SilentNotary

Whitepaper v2.1

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Abstract

SilentNotary is a blockchain-based service for confirmation of event existence, recorded in digital format. Communication in messenger, image, video file, e-mail can be an event. SilentNotary converts an event into a legally significant evidence, excluding the possibility of falsification.

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1. Introduction.

A need to record the fact of an event arises on a regular basis in almost any person's everyday life. Moreover, it should be done with allowance for possible judicial defense. It means, that the evidence must be relevant, admissible, credible and verifiable. Blockchain suits perfectly for this task. There are many examples of successful proof of document existence. Nevertheless, these technologies did not get widespread use due to absence of a usable interface for broad audience. But this interface exists in the form of messengers. They are installed on almost all smartphones. They are convenient and common for users. They allow us to record video, send files and communicate with many users in real time. Obviously, a chatbot with protocol writing and record of evidence to prove the existence of information, obtained in the course of a dialog, supports the solution of event proving problem.

Of course, SilentNotary is not a notary as a centralized institution in terms of existing legal systems. It is a decentralized system, which allows to clearly identify the fact of existence of an electronic document at a certain time. This is an alternative to notary protocol of an electronic document inspection. The main aim of the system is to ensure the evidence of event existence, recorded in digital format, in the most user-friendly way.

2. Our product. Use case scenario.

2.1. Product description.

SilentNotary is an ecosystem, which develops around SilentNotary Smart Contract, ensuring the evidence of existence and permanence of certain events. By the aid of ability to integrate Smart Contract into messenger, you can record events in various digital formats: images, video, audio, chat, multiuser chat. Moreover, mailbot allows to record written communication with any number of counter agents.

The project starts with a practical demonstration of a chatbot, based on Facebook messenger. As of Q1 of 2017, there were 1.2 bln active users of the messenger (https://techcrunch.com/2017/04/12/messenger/).

In theory 100% of the messenger's audience is interested in the event recording service. Our immediate goal is to engage only 1/1000 of the users into SilentNotary system, because the product is new. In other words, we plan to serve at least 1.2 mln users across the globe on a regular basis.

In what cases do we need SilentNotary and what can it do to help?

Let's study several examples of legal relations, which may require delivery of evidence:

1. *Performed work, rendered services.* It will be easy to record the result at any phase of work. Just launch the messenger and send images or video files of the work results to SilentNotary chatbot. You can share the received link with the employer. By doing so, you will be able to prove the fact, that, at this moment, the work is done. If the work was not finished within the agreed timescale or there were deficiencies detected, the employer can do the same and record the problem in a format of certified image or video. Certified records may be used for preparation of acceptance certificates for work performed or objections to quality and timescale claims.

2. *Communication via e-mail.* Letters of critical importance must be saved and certified. Just add SilentNotary address into the list of recipients. The system certifies the letter content and data from mailing servers (RFC-title of the letter). It means, that the list of recipients, the fact of dispatch, delivery and email routing would be recorded.

3. *Offers are done in a digital format.* Any company, selling anything via the Internet, makes a public offer to its clients. In this case, the text of the offer is just published on the website. This text may be changed at any time. There are many cases, which require confirmation on the offer content and the fact of its publication on the website. Both the seller and the buyer may need it. You can use SilentNotary website to certify the document and the page, where it was published. Just send a link to the page and order certification of the page content.

4. *Website content copyrights.* Almost every website shows the users a © symbol. As a matter of fact, placement of the copyright protection symbol is a meaningless ritual. It is very hard to prove that some content was present on the website at some time in the past. If you really need to protect your rights for the website content and fight against plagiary, certify the content using SilentNotary. Just send a link to SilentNotary and order certification of the website pages and content. That will be enough. Afterwards, you can publish a link to the certified content next to the notice of copyright protection.

5. *Priority of authorship.* Code text, picture, story, music... Any intellectual property item, which can be represented in digital format, is subject to legal protection. SilentNotary cannot replace a patent solicitor, but it helps to prove precedence of case of dispute. In order to certify the item, you can use any way convenient for you: send a file via email to SilentNotary address, certify it on the website or share in a message to the chatbot.

6. *Agreements.* You can record any negotiations and decisions taken. Just conduct negotiations through multichat in a chatbot. The chatbot will prepare and certify the conversation protocol on your command.

