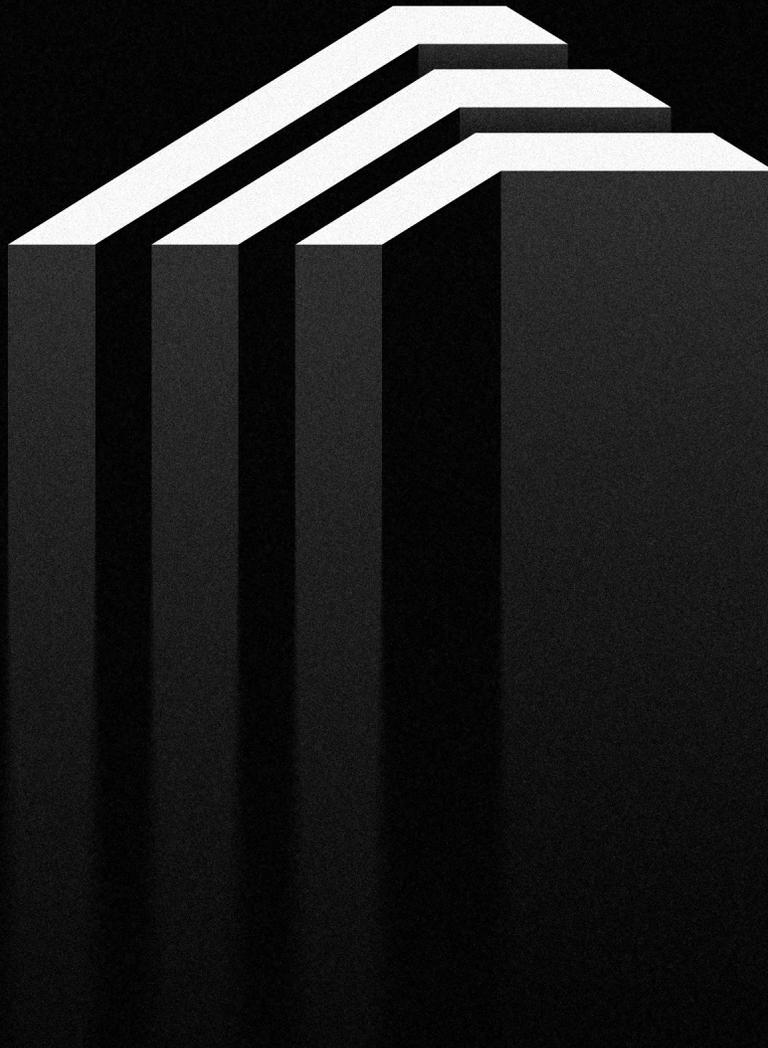


ECHELON

SOURCE

ECHELON PRIME FOUNDATION



THE ECHELON PRIME FOUNDATION

The Echelon Prime Foundation (Echelon) is a non-profit focused on developing the next generation of gaming and Play-to-Earn (P2E) economies. To support this objective, Echelon is creating and distributing essential tools and infrastructure designed to encourage innovation in, and to promote the growth of, novel gaming models and economies. These tools encompass smart contract libraries, secure communication infrastructure, governance structures, token distribution frameworks and mechanisms, and the decentralization of the Echelon Prime Foundation itself. A critical component of this process is making this infrastructure simple for both games to adopt and players to use. This decentralization will ensure the community is able to evolve and thrive as it expands, and that is able to reflect and respond to the direction of the broad stakeholder base this model promises to attract.

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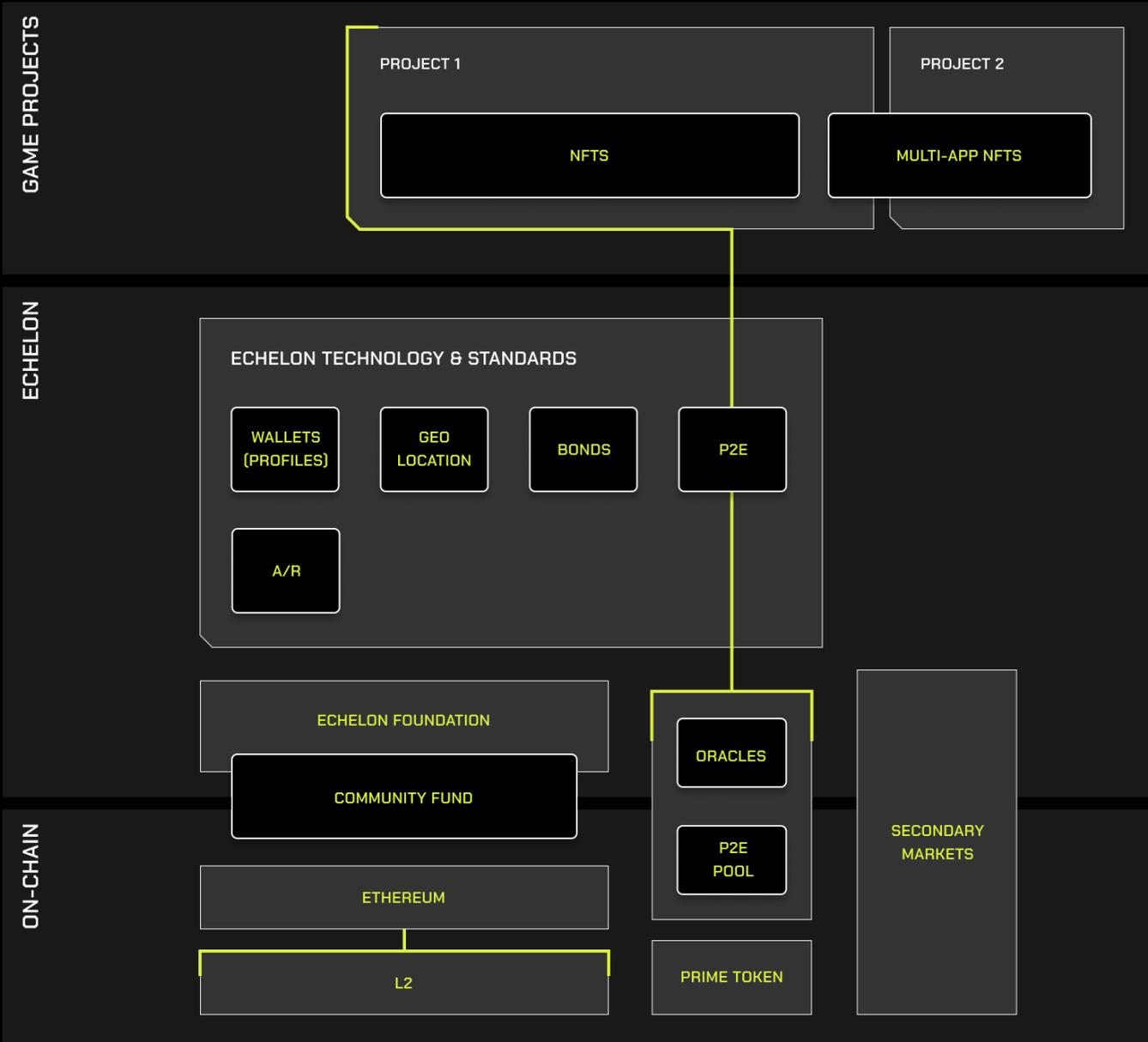
INTRODUCTION

WHAT IS ECHELON?

The Echelon Prime Foundation, or Echelon, is a non-profit organization dedicated to building and supporting a gaming and P2E ecosystem for game developers via an ERC-20 based Token (PRIME) and web3 tools that may be built upon the Echelon ecosystem. Echelon is not a company or a traditional non-profit. Rather, it is an ecosystem and set of tools dedicated to supporting and enabling a new generation of gaming innovation within a decentralized, community led environment. Echelon's decentralization will encompass an infrastructure, including its PRIME token (PRIME) that will animate this ecosystem of games. Echelon is making PRIME and P2E focused development tools available to the ecosystem, and the community will determine where to take things from there.

The foundation's members are to be elected by its community. As games are developed upon Echelon's ecosystem, the community of stakeholders will expand to represent each of the game communities that are formed. When the Echelon governance platform becomes available, a total of 11 leaders (known as Emissary Primes) will be voted in via governance mechanisms to run the foundation and determine its future beyond the architecture outlined in this proposal.

The objective is to place the future of PRIME and the Echelon ecosystem in the hands of community and/or elected leaders. Echelon is building a platform that includes the limited-supply of PRIME tokens that structure the allocation of resources, smart contracts, and NFT issuance protocols for the production and collection of scarce in-game resources. The Echelon Prime Foundation's PRIME token will also be the vehicle for the progressive decentralization of the Echelon ecosystem and enable broad community participation. To facilitate this evolution and in the interest of ensuring a fair allocation, a substantial portion of the PRIME token's fixed supply will itself be distributed via skill-based emissions in a P2E economy.





MOTIVATION

The economics, governance, and technical architecture of the Echelon Ecosystem:

- Provide Web3 tooling, infrastructure to support high quality blockchain enabled games
- Enables P2E innovations such as a circular economy (i.e. a resupplying P2E pool)
- Is equitable to players
- Promotes interoperability

As a number of these ends are in support of building out a meaningful play-to-earn (P2E) economy and P2E in turn enables players to be treated more equitably in certain respects, it can be illuminating to expand on the history of P2E and why Echelon supports it.

P2E enables a novel and exciting relationship between players and the games they play. At its best, P2E games support players in earning real-world value solely through participation in the gaming ecosystem. Instead of centralized developers monopolizing the entirety of the value that players create within a game, a P2E model enables value sharing across an entire community of players, developers, and creators.

