receive from RecPoker:
 - + Proportional net payout based on Pool results

By signing this document, I acknowledge full understanding of RecPoker Staking arrangements and agree to fully comply with the processes identified.

Name (Investor and/or Player)

Date