7. *License agreement.* How many times has each of us agreed to the terms of use of some software program? That said, the text of the agreement is only a text on the website page, which can be replaced at any moment. If a user violates the terms of the agreement, it is hardly possible to prove, which text was published at that moment. Send a link to the page with the agreement to SilentNotary. SilentNotary will record the fact of publication at a specified address, date of publication and content of all published documents.

8. *Whitepaper and other types of public statements*. Oftentimes, in order to make reference to someone's statement, we should prove that this exact text existed in the past, at the moment of certain actions. For example, to participate in ICO, you should record the WP content and the fact of its publication at the moment of transaction. Send a link to the published document to SilentNotary website and certify the fact of publication, date of publication and document content.

9. *User guides.* Financial success of a product manufacturer depends on the accuracy of a user guide and the fact of its publication on the website. You can certify the page with the publication via SilentNotary website. Just send a hyperlink to the page.

10. Evidence gathering from the accident site. In case of incident (for example, a car crash), an acute need for record of incident circumstances often arises. Just launch SilentNotary chatbot and send images and video files of relevant circumstances.

11. Verbal agreements. It is very hard to prove a verbal agreement in court. Do not risk it. During conclusion of the agreement, launch SilentNotary chatbot and record your

conversation. Audio file will be recorded and certified.

Usage of SilentNotary service is not limited to the above mentioned examples. There may be a need for evidence in all situations, resulting in rights and duties. We believe that the users will find a lot of new ways to use our service.

> **Important! Warning!**
> *Usage of SilentNotary service* should not contradict local norms, rules and laws. In case of wrongful use of the service, responsibility for its usage lies with the user.

2.2. User interfaces.

As it was stated in the previous section, the user interacts with the service using 3 interfaces: web, email and chatbot. The working schemes of these interfaces are presented in this section.

2.2.1. Email.

The scheme of working with SilentNotary via e-mail is as follows: the user sends an email directly to go@silentnotary.com or sends a copy. SilentNotary creates an archive with email details, RFC-title, content and attached documents. The hash of the archive is calculated, and then the user is required to confirm saving in a reply message.
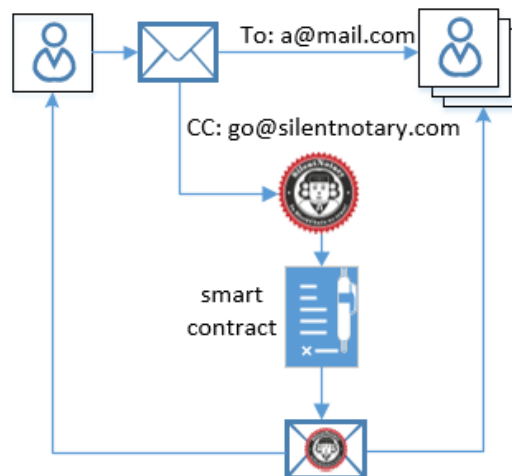
Scheme No. 1. The scheme of interaction by e-mail with SilentNotary.

After saving of document and payment for the service (payment acceptance will be available in the main version) is confirmed by the user, DApp SilentNotary records data hash in the next block of blockchain Ethereum. The user receives a link to hash transaction. The archive is stored in the repository (in the demo version, google cloud storage is used and in the main version, the possibility of using decentralized systems will be considered). After the operation is completed, the user will be able to access the saved history in his / her personal account.

2.2.2. Web.

The scheme of working with SilentNotary through the web is as follows: the registered user drags (drag&drop) the file to the appropriate area on the SilentNotary website or places a link to the web page that he wants to certify (there is no such functionality in the demo version).

Scheme No. 2. The scheme of interaction by web with SilentNotary.

When you save a file or page of a site, an archive is created with the contents of the file or page, the hash value is calculated, user confirmation is requested, the service is paid (not in the demo version), the hash of this archive fits into the Ethereum blockchain block and the archive is placed in the storage. The archive with the hash and the block number is available for downloading in the user's personal account.