P2E has a lengthy history in gaming environments. In the world of physical trading card games, like the typical Friday Night Magic events held at local game stores, organizers usually pay out prizes in the form of booster packs to players who paid their entry fee and performed well. Those booster packs, or the cards inside, could have then been traded or sold for “real” money, and many skilled players were able to play the game at a net positive on earnings. In a digital context, examples of P2E also abound. In the early 2000s, “gold farmers” were able to earn World of Warcraft (WoW) gold—the in-game currency—and sell it on unsanctioned secondary markets to other players. This “grinding” of gold quickly became a popular way for players in low-income countries to make real money, despite apparently violating game developer Blizzard’s terms of service. In effect, this served as an early illustration of the extent to which community involvement can shape a gaming experience—regardless of a developer’s rules or intentions.

Interestingly, WoW gold grinding is representative of the practices explored in cultural theorist Michel de Certeau’s *L’invention du quotidien*, where he describes how everyday users of complex systems appropriate the physical and cultural structures around them and mold them to their practices—whether formally allowed or not.



This mindset is further reinforced on a technical level, where blockchain technology provides novel opportunities for players to have true ownership of digital assets, including non-fungible tokens, or NFTs and also allows an in-game currency to be swapped on the open market for other cryptocurrencies. This combination of elements enables players to earn in-game items and currency with real-world value in a completely open and encouraged way. This is in stark contrast to the example of the WoW gold farmers, where Blizzard and other early game developers generally considered all gold and similar in-game items to be their exclusive property. The movement towards P2E reflects shifting attitudes toward community and an appreciation of how players bring value in myriad ways to their gaming ecosystems. As such, the shift to reward players with items having secondary market value, which they can choose to retain beyond the confines of individual games, is a step towards a system of gaming more equitable to players in certain respects than its alternatives.



ECHELON ECOSYSTEM

OVERVIEW

Echelon's unique ecosystem, including the PRIME token economy, is designed to establish the foundations for a novel gaming and collecting environment supportive of P2E mechanisms. Echelon's technological architecture, token economy, and ecosystem governance modules are designed to provide value to three primary stakeholder groups:

- **Players and Collectors.** 30% of the initial PRIME token supply (and via sink redistribution, significantly more) is earnable via a P2E, skill-based emissions format. This pool supports P2E gaming projects utilizing the PRIME token and Echelon smart contract ecosystem. PRIME holders gain access to various ecosystem features and perks including governance rights, priority access to NFT sales, and more.
- **Content Producers.** Projects that build within the Echelon ecosystem have access to Echelon's smart contracts and ecosystem. Projects within Echelon's ecosystem have the incentive to make their assets and IP interoperable and available to each other in order to support a unified ecosystem and share in development overhead.
- **Ecosystem Managers.** Holders of PRIME are responsible for community treasury allocations, system smart contract auditing, and the election of foundation members. The Echelon Prime Foundation, a board of elected members who stake PRIME for candidacy and as slashable collateral to ensure responsible behavior, have general oversight of the Echelon Prime Foundation and ensure community-based decisions are fulfilled and finalized.

The Echelon ecosystem is not intended to serve any singular project, game, or set of collectibles. Rather, Echelon is designed to provide infrastructure to support a larger gaming and collecting ecosystem that is envisioned to extend beyond any particular project. Over time, a broad, decentralized community of gamers and collectors will determine Echelon's evolution and priorities.



SYSTEM SUMMARY

PRIMARY ASSETS	KEY ACTORS	KEY BLOCKCHAIN INTERACTIONS
<p>PRIME (ERC 20)</p> <p>SUPPLY: 111,111,111.111 (fixed)</p> <p>FUNCTIONS</p> <p>Feature Access, Governance</p>	<ul style="list-style-type: none"> • Echelon, Gamers, Collectors, and Content Consumers • P2E game studios, Web3 builders • Ecosystem managers, including the Echelon Prime Foundation and PRIME governance participants 	<ul style="list-style-type: none"> • Skill-based PRIME emissions • NFT gated redemption of physical or digital items via smart contracts • NFT assets exchangeable on secondary markets • DAO based game and ecosystem-decision making

COMMUNITY COORDINATION

The engagement of the broader community is central to the success of the Echelon ecosystem, PRIME token, and any games that may be developed within it. Echelon is structured to allow the community to participate in and control a wide range of development and governance decision-making that will fundamentally shape the ecosystem's future.

Community members and stakeholders are responsible for taking part in key governance decisions, building smart contracts that operate within the ecosystem, and providing any other development tools to support the advancement of the ecosystem. This transparent and collaborative approach ensures that the community evolves hand in hand with any game or application that makes use of the ecosystem.

As this community-guided development relates to a certain project, before that project adopts any community-developed smart contracts, the project's community will audit those contracts. If the audit is deemed successful, contracts will be adopted into production.

In addition to the ERC-20 PRIME token, other NFTs created by projects within the Echelon ecosystem may also be eligible to participate in Echelon's governance. Incorporating additional tokens into the Echelon governance process would require approval of the Echelon Foundation according to its existing governance processes, specifically a vote by PRIME token holders.



ECHELON CRYPTOASSETS AND ECONOMY

To support the development of games, social, or entertainment applications, Echelon provides a number of tools and infrastructural elements. Most prominent amongst these is the PRIME token. PRIME is an ERC20 token with a fixed total supply of 111,111,111.111. Other assets include a smart contract library and tools for the creation of NFTs.

The PRIME token enables games developed in Echelon's ecosystem to have a P2E economy. A significant portion of the supply will be distributed through P2E mechanics and to the first game(s) utilizing Echelon's ecosystem to distribute as they see fit. PRIME has utilities within the Echelon ecosystem including but not limited to serving as a payment mechanism to access proprietary Echelon technologies, as well as being used via in-game offerings (sinks) created by projects within the ecosystem. In addition, PRIME token holders can also participate in governing the Echelon ecosystem by submitting or voting on proposed governance changes.

A PIM is a base unit of PRIME—like Gwei is to ether, and satoshi is to bitcoin.

ECHELON-APPROVED DIGITAL ASSETS

NFTs

Echelon-approved NFTs are all NFTs released by games in the Echelon ecosystem. As games are voted into the ecosystem via community governance mechanisms, that game's NFT assets become Echelon-approved. The following is a list of current Echelon-approved NFT assets:

- All Parallel TCG NFTs [More information can be found in the [Parallel Prime Proposal](#)].

PRIMARY NFTs

In order to initiate the Echelon ecosystem, individual NFT assets may be denoted as Primary NFTs. Primary NFTs gain additional benefits within various elements of the Echelon ecosystem including staking. The purpose of Primary NFTs is to initialize the release of PRIME to NFT holders. The following is a list of current Primary NFTs:

- Parallel Alpha Prime Keys [More information can be found in the [Parallel Prime Proposal](#)].



CORNERSTONE NFTs

Games within the Echelon ecosystem may identify certain assets as Cornerstone NFTs. Cornerstone NFTs are enabled by Echelon staking contracts to bring foundational value to the ecosystem via decentralized mechanisms. The following is a list of current Cornerstone NFTs:

- Parallel Alpha Masterpiece NFTs
- Parallel Alpha The Core NFTs
- Parallel Alpha Prime Drive NFTs

PRIMESETS

PRIMESets are sets made up of individual NFTs among a specific game or group of games within the Echelon ecosystem. The following is a list of current PRIMESets:

- All Parallel NFT ParaSets (More information can be found in the Parallel [Prime Proposal](#)).

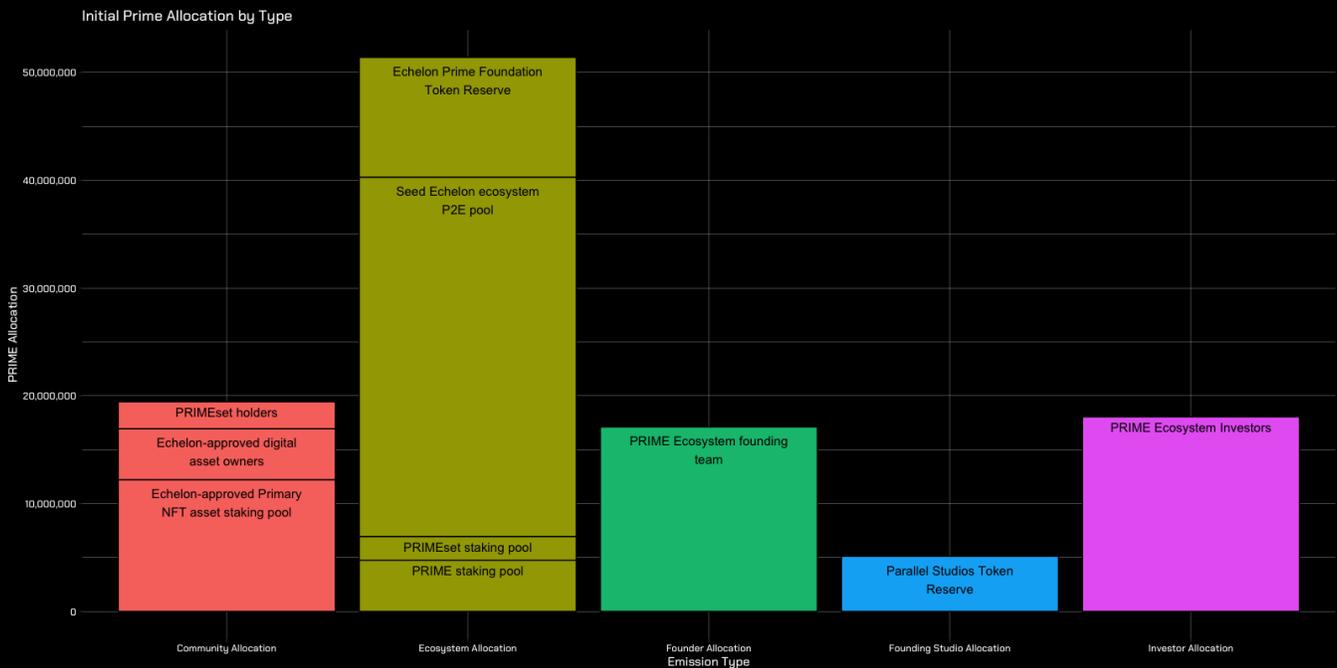
PRIMESets may be changed or added via community governance mechanisms.