2.2.3. Chatbot.
The capabilities of the chatbot are determined by the functionality provided by the messenger. In addition, during the development of the messenger, these opportunities may change. Our development plan involves working with several popular instant messengers. For implementation in the demo version, the FB messenger has been selected. At the launching time of the chatbot, the messenger did not support group chat with the chatbot. To solve this problem, we implemented a synthetic multitask with the participation of an unlimited number of users and an unlimited number of simultaneously running multi-chats. Each of the users communicates only with chatbot, chatbot collects two-way communication in the common multi-chat. The user can switch between simultaneous conversations.
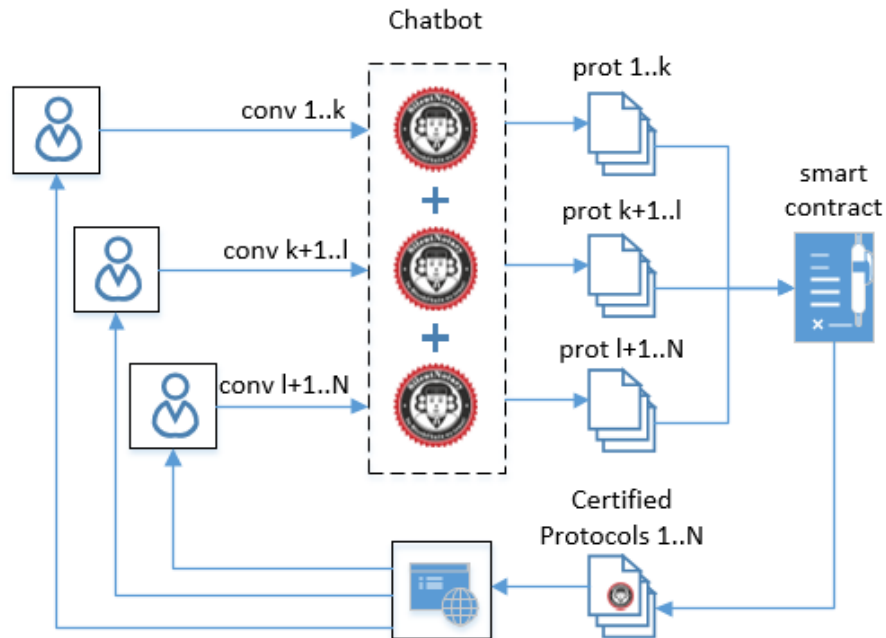
Scheme No. 3. Scheme of work of SilentNotary chatbot service.

This scheme of interaction formation is quite universal, but in a commercial product, it may undergo some changes. In making these changes, we will be guided by the convenience and interests of the user. The service allows the conversation participants to assure the protocol in the blockchain and store it in the storage. Archives will be available to users in their personal account.

2.3. Technical description of the product.

The scheme of operation of the service is quite simple. In accordance with various interactions with the user, an archive is formed, including the date, details of the document and the document itself (it can be a file, a protocol of correspondence, etc.).
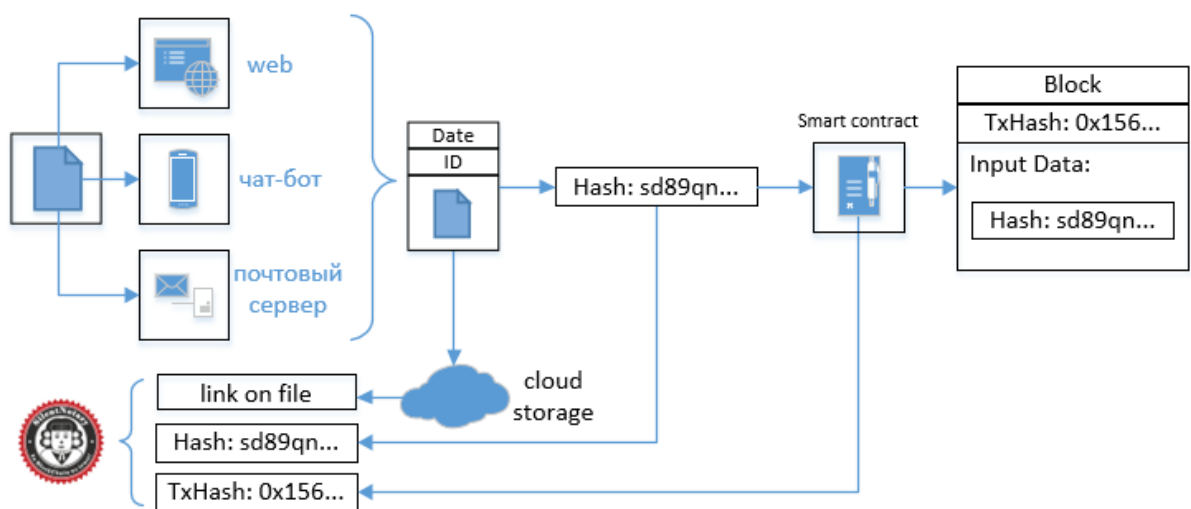
Scheme No. 4. Technical work scheme of the service.