PRIME INITIAL ALLOCATION

PRIME has a fixed supply of 111,111,111.111 To ensure sufficient decentralization and distribution of the PRIME token, PRIME will be claimable by all owners of Echelon-approved digital assets. Initial distribution of PRIME is as follows:

- 30% to Echelon ecosystem P2E pool
- 4.26% to seed PRIME staking pool
- 2% to seed PRIMEset staking pool
- 11% to Echelon-approved Primary NFT asset staking pool
- 4.25% to Echelon-approved digital asset owners
- 2.25% to PRIMEset holders
- 15.4% to PRIME Ecosystem founding team¹
- 4.6% to Parallel Studios token reserve²
- 16.24% to PRIME Ecosystem Investors³
- 10% to Echelon Prime Foundation Token Reserve



¹ Subject to vesting [1 year cliff, 2 year vest] and lockup [1 year lockup, 36 month distribution thereafter].

² The Parallel TCG will be the first game building upon and providing value to the Echelon ecosystem and as such will receive a token award from Echelon to support the game's development

³ Subject to vesting [immediate] and lockup [1 year lockup, 36 month distribution thereafter].



ECHELON ECOSYSTEM

P2E POOL

As illustrated above, 30% of the initial PRIME allocation is dedicated to preliminary issuance with respect to the Echelon P2E mechanisms that will be available to and shared by all approved game projects developed within the Echelon ecosystem. This initial allocation seeds these distribution mechanisms, which represent core elements of the decentralization of control of the PRIME token. The initial supply is anticipated to fund these distribution sources for an extended period, with the exact timing dependent on participation and game play. As the Echelon ecosystem evolves, the various sinks that exist within each game will serve as ongoing and sustainable supply sources for these reward and distribution vehicles.

PRIME STAKING POOL

The PRIME staking pool will be supplied with 4.26% of the initial allocation. This pool will continually be supplied by PRIME sink redistribution.

PRIMESET STAKING POOL

In addition to the initial PRIME distribution bonus, PRIMEsets may also be staked to earn PRIME on an ongoing basis. This pool will receive 2% of the initial token allocation to be emitted over 12-24 months. Over the long term, staking rewards will be perpetually supplied by PRIME sink redistribution. Each PRIMEset will receive an equal share of the total pool which will then be distributed among those who stake each PRIMEset which effectively incorporates the weight of a PRIMEset into the staking model.

COMMUNITY DISTRIBUTION

ECHELON-APPROVED PRIMARY NFT ASSET STAKING POOL

11% of the initial PRIME allocation will be distributed as Echelon-approved Primary NFT staking rewards. Primary NFT holders may elect to stake their Primary NFTs in order to receive staking rewards. Primary NFTs must be staked for a period of twelve months, but will be able to claim emitted rewards throughout that time. Each Primary NFT will be eligible for the same amount of PRIME regardless of when it is staked.



ECHELON-APPROVED NFT OWNERS

The Echelon Prime Foundation will be taking a snapshot and distributing PRIME to all Echelon-approved NFT owners (totaling 4.25% of the total supply of PRIME). The snapshot date is to be determined by community governance.

The primary distribution of PRIME is weighted on the square root of the relative mint rarity of each NFT class within its collection. The square root weighting gives preference to holders of rare cards—but it does not allow those few holders of the rarest cards to accumulate the vast majority of the rewards.

ECHELON-APPROVED PRIMESET HOLDERS

2.25% of PRIME will be distributed exclusively to PRIMEset holders as a one-time bonus. Each PRIMEset will receive a pool of tokens that will be distributed among holders of that particular PRIMEset, and as such, holders of rarer PRIMEsets will receive more total PRIME. Long term, PRIMEsets are eligible for staking.



PRIME USES AND VALUE FLOWS

The creation of PRIME facilitates community development and participation, as well as value transfers among stakeholders of the Echelon ecosystem.

PRIME's primary utility is realized via participation in Echelon governance and P2E games in Echelon's ecosystem, staking, as well as activation of premium Echelon services and smart contracts such as the wallet-to-wallet messaging service, inb0x.

The introduction of PRIME also enables players of Echelon based P2E games to be rewarded by newly supported P2E mechanics, with a range of related digital assets and services, purchased exclusively with PRIME.

The following represents some examples of potential PRIME exclusive services and digital assets (PRIME sinks), which offer value to Echelon's key constituents: gamers, content creators, and ecosystem managers:

TRADABLE	NON-TRADABLE (ACCOUNT CREDENTIALS)
<ul style="list-style-type: none">• NFTs• In-game cosmetics• NFT gated redemption of physical or digital items• Swag / collectables purchases• Game specific PFPs	<ul style="list-style-type: none">• Event entry• Governance access• Governance proposal creation• Season unlockables• Contest entry• Running drops on Echelon's architecture• Use of geolocation standards• Unlock AR experiences• Bond activities

Because the P2E function is continuously supplying PRIME to players, pricing for the above commodities and services will need to be perpetually adjusted to offset potential over-supply.



These PRIME sinks will dynamically fluctuate in PRIME-denominated price based on oracle inputs. Note that, unlike the sinks for virtual currencies found in other game economies, PRIME spent on the above commodities and services do not leave circulation (nor are they burned). Instead, these PRIME tokens are redistributed into the P2E contract, staking contracts, and potential other functions that help balance the economy as it scales.

Echelon will not support any in-game decay or passive sinks, only optional and utility sinks.

PRIME'S VALUE TO CONTENT CREATORS

The Echelon ecosystem is intended to encompass a multitude of projects. Echelon technologies and standards are designed to be utilized by game development studios and projects that wish to build new games and experiences within the ecosystem and may represent a source of demand for PRIME.

SECURING THE NETWORK

A portion of the initial allocation of PRIME and a portion of game sink emissions are to be distributed to token holders who provide stability to the network by staking PRIME. Staked tokens also have the potential to unlock additional voting power within the governance mechanism.



PRIME TOKEN ECONOMICS

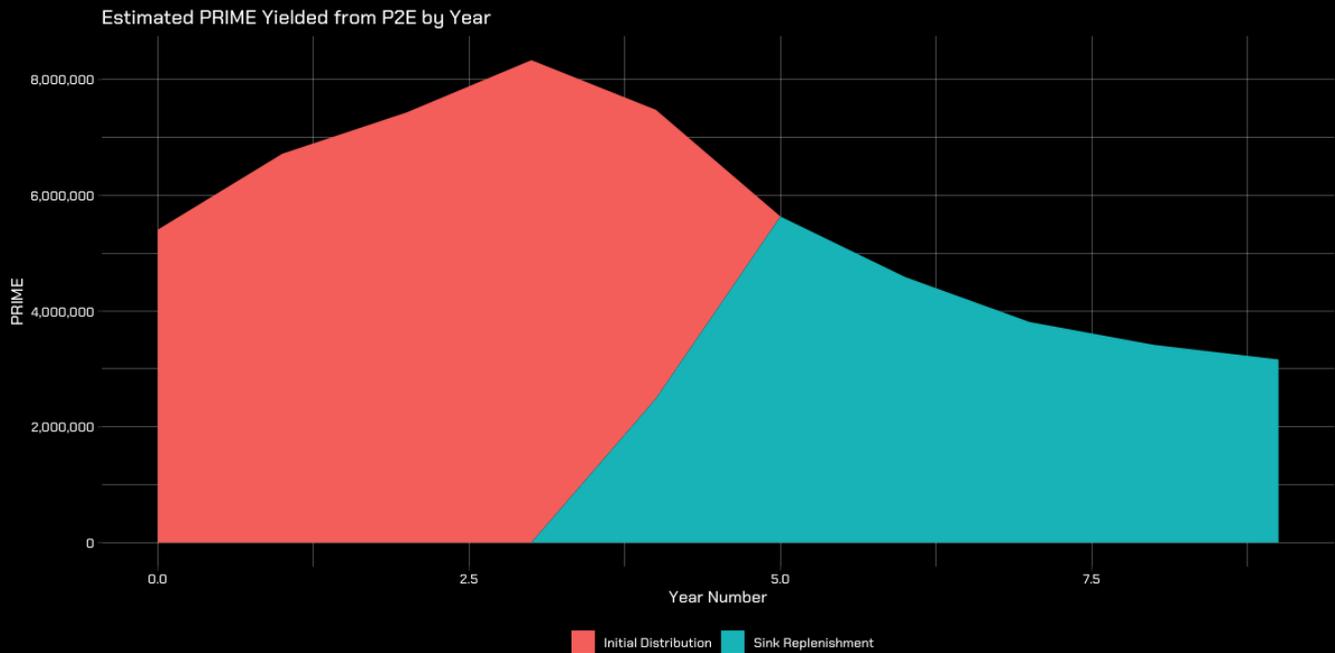
PRIME

PRIME is an ERC20 token with a fixed total supply of 111,111,111.111. The PRIME token generation event and initial distribution will be executed by community governance after the 11 Emissary Primes are elected and vote to commence the token generation. PRIME will not be generated or distributed until the required smart contracts are in place to (at minimum) issue, claim, and stake PRIME.

PRIME DISTRIBUTION: P2E

PRIME can be earned by playing skill-based games within the Echelon ecosystem. Due to the nature of the replenishing pool, the vast majority of PRIME tokens will be emitted to P2E gamers based on several factors including game outcome and other modifiers. The distribution of PRIME from P2E emissions to all games in the Echelon ecosystem will be yielded according to the following distribution. The method of distribution reflects the activity levels across the Echelon ecosystem, such that games with the highest level of activity and engagement receive the highest level of rewards from the P2E pool. The protocol is designed to incentivise game developers and content creators to utilize the Echelon infrastructure and contribute to a P2E system built around PRIME. In addition to games, other non-game development applications and tools that further the decentralization of the Echelon ecosystem are eligible to share the PRIME P2E pool by providing consideration for sinks that resupply the P2E pool.

The P2E pool will be seeded with 33,333,333 PRIME with the following expected emission.



PRIME REDISTRIBUTION MECHANISMS

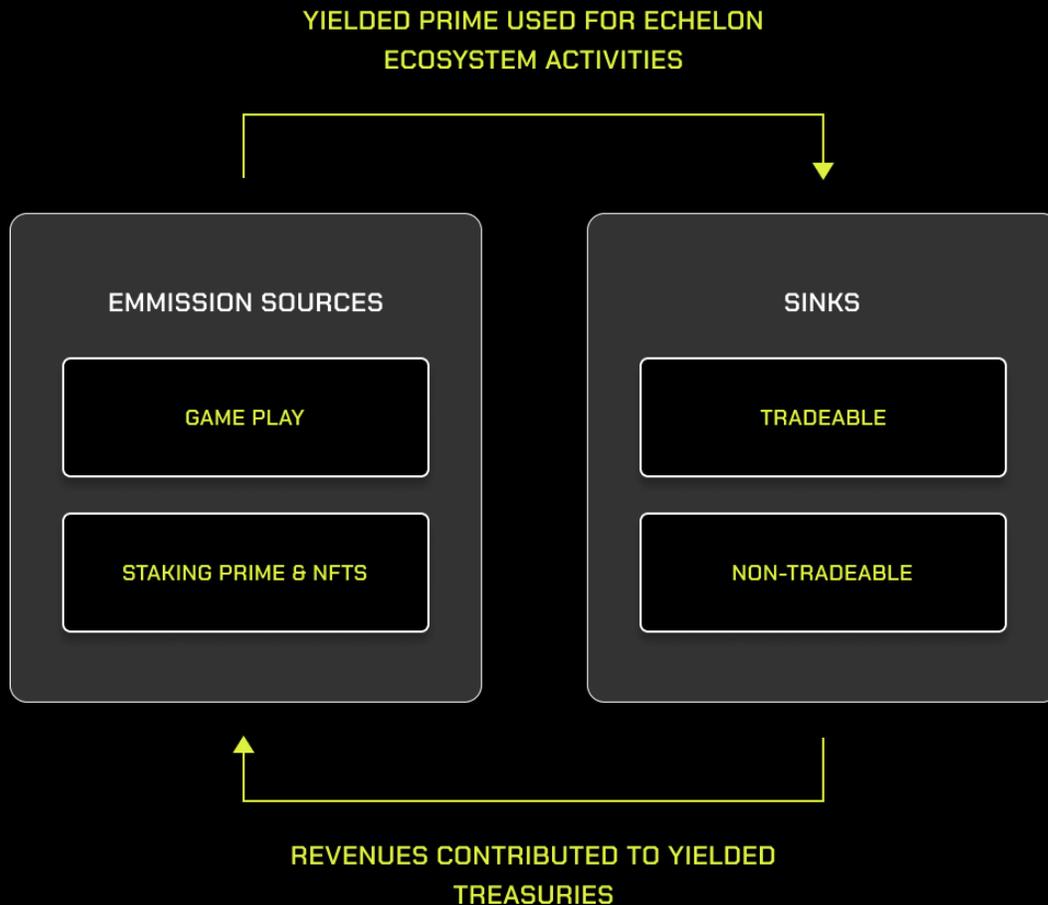
In order to support perpetual distribution via staking or other mechanisms, distributions from these structures are dynamic; adjusting based on the difficulty of the undertaking and according to activity and overall participation rates. Individual game participation also in-part determines the inflow of tokens into distribution pools, and thus the extent of available rewards to specific game communities. Distribution of these tokens is adjusted automatically in order to ensure predictable and sustainable token supplies and rewards. The exact tuning of the algorithms establishing distribution rates will be subject to governance processes within the Echelon community.

The primary vehicles for these distributions are in-game sinks where players spend PRIME tokens to access specific features. As such, an understanding of the distribution mechanism from tokens entering sinks is useful. While the long-term governance of token distribution from in-game sinks will be determined by Echelon's governance process, games will be required to adopt an initial set of parameters prior to launch.

While exact ratios for distribution are subject to Echelon's governance processes, the guiding principle of ensuring fairness of distribution and sustainability of the larger ecosystem remains the overarching principle. It is anticipated that, over time, a series of games making use of a shared NFT collection will be developed. As this occurs, rewards will be distributed



across the respective gaming ecosystems in proportion to participant counts, levels of activity, and rates of contributions to the PRIME token sinks. This emphasis on encouraging and supporting studios building within the Echelon ecosystem is also illustrated by the dedication of a revenue stream to support their efforts.

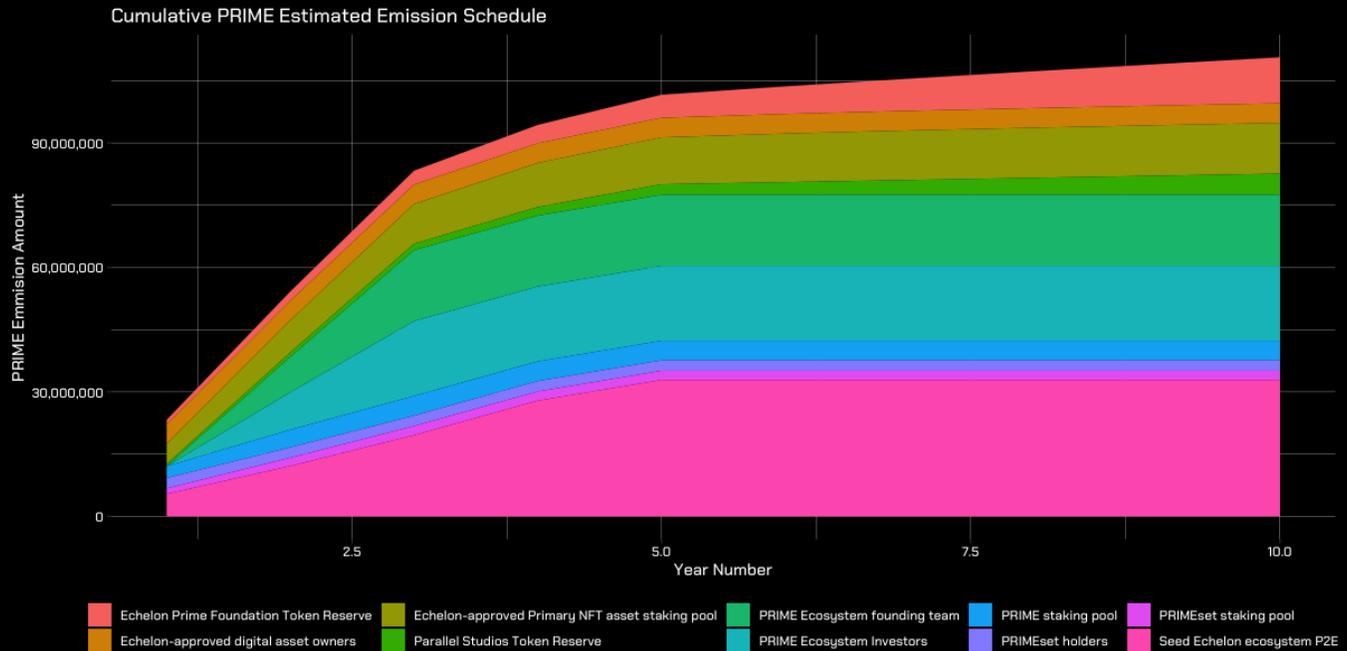


SINK REDISTRIBUTION

Projects building on the Echelon ecosystem are required to detail their PRIME sink redistribution schedule and pass an Echelon community governance vote prior to accessing Echelon’s P2E pool and or PRIMEsets and Echelon-approved NFTs if applicable.

PRIME ALLOCATION AND DISTRIBUTION SCHEDULES

The chart below illustrates the gradual vesting and release schedule for PRIME tokens.



CLAIMING PRIME TOKENS

Where applicable, PRIME distribution will require the user to initiate a transaction in order to claim their allocated rewards via an Echelon smart contract.