Next, the hash of this archive is calculated by the algorithm SHA-256 and with the help of a smart contract is written into the Ethereum blockchain. The archive itself is saved in the cloud storage. The user receives a Hash (the result of computing the hash function on the user's archive), TxHash (the hash of the transaction in the Ethereum blockchain) and a link to the document in his/her personal account.

3. Development of the system.

3.1. The main directions of development.

The main problems for the development of the system are the indefinite legal status of the record in the public stable blockchain and low awareness of potential customers about the new product. Accordingly, the following strands of work are planned for the successful development of the system:

1. To develop legal opinions, perform technical and legal expertises, create instructions and ways of using the system, legal support in case-based litigations together with leading legal companies.
2. To promote the use of blockchain notary in everyday life, develop recommendations, collect and generalize judicial practice.
3. To create ecosystem around the main application. This ecosystem consists of service provider organizations, end users and decentralized applications.
4. To advertise and promote services that use the SilentNotary smart contract.

These activities are financed by the sale of the system tokens.

3.2. SNTR tokens.

The system tokens (hereinafter SNTR or "tokens") are issued in a limited amount of $1*10^{12}$ tokens and are used to organize the interaction of the ecosystem participants. The main contract for its operation is required by SNTR. Only the SNTR token holder can use the services of the contract.

The number of SNTR tokens needed to execute the contract:

$$\text{Main contract requirement in SNTR} = \text{Rate ETH/USD} \times \text{Price of witness, \$ USD} \times 20\% \div 0.2\,ETH$$

Scheme No 5. Scheme for calculating the need for a smart contract in SNTR.

Since the service is aimed at rendering services in the real economy, the cost of services shall be denominated in fiat currencies. However, calculations within cryptoeconimics are made in crypto currencies. Compared to crypto currencies, the cost of fiat currencies is marked by high volatility. The following solution is proposed to resolve the issue of regulating the cost of services and linking it to the fiat currency: to control the SilentNotary contract execution cost by changing the basic cost for Document certification (serves for recording the market conditions and competitive environment). Coefficients USD/ETH rate and Certification costs are published on the web-page SilentNotary.com

For example, according to the calculation formula, if a basic cost of certification equals to 0.2 USD and USD/ETH exchange rate is 300, the requirement of the contract is 667 SNTR.

For the service of the ordinary user, it is planned to support the creation of independent service providers, commercial organizations, acting as intermediaries between the end customer and SilentNotary service. To render services, the providers will have to buy SNTR tokens.

These tokens can be obtained in three ways:

1. During the Token sale by exchanging ETH for tokens in accordance with the rules of sale at the exchange rate from 0.01 ETH to 0.2 ETH for 1 M SNTR.
2. Exchange from the existing owners in a free transaction.
3. Refer to the main contract, sending it ETH, which it will exchange from the owners of the token at the rate of $1*10^6$ SNTR = 0.2 ETH. In this case, the tokens transferred are withdrawn proportionally from all owners, and the received ETH is charged to the owners of the tokens in proportion to the seized tokens. This way of obtaining tokens is reserved for a case when it is impossible to obtain tokens by any of the aforementioned ways in order to eliminate the possibility of blocking the system due to the lack of offer on the secondary market. The number of ETH, required for exchange and further execution of the main contract, is calculated in the following way:
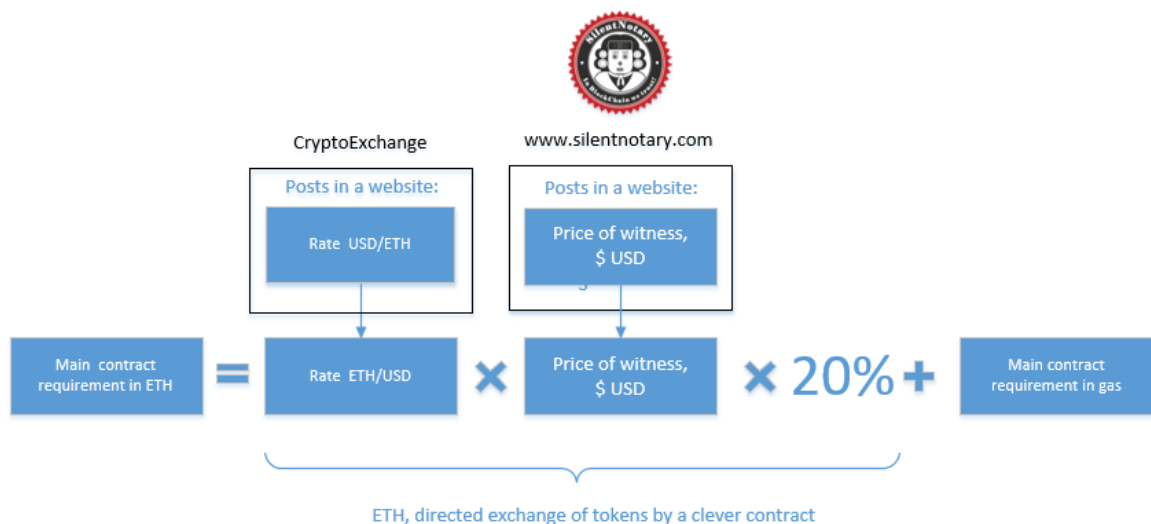
Scheme No. 6. Calculation of the need of the smart contract for ETH.

Lets consider a case when the smart contract SilentNotary is used by a Service provider that does not have SNTR tokens:
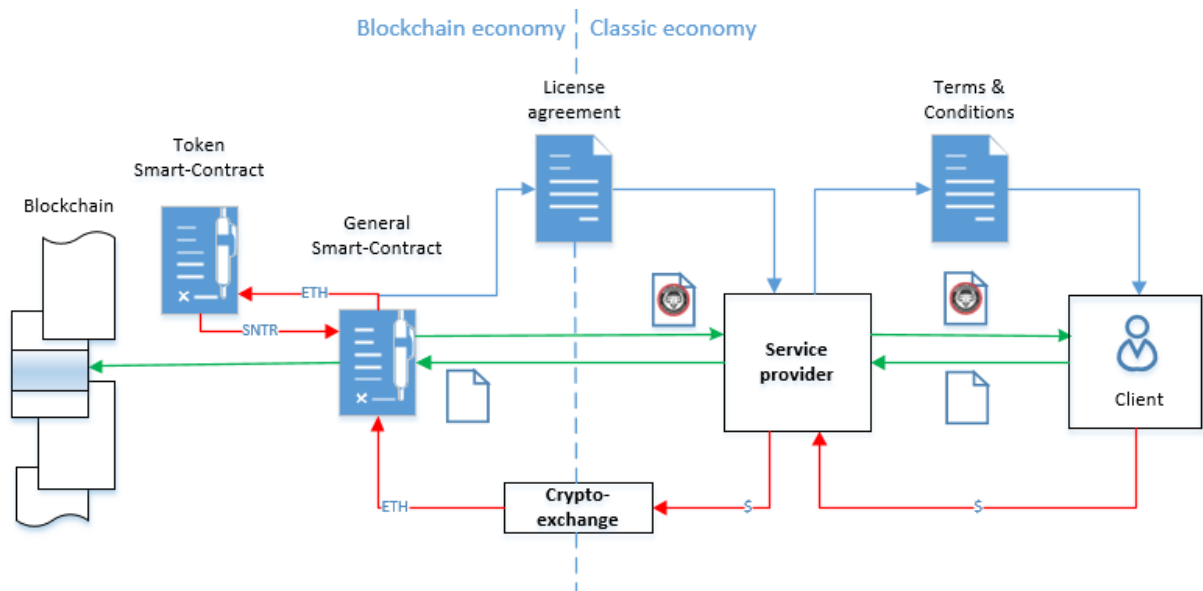
Scheme No. 7. Scheme of operation of the service with a Service provider.

Service provider, a company, rendering commercial services to end users, submits an offer (Terms & Conditions) to the user, according to which the user sends a certified content to the Provider and pays for the service in line with the rate (USD).

To provide services to its customers, the Provider uses the main smart contract SilentNotary under the terms of the License Agreement on the use of this contract as a software product made for the benefit of SilentNotary token holders.