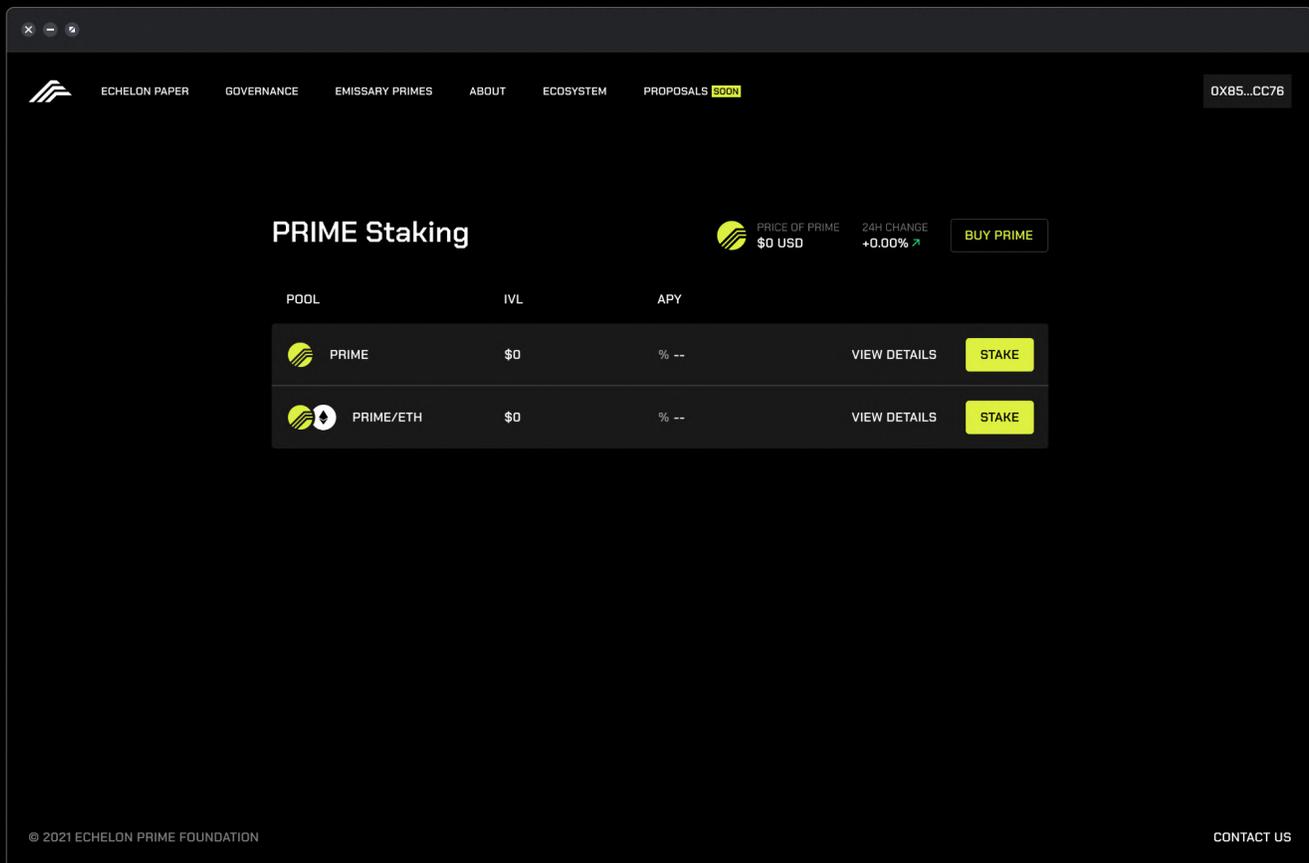
It is anticipated that PRIME tokens emitted for staking rewards will themselves require a 12-month claiming schedule from the moment the award is made until players are able to remove tokens earned as staking rewards to their own wallets. This is expected to direct the flow of redistributed tokens to long-term members of the Echelon ecosystem and supports the goal of distributing the PRIME token supply to members with longer-term interests in the Echelon ecosystem.

STAKING

STAKING PRIME OR PRIME/ETH

Users may stake their PRIME tokens or a PRIME/ETH pair for certain PRIME rewards. In addition to PRIME tokens, staking rewards may include exclusive NFTs, in-game cosmetics, and more.

When users stake PRIME, they receive an equal amount of PRIMEd in return for use in governance. PRIMEd is not tradeable.



The screenshot shows a web interface for "PRIME Staking". At the top, there is a navigation menu with links: ECHELON PAPER, GOVERNANCE, EMISSARY PRIMES, ABOUT, ECOSYSTEM, and PROPOSALS (highlighted in yellow). A user address "DX85...CC76" is visible in the top right. The main content area features the "PRIME Staking" title, a "PRICE OF PRIME \$0 USD" indicator, a "24H CHANGE +0.00%" indicator, and a "BUY PRIME" button. Below this is a table with two rows of staking pools:

POOL	IVL	APY		
 PRIME	\$0	% --	VIEW DETAILS	STAKE
 PRIME/ETH	\$0	% --	VIEW DETAILS	STAKE

At the bottom left, there is a copyright notice: "© 2021 ECHELON PRIME FOUNDATION". At the bottom right, there is a "CONTACT US" link.

STAKING ECHELON APPROVED ASSETS

In addition to the PRIME token, other digital assets or other units of value created by projects within the Echelon ecosystem may also be eligible to participate in staking. Enabling the staking of any of those assets would require approval of the Echelon governance unit and

compliance with its then existing governance processes and procedures, specifically by a vote of PRIME token holders.

STAKING ECHELON-APPROVED PRIMARY NFT ASSETS

PRIME is intended to gradually replace the role of Primary NFT assets within Echelon’s governance structure. PRIME rewards for Echelon-approved Primary NFT asset staking will provide holders some incentives to transition to PRIME. Echelon-approved Primary NFT asset holders are eligible for staking reward allocations, and, upon depletion of the staking rewards pool, Echelon-approved Primary NFT assets will no longer grant access to governance. These assets must be locked in the Echelon staking contract for 12 months, however rewards may be claimed each distribution cycle.

The dashboard interface displays three panels for staking Echelon-approved Primary NFT assets:

- Left Panel:** Shows 'PRIME CLAIMED' at 62% and 'PRIME VESTED' at 84%. Below this is a 'NEXT AVAILABLE REWARD CLAIM' timer: 04 DAYS, 12 HOURS, 28 MINUTES, 04 SECONDS. A blue button labeled 'CLAIM REWARDS' is at the bottom.
- Middle Panel:** Features a 'PRIME KEY ASSET' with a QR code and a yellow button labeled 'STAKE PRIME KEY'.
- Right Panel:** Shows 'PRIME CLAIMED' and 'PRIME VESTED' both at 100%. Below this is a 'PRIME KEY DEPLETED' warning: 'Please retrieve it. To find out what you can use depleted Prime Keys for visit out [FAQ](#)'. A white button labeled 'RETRIEVE PRIME KEY' is at the bottom.

STAKING ECHELON-APPROVED CORNERSTONE NFT ASSETS

Cornerstone NFTs offer unique ongoing staking benefits depending on the particular asset. A game project may set the requirements of the Echelon Cornerstone staking contracts for each type of asset. Proposed Cornerstone assets will be reviewed and submitted for governance



approvals by both Emissary Primes (elected members) and a governance vote by token holders. For approval requirements see section on [governance](#).

Echelon Cornerstone [Masterpiece] staking pool: In the case of Parallel Masterpieces, each Masterpiece can be staked to a special Echelon Cornerstone staking contract. Users who stake Masterpieces may claim tokens deposited into the pool equal to $\frac{1}{3}$ of the 5% royalty Echelon receives every time the matching playable card is sold on the secondary market. The tokens are deposited according to smart contracts in whatever token was transacted. When a user claims tokens in the pool, they may claim all token types from the contract.

Echelon Cornerstone [The Core] staking pool: Another example is The Core. Users who stake The Core become eligible to claim a portion of tokens deposited into the pool equal to $\frac{1}{3}$ of the 5% royalty Echelon receives every time an Asset class card in the Parallel Alpha collection is sold on the secondary market. The royalty portions to be distributed are deposited according to smart contracts in whatever token was transacted. When a user claims tokens in the pool, they receive a portion of all token types from the contract. The number of tokens that a user may claim from the staking pool is a portion relative to the number of The Core NFT assets staked.

Echelon Cornerstone [Prime Drive] staking pool: Lastly, Prime Drives that are staked via the Echelon Cornerstone staking contract may claim ongoing tokens from the Prime Drive staking pool. PRIME tokens are distributed to the Prime Drive staking pool via the Parallel TCG's sink distribution and equate to 3% of all in-game throughput on game sinks.

STAKING PRIMESETS

Complete PRIMEsets (full sets of NFTs established by individual Echelon ecosystem games via governance mechanisms) are eligible to be staked in exchange for PRIME rewards. Each PRIMEset will receive an equal share of the total pool which will then be distributed among those who stake each PRIMEset.

The screenshot shows a web interface for 'PRIMEset Staking'. At the top, there is a navigation menu with links: ECHELON PAPER, GOVERNANCE, EMISSARY PRIMES, ABOUT, ECOSYSTEM, and PROPOSALS (highlighted in yellow). A user address '0X85...CC76' is visible in the top right. The main heading is 'PRIMEset Staking'. To the right of the heading, it displays 'SETS STAKED 4,320' and 'NFTS 108,000 NFTS'. Below this is a table with columns: PARASET, SIZE, OWNED, STATUS, APY, VIEW NFTS, and STAKE. The table lists various staking sets, including PD1, PS15, and PD2, with their respective sizes, owned counts, and completion statuses. Some sets are marked as 'COMPLETE' with a green checkmark, while others are 'INCOMPLETE'. The 'STAKE' button is highlighted in yellow for complete sets.

PARASET	SIZE	OWNED	STATUS	APY	VIEW NFTS	STAKE
PD1	25	24/25	INCOMPLETE	% --	VIEW NFTS	STAKE
PD1 [SE]	52	34/52	INCOMPLETE	% --	VIEW NFTS	STAKE
PD1 ART CARD	10	0/10	INCOMPLETE	% --	VIEW NFTS	STAKE
PD1 CARD BACK	5	5/5	COMPLETE ✓	% --	VIEW NFTS	STAKE
PS15	13	11/13	INCOMPLETE	% --	VIEW NFTS	STAKE
PS15 [SE]	10	10/10	COMPLETE ✓	% --	VIEW NFTS	STAKE
PS15 ART CARD	8	0/8	INCOMPLETE	% --	VIEW NFTS	STAKE
PS15 CARD BACK	5	5/5	COMPLETE ✓	% --	VIEW NFTS	STAKE
PD2	16	10/16	INCOMPLETE	% --	VIEW NFTS	STAKE

STAKING AND GOVERNANCE

PRIME staked in the PRIME staking pool contributes to voting power in governance across the Echelon ecosystem. When users in the ecosystem stake PRIME tokens, they are issued a number of votes congruent with the amount of tokens staked. Subsequent ballots on the same proposal require quadratically more votes.

PRIME REWARD LOCK UPS

Rewards paid in PRIME accumulate but are subject to a 1 month vesting period before withdrawal becomes available.



ECHELON ECOSYSTEM TECHNOLOGY & INFRASTRUCTURE

Games within Echelon's ecosystem will have access to various technologies made available by the Echelon Prime Foundation. The various technologies including the following and more will be made available to Echelon ecosystem members via Echelon software tools & SDKs.

INBOX

Inb0x is a simple messaging tool built for web3. It uses end-to-end encryption to allow users to securely communicate to and from their Ethereum address. Users can connect to inb0x with their MetaMask wallet (more wallets coming soon), chat with the person behind a certain wallet, make offers on NFTs, and more. inb0x also makes use of ENS so users can contact wallets using their ENS address.

BONDS

A Bond is a user-created group of players within the Echelon ecosystem.

Bonds are intended to exist across multiple games within the Echelon ecosystem and accrue exclusive benefits and features in each game.

If a player is part of a Bond, their username in-game will be appended with the name of their Bond. For Example, if a user was part of the Bond "Storm", their name in-game would be displayed as "User // Storm".

Private messaging within Bonds will be enabled via inb0x.

PR[SYS]

The pack reservation system, called PR[SYS], is a proprietary NFT distribution mechanism. PR[SYS] enables projects issuing NFTs to accept, package, and fulfill orders in a unique way that minimizes the impact to the Ethereum network and improves the user experience by virtually eliminating "gas wars" and bot purchases. The production environment result has been a far more efficient process of on-chain transfers that are decoupled from the actual asset reservation process and can be executed within 24 hours from the time of reservation. This has



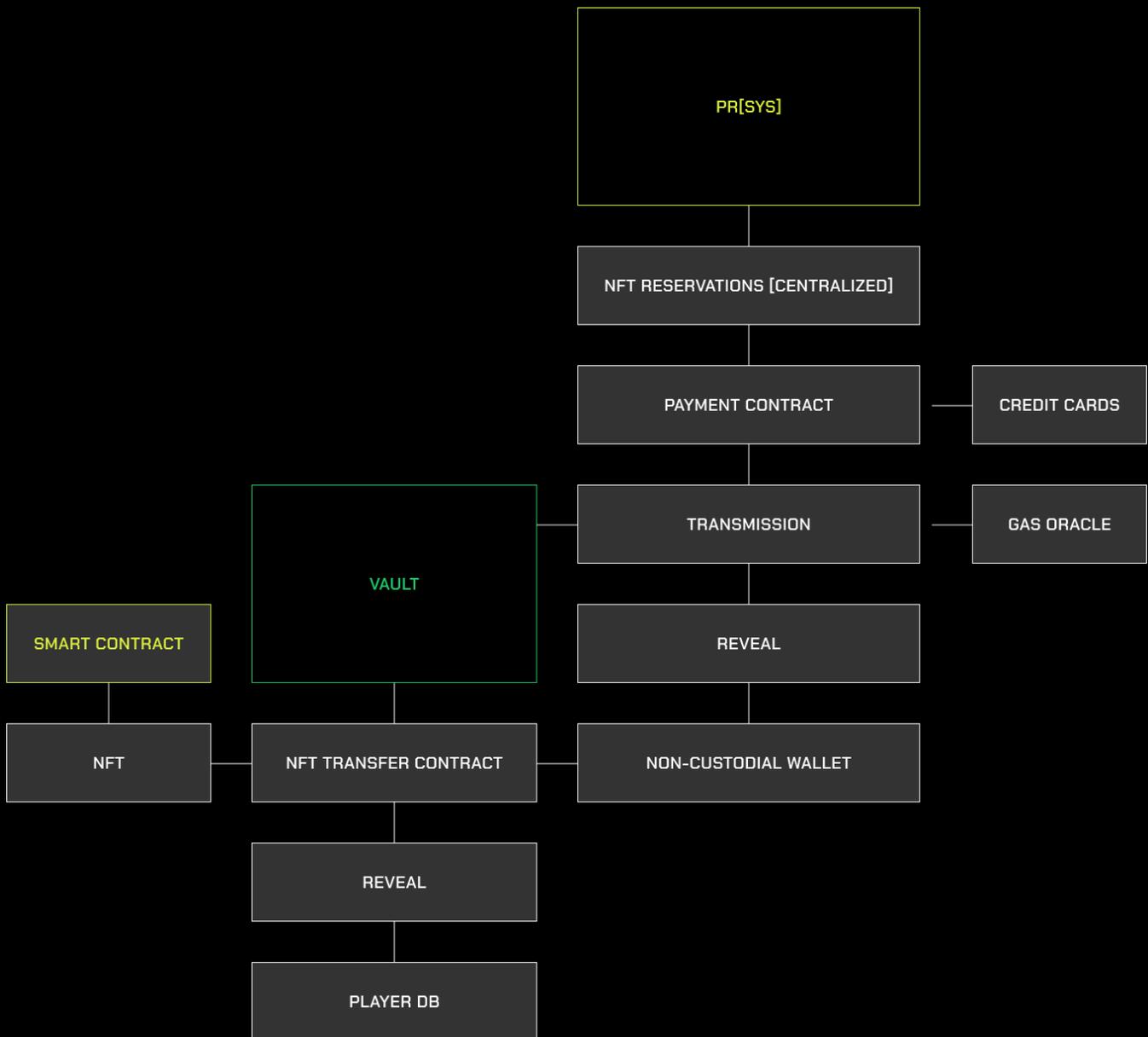
the effect of dramatically reducing gas costs and increasing the certainty of asset reservation for those who have secured a reservation but can not fund the transaction during a gas spike. The following steps illustrate the PR[SYS] workflow:

1. **RESERVATION.** Purchasers enter a web page where they are able to reserve a limited number of NFTs. If the requested NFTs are no longer available, PR[SYS] brings a user back to the reservation page and asks them to try again.
2. **PAYMENT.** Once the NFTs have been reserved, users are placed into a payment queue. When a purchaser's place in line is "called", they are then able to submit their payment transaction.
3. **REVEAL.** After the payment transaction is successful, users are able to view the NFTs that were purchased.
4. **DISTRIBUTION.** PR[SYS] automates the distribution of NFTs to each user's Ethereum wallet in waves, achieving minimum impact on the network. In future drops, purchasers will also have the option to claim their NFTs whenever they want, at the cost of gas.

PR[SYS] uses on-chain randomization in collaboration with Chainlink to ensure the random distribution of card packs. We are working on allowing other projects to offer their customers a superior experience by utilizing PR[SYS] to run their drops. In order to do so, a fee in PRIME will be required.

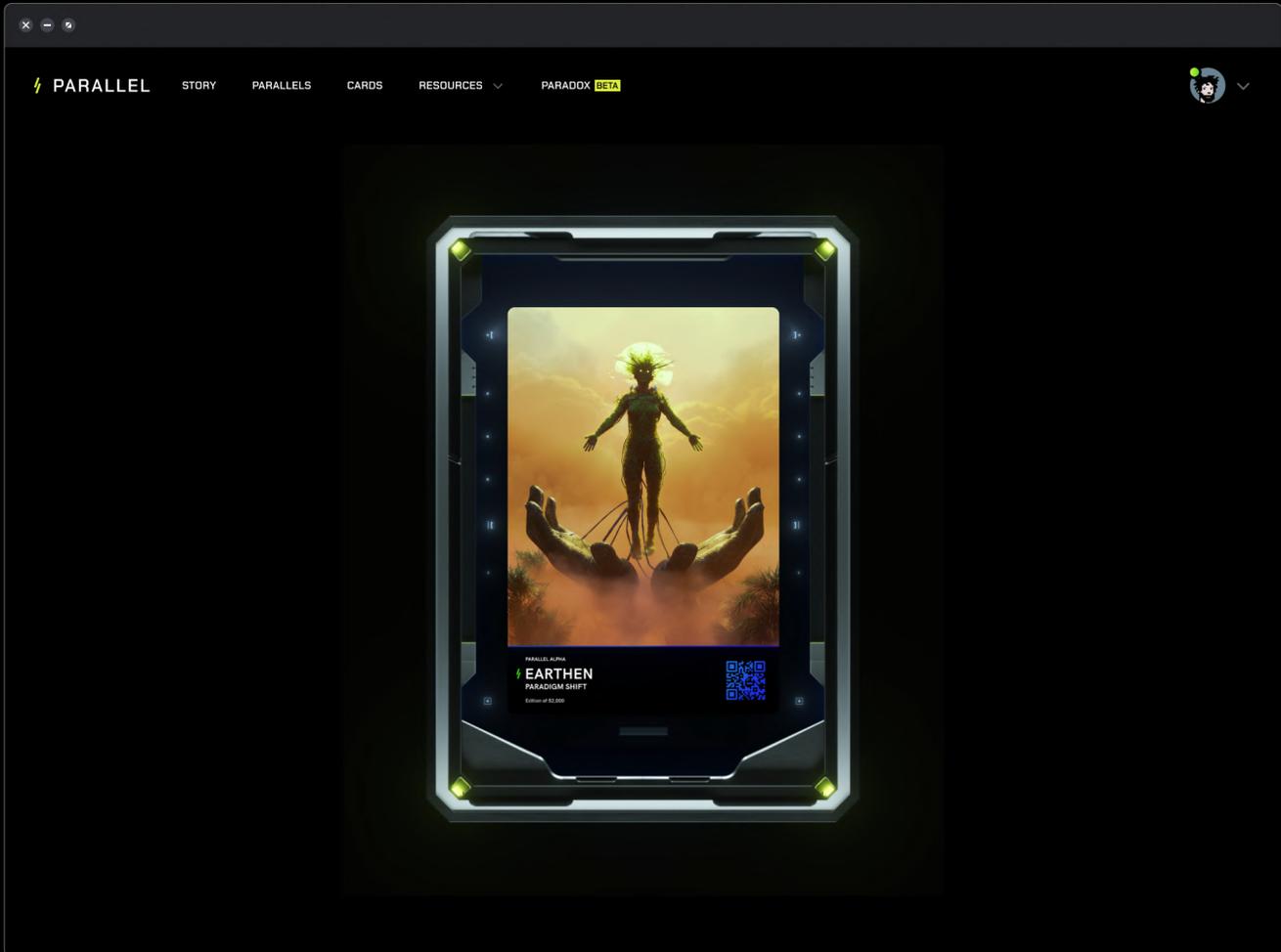
PR[SYS] is continually updated in order to fight against bot attacks and other undesirable outcomes.