To execute the main contract, the Provider needs to transfer a certain number of SilentNotary — SNTR or, if it is impossible to buy SNTR, a certain number of ETH tokens (with the tokens being forcibly withdrawn from the holders). As a result of the main contract, the Provider gets a link to TxHash and sends it to the user, while the information itself is stored in the archive and is available to the user in his/her personal account.

> *Important! Warning!*
> *The aforementioned calculation, its results and assumptions do not constitute an obligation for a team to provide potential holders of tokens with some profit. The aforementioned calculation just demonstrates the possibility of returning ETH during redemption of tokens, in the event that tokens are not spent by the holder for using the service. Therefore, we do not recommend you to treat the token as an investment.*

Token smart-contract is used to control the circulation of tokens. SNTR token is issued in line with ERC20 standard, which makes it possible to use all the existing infrastructure, maintaining the circulation of tokens.

After the amount of tokens necessary for the application is transferred, the tokens received by the smart contract are deposited and, thus, withdrawn from circulation. In the future, the developers consider a possibility of putting the deposited tokens in circulation, purely for the purposes of the application development or its market promotion. After all, the issued tokens are deposited, the main smart contract continues to operate already without the SNTR tokens.

4. The roadmap.

This section describes the sequence of steps which we intend to execute in order to create an ecosystem based on the main smart contract SilentNotary.

The first step is to create the legal framework of the ecosystem. To do so, it is necessary to build a core – a non-profit organization. The main objectives of this organization are: to put the service into legal practice in main jurisdictions (conducting technical and due diligence reviews, obtaining legal opinions, establishing the precedents of use and carrying out legal researches), to support the organizations that use the SilentNotary service in their work (consultations, legal support, technical consulting and grants) and to make the service popular (advertizing).

The second step is to develop the main code of the smart contract SilentNotary (the prototype is created and is ready for testing). It is necessary to add the evolution mechanism and to carry out a technical audit.

The third step supposes the launch of the commercial projects (companies – providers of the services) and the activation of the marketing campaign.
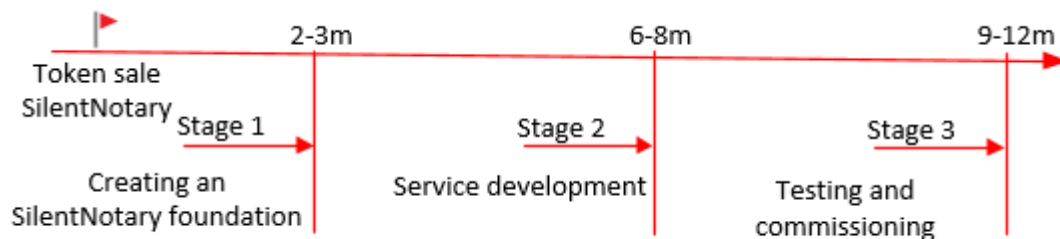
Scheme No. 8. Project development plan.

4.1. Creation of the SilentNotary foundation.

An important stage of the SilentNotary service implementation is the creation of a non-profit organization, SilentNotary Foundation, which will aim at the development of the SilentNotary ecosystem (legal status of certification in the blockchain, expertise and introduction in legal practice). List of tasks of the first stage:

- registration acts connected with the SilentNotary Foundation (including the choice of jurisdiction, the choice of the legal entity form and the choice of the taxation scheme);
- development of a standard offer for the service users;
- development of the license agreement;
- legal elaboration of the service model in order to ensure its correct operation in various jurisdictions.

This stage will take 2–3 months. The funds for this stage are written off a special purse with multi-signatures.

4.2. Service development.

The second work stage is more concerned about the technical problems, including the expansion of the available service interfaces:

- development of the code for the main smart contract of the system, activation of the evolution mechanism;
- development of chat bots for the main messengers which ensure the functionality required for the service work;
- further development of the website functionality – dealing not only with separate files, but also with hyperlinks, saving the structure of the website and its contents;
- development of schemes for accepting payments from service users, the introduction of a flexible pricing system for services;
- further development of the mail service (for example, file hashing by links);
- development of the API interface;
- improvement of the interface usability.

This stage will take 4–6 months. The funds for this stage and the next one are written off a purse at the command of the smart contract which is activated by two team members and one of two Escrow agents involved in the project.