The PR[SYS] architecture is as follows:



FAUCET

The Faucet is an additional method that can be utilized to distribute NFTs. Users with access to the Faucet need only to pay a gas fee in order to initiate a transaction and enable them to take possession of an NFT. The Faucet is able to randomly distribute one among a set of NFTs each time the Faucet is activated. Below is an example of Parallel Studios' implementation of Echelon's NFT faucet, which other participants within the Echelon ecosystem may utilize.



GAME ORACLES

The game oracle is intended to monitor the wins and losses of a game and report them back to the P2E emissions structure to deposit them for pick up in the claim tokens contract.

CLAIM TOKENS CONTRACT

The claim tokens smart contract holds the winnings of the player and enables them to pick up the tokens at their discretion to deposit them into their own wallet.



ECHELON STAKING CONTRACTS

Availability of staking contracts that recognize and enable staking of all Echelon-approved NFTs..

VOTING CONTRACTS

Enable ecosystem participants to access and contribute to voting on all matters related to PRIME and the ecosystem itself.

As additional technologies are added to the capabilities of Echelon by the community or contributors those contracts and functions will be made available to all ecosystem approved participants.

SUBPRIME [TEST] CONTRACTS

Availability of test contracts to ensure successful deployment prior to production and connection to the P2E PRIME pool.

COMMUNITY FUND

A portion of secondary market royalties from Parallel Studios is provided to Echelon's community fund. The portion is $\frac{1}{2}$ of the 10% royalty on secondary market sales on supported marketplaces. $\frac{1}{3}$ of the incoming royalty is reserved for Echelon Cornerstone [Masteripece] and Echelon Cornerstone [The Core] staking contracts, while Echelon governance will direct the other $\frac{1}{6}$ in order to fulfill its mandate and support the growth of the ecosystem.



DECENTRALIZATION

DECENTRALIZED PRIME TREASURY

Echelon's smart contract library contains a decentralized treasury contract used to send PRIME emissions and receive PRIME via sinks to replenish its various pools.

ORACLES

Echelon requires a number of game oracles to monitor a player's performance and their NFTs in an on-chain ledger. The ledger will trigger the emissions smart contract to distribute PRIME for match wins and package data into APIs that can service the game itself, containing information about wins, losses and the history of the involved players and their individual NFTs.

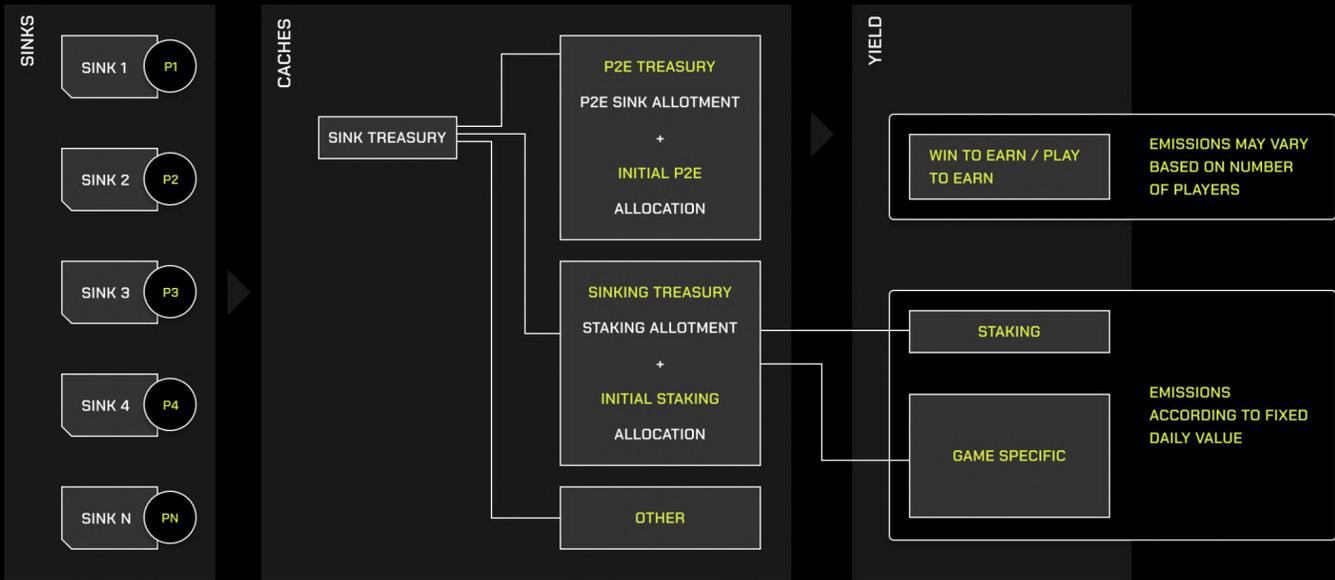
SINKS

The elements within a game or other project in the Echelon ecosystem that requires an input of PRIME in order to enable certain project-specific mechanisms or unique smart contract features made available by Echelon. Sinks encourage the development of features that enable user retention and growth while at the same time replenishing the Echelon P2E token pool. For example, entering an official event or purchasing an NFT within a game project requires an input in PRIME which replenishes the P2E pool.

DYNAMIC REPRICING ORACLE

Echelon and projects within its ecosystem make use of a dynamic repricing oracle to adjust the cost of game sinks in order to maintain a balance between the P2E supply and sink replenishment. In essence, the price of the game sinks is dynamically adjusted to the necessary replenishment requirements of staking and P2E pools as a reflection of in-game activity within the Echelon ecosystem.

Sinks in the Echelon ecosystem generate revenue to a sink cache that will distribute the funds to P2E, staking and other treasuries. Yields for P2E, staking and other features will be paid out of their respective treasuries.



Treasuries must maintain at least 7 days of forecasted yields in reserves or market correcting activities will occur:

Reserve > 7 days of forecasted required yield	No Intervention Business-as-usual yields
Reserve <= 7 and > 2 days of forecasted required yield	Sink Price Intervention Prices for sinks are allowed to fluctuate (either up or down based on community decision) until reserve meets the 7 day threshold or breaks below the 2 day threshold
Reserve <= 2 days of forecasted required yield	Yield Rate Intervention Yields are reduced as a function of the remaining reserve to infinity so that they will never run out

SINK PRICING INTERVENTION

Echelon is weighing the merits of the following price intervention options, should they become necessary. These will be decided upon via Echelon community governance.

Example 1: Reducing price of sinks to stimulate user demand



- Once reserve drops below the forecasted reserve requirement prices, (P_1, \dots, P_N) will decline by 2%
- The reserve is checked against the requirement on a daily basis and, if it's not met, the prices decline again
- Some prices where there are fixed costs (merchandise, cards) will not be repriced below a certain amount

Pros:

Aligns price to demand, theoretically maximizing the number of transactions

Helpful if PRIME appreciates too quickly and sinks become too expensive with regard to fiat

Cons:

May influence user's decision to purchase at a given time—for example, they may wait for the price to drop

Example 2: Increasing price of sinks to stimulate revenue

- Once reserve drops below the forecasted reserve requirement prices (P_1, \dots, P_N) increase by 2%
- The reserve is checked against the requirement on a daily basis, if it's not met, the prices increase again

Pros:

Guaranteed to increase revenue per transaction

Helpful if PRIME depreciates too quickly and sinks become too expensive with regard to fiat

Cons:

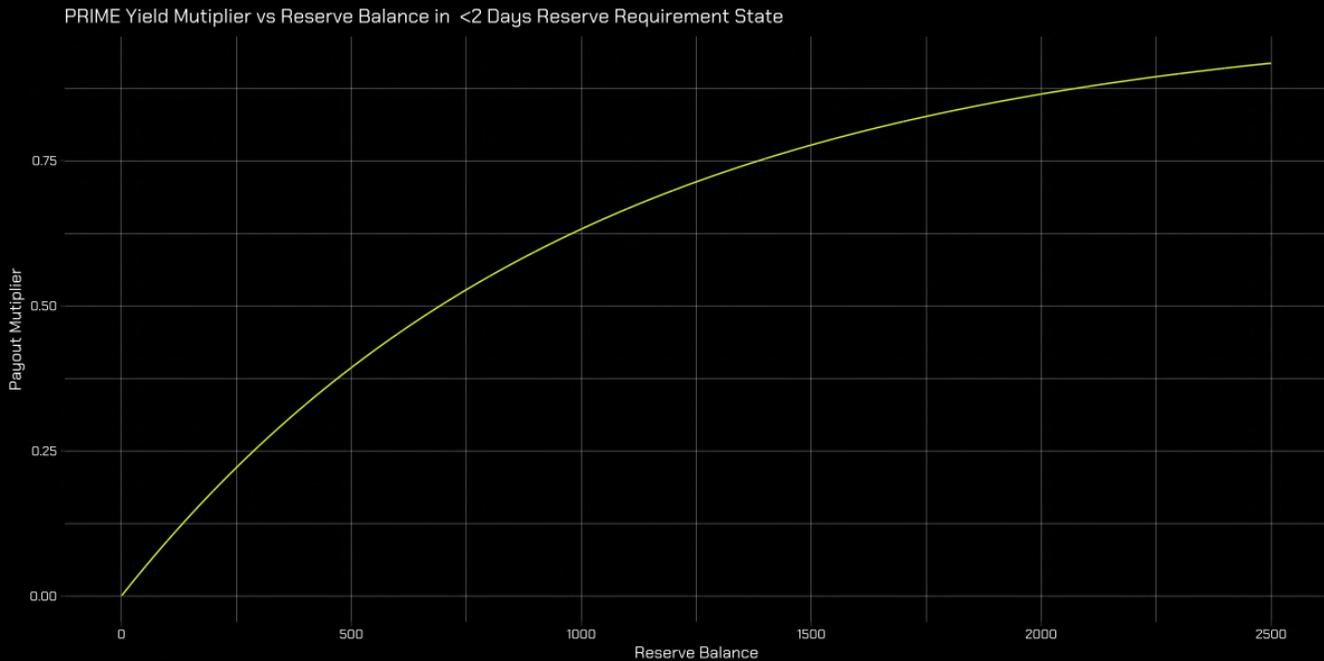
Increasing prices when demand is diminished may cause user to not purchase and exacerbate reserve shortfalls



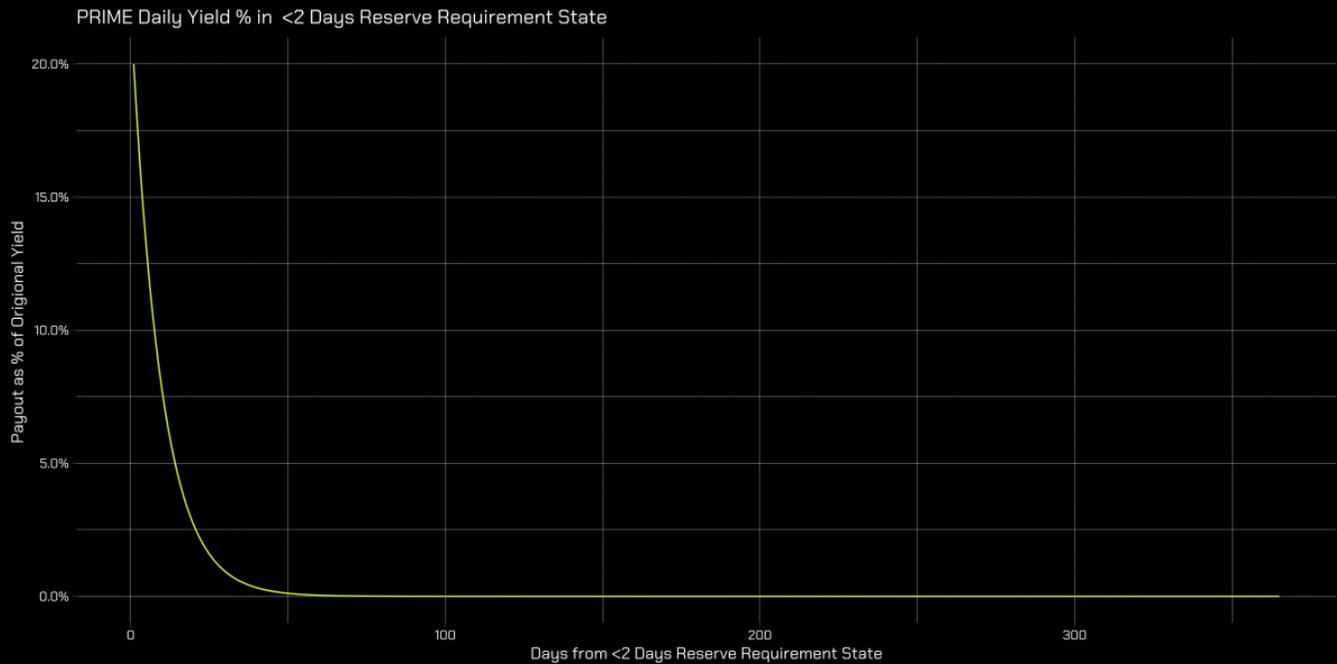
YIELD PRICING INTERVENTION

If token hoarding occurs to a large enough degree and causes the reserve's balance to reach less than 2 days of required yield, then the protocol triggers a reduction in payouts according to $1 - \exp[-\text{current_reserve_balance} / \text{reserver_requirement} * 0.1]$

P2E emissions reductions—the following assumes the reserve requirement is 10,000 PRIME:



Staking emissions reductions— daily staking emissions are reduced to one fifth of the remaining reserve balance from the previous day. Assuming a case on no staking inflows, the emissions schedule would follow this curve:



ECHELON TECHNICAL INFRASTRUCTURE

The Echelon ecosystem is made up of decentralized PRIME smart contracts on Ethereum Mainnet, along with additional infrastructure to power a trustless game ecosystem for supported projects.

AUDITING

Any game built on the Echelon infrastructure must undergo the most rigorous audits possible to ensure the stability and security of all contracts, systems, and games infrastructure.



ECHELON GOVERNANCE

Decentralized governance is critical to the success of the Echelon ecosystem. Decentralization is being facilitated in a number of ways via community focused applications. Governance power is granted by staking PRIME or other approved NFT assets. Users who stake PRIME receive an equal amount of non-tradeable PRIMEd for use in governance.

ECHELON GOVERNANCE UNIT

The Echelon Foundation may play a larger role in early ecosystem governance than in later stages, when P2E PRIME distributions allow for broader community participation. To better carry out Echelon's mandate, the ecosystem's initial governance unit is composed of 11 individuals (known as Emissary Primes) with the knowledge, abilities and perspectives needed to adequately execute the mandate in the ecosystem's early stages and enhance its rapid development. Members of the governance unit (Emissary Primes) are to be periodically elected (annually from the date they are elected) via the Echelon governance mechanisms. Governance votes in the form of PRIMEd are granted by staking PRIME tokens or other approved NFT assets.

The Echelon governance unit is, initially and subject to yearly voting approval, responsible for reviewing the conceptual, technical, and economic details submitted by potential ecosystem participants. Agreed upon governance mechanisms are implemented and will evolve over time, in order to approve and ratify all ecosystem additions that pass the foundation's review.

As a courtesy to their service all members of this governance unit are referred to as Emissary Prime <Name>.

ECHELON APPROVED PRIMARY NFTs IN GOVERNANCE

In addition to the ERC-20 PRIME token, Echelon-approved Primary NFTs will also allow holders to participate in Echelon's governance. Echelon is according governance voting rights to these tokens in an effort to expand participants in its own governance process. Echelon-approved Primary NFTs will be the primary governance token until the PRIME token generation event, at which point staked PRIME (PRIMEd) will afford votes to quadratically cast in governance mechanisms.



COMPOSITION OF ECHELON FOUNDATION

The Echelon governance unit must consist of 11 members—at least one community member should be from each of the following categories: player representation, game development studios, technical expert, security expert, economics expert, and legal expert.

GOVERNANCE DECISIONS

In order for a proposal to pass, certain conditions must be met:

- Proposals must meet a participation threshold of 20% of the available governance tokens. This threshold is waived if there is unanimous consent from the 11 community elected Emissary Primes.
- The proposal must secure 61% of votes in favor [referred to as Key Support].
- After a proposal passes, it is subject to final review and execution by the 11 Emissary Primes elected by the community.

EMISSARY PRIME ELECTION PROCESS

The process and procedures that define how an Emissary Prime is elected are as follows:

- The election process begins when the Echelon governance platform goes live and lasts 14 days, closing at 12:00am EST on the 15th day.
- To become a candidate, a person must be nominated for consideration via proposal. The nominee must publicly accept the nomination. Each nominee may state their interest and qualifications to hold the role. A person may nominate themselves.
- When nominating a candidate, the proposal should include what specialty the person embodies. The specialties are Economics, Legal, Technology, Security, Community Representation, and Project Representation.
- The 11 candidates with the most proposal votes after 14 days are elected and will serve as Emissary Primes.
- The elected candidates serve as Emissary Primes for 1 year until the next election, when they will have the opportunity to be re-elected.
- If an Emissary Prime steps down before their 1 year term ends, an election will be held to select an interim Emissary Prime.
- An Emissary Prime will serve a maximum of 11 consecutive terms.



JOINING THE ECHELON ECOSYSTEM

HOW TO JOIN THE ECHELON ECOSYSTEM

Game projects may apply to become part of the Echelon ecosystem by submitting a Governance Proposal. If the proposal is approved via decentralized governance mechanisms, that game will be allowed to access the Echelon ecosystem P2E pool to distribute PRIME to its players. The game project may also apply for a portion of the Echelon Prime Foundation token reserve to acquire additional resources.

As part of a PRIME grant application, each game proposal must detail what value they will provide to the Echelon ecosystem and how their in-game sinks will replenish the P2E and PRIME staking pools. If applicable, they must also submit a list of proposed NFT assets, Cornerstone NFT assets, and PRIMEsets.

WHY JOIN THE ECHELON ECOSYSTEM?

Echelon is providing a collection of smart contracts and SDKs that games can leverage in order to plug into an existing gaming and P2E ecosystem via emitting PRIME rewards to their players. This removes a significant barrier to entry and reduces the risk of adopting a system of this type, as it allows multiple games to share an existing architecture and token. The simplest way to think about this is P2E as a service and the ability to realize value for a game by capturing a portion of the game sinks within an approved game and existing widely adopted token. In addition, this is the first step in multiple games utilizing an identical foundational layer that makes cross-over between ecosystems and bootstrapping new games more viable, as all leverage the same network token.



CONCLUSION

The Echelon Prime Foundation is focused upon supporting the emergence of a robust, innovative, and decentralized ecosystem where cutting edge games can develop upon a shared, community-governed set of infrastructure. This robust ecosystem exists to foster the emergence of novel gaming economies that both draw inspiration from a long history of analog and digital gaming history, yet thoughtfully expand the limits of emerging technological, economic, and governance structures. Echelon's broadest ambition, to contribute to the growth of new gaming structures that engage all stakeholders in novel and equitable ways, is reinforced by the important place for the PRIME token, that both facilitates gameplay and exchange between all participants, while also serving as a vehicle of community control over the platform's future evolution. Enabling PRIME to function across all communities that will build upon Echelon's infrastructure, and through the range of gaming and technological transformations that will undoubtedly emerge, ensures the community's longevity and vibrancy while also allowing gamers and developers alike to confidently engage with the Echelon ecosystem, secure in the knowledge that its strong community will shape its evolutions according to a broadly shared vision of the most exciting and engaging opportunities.