4.3. Launching.

The third work stage includes creation (attraction) of the service providers, final testing of the service, development of the marketing program, recruitment of the companies working on the service promotion, conclusion of the contracts with the key performers of the program. This stage takes 2–3 months. It ends by the commercial launch of the service.

5. Token sale.

> **Important! Warning!**
> This section is devoted to the issuing and exchange of the SNTR tokens. If the laws of the country you reside in involve certain requirements to you as a potential token holder or to the process of tokens acquisition and exchange, we recommend you to consult the lawyers with the relevant practice in your jurisdiction and to make a decision about the tokens exchange based on their recommendation. Besides, we would like to notice that due to technical organization of token issuing and exchange, we do not collect, store, or make use of the potential token holders' personal data and thus, we can not control what jurisdiction they belong to and whether the laws of this jurisdiction are violated. As a result of such circumstances, the responsibility for token exchange in your jurisdiction rests with you as the token holder.

5.1. The purpose of token sale.

The purpose of token sale is to raise funds for the expansion of the existing service functions, introduce the service into the legal practices of the leading jurisdictions, and create an ecosystem of application users. Below is the planned budget of the project.

		The first stage (2–3 m)	The second stage (6–8 m)
Legal expenses			
Legal expenses (draft of a license agreement and SNFoundation constitutional documents)		280,000	-
Legal support for users in major jurisdictions		-	200,000
Expenses for the registration of SNFoundation		40,000	-
	Total	**320,000**	**200,000**
Development expenses		**70,000**	**325,000**
Marketing and promotion expenses			
Promotion expenses		-	170,000
The expenses for service maintenance in demonstration mode (storage rent, server rent and purchase of gas)		20,000	50,000
	Total	**20,000**	**210,000**
Operating expenses			
SNFoundation expenses		10,000	30,000

Personnel expenses	55,000	225,000
Bonuses to the personnel (for the previous stage)	70,000	100,000
Total	**135,000**	**355,000**
Conversion costs, fees, and other transaction costs, in %	**7%**	**7%**
Total expenses	**583,150**	**1,166,000**

Chart No. 2 Expense budget.

Thus, the total expenses required to launch the declared service functionality in full are approximately $1.75 million. They can be divided into two stages:

- the stage of creation of SNFoundation ($583,000 or approx. 32% of the expenses);
- the stage of development and promotion of the service ($1,166,000 or approx. 68% of the expenses).

The presented budget is calculated in US dollars. Based on the rate of 1ETH = $300, the expenses for the two stages will be approx. 2,000 ETH and 4,000 ETH, respectively. We sell SNTR tokens, accepting only ETH. We understand the risks that ETH may be overestimated. We assume them for the first stage of implementation and getting access to fixed assets. Once the second stage is reached, fixed assets will be used and converted into USD (this will happen in 2–3 months). Thus, we knowingly refuse to hedge these risks.

> **Attention! Warning!**
> The structure of expenses presented in this section is estimative and can be changed by the project team based on the situation. This structure assumes insignificant fluctuations of the ETH exchange rate over the course of 2–3 months. When exchanging ETH to SNTR, potential token holders accept this assumption.

Thus, we can formulate general target values of the token sale: to collect 6,000 ETH. In the event that a larger amount is collected, the surplus will be spent on Marketing to attract new users at a faster rate.

The minimum amount necessary for the implementation of the minimal service functionality (transfer of the service from the demonstration mode to the full mode without new interfaces) and registration of the SilentNotary Foundation with minimal required legal structure is 1,000 ETH. This is the minimum token sale volume.

5.2. Main characteristics of Token Sale.
Main characteristics of the program:

- The total amount of token is 10^{12} STNR (this number is necessary to establish flexible pricing policy of the service);
- Token to ETH exchange rate:
  - The initial token exchange rate is $1*10^6$ SNTR = 0.01 ETH;
  - Current exchange rate will be determined over the course of the sale based on the initial exchange rate and the number of purchased tokens (for more details, see 5.3.);
  - The maximum token exchange rate is 1×10^6 SNTR = 0.2 ETH (once this value is reached, the token sale will be stopped).
- Temporal sale characteristics:
  - Sale start date: August 21, 2017;

- The sale duration is 14 days (the campaign can be completed ahead of schedule if the exchange rate reaches its maximum or if all the tokens are sold). The sale can be extended for another 14 days by the decision of the developers.
- Additional provisions:
  - The sale will be declared void if less than 1,000 ETH is collected (the minimum amount for the implementation with minimal functions);
  - All unsold tokens will be transferred to the team's multisig wallet to provide future development and team bonus..

5.3. Sale procedures.

We suggest the following method to evaluate the attractiveness of the project for potential token holders. We will increase token exchange rate in proportion to the amount of tokens sold. This will allow the investors to determine the project value based on objective criteria.

During the token sale, in order to purchase tokens, you need to send the required amount of ETH to the address indicated at the official website www.silentnotary.com. The address will be published not later than 24 hours before the start of the sale. In response, STNR tokens will be deposited to your wallet. To estimate the amount of tokens you can get, you can use the information on the website, where the rates and amounts of the last five fulfilled applications will be published online.

> *Important! Warning!*
> *These values (latest applications published on the website) are purely evaluative. It happens because, in case a very large application had been received earlier than yours, the rate for your application may increase significantly.*

5.4. The use of funds raised in the course of the sale.

5.4.1. The use of wallets with multisignatures and Escrow.

The ETH resulting from token sale will be accumulated in the escrow-wallet controlled by the Team (Development and Marketing Account), until the limit of 1,000 ETH is reached (the minimum sum for token sale). In case the token sale is void, these funds will be distributed among potential token holders using the crowdsale method. In the event that the sale is successful, 1,000 ETH will be deposited to the Registration wallet. It is a multi-wallet managed by the team. During the sale, the acquired ETH will continue to accumulate in the escrow-wallet controlled by the Team, until the total amount reaches 2,000 ETH. A part of the collected funds exceeding this amount, 32%, will be deposited automatically to the Registration wallet.

The first-priority expense will be the payments to the bounty campaign members. These funds, in the amount of 5% of the collected sum in ETH, will be distributed among the campaign members from the escrow-wallet under controlled by the Team. Escrow will make payment decisions based on the calculations provided by the team and published at the bounty campaign website (https://sites.google.com/view/bounty-silentnotary). In case there are no sufficient funds in this account, the necessary amount will be allotted by the Team from the Registration wallet.

The further use of funds raised during the token sale will proceed in two stages. About one third will be available to the team through the use of a multisignature wallet (2/2). These funds will be used for registration, to hire lawyers, draft the main contract, for payments resulting from the sale, etc. The rest of the funds raised during the sale will be available to the team only according to the results of the first stage.
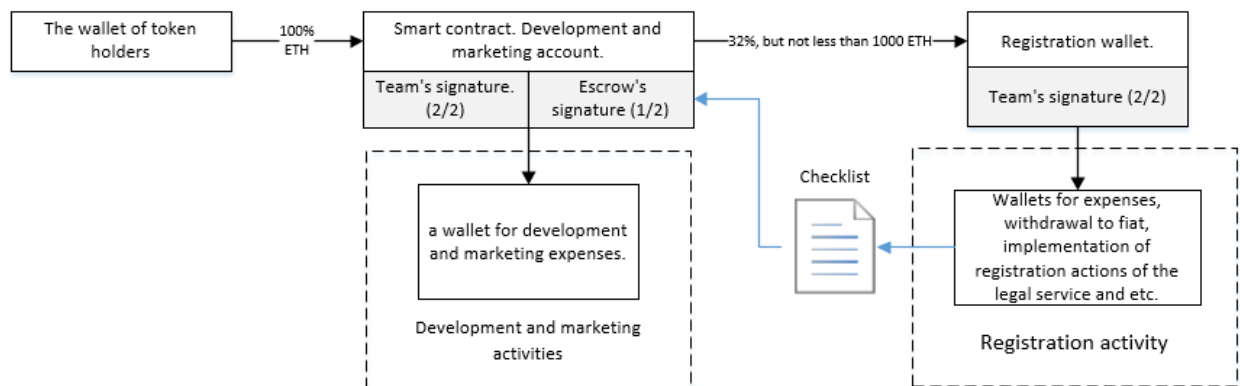
Scheme No. 9. The scheme of funds acquired from token sale.

In order for the team to gain access to the funds, escrow will have to authorize it. To make the decision, Escrow is to check whether the Team has fulfilled a number of requirements listed in the checklist (see 5.4.2). If Escrow does not put their signature within 4 months, the funds will be used to buy out the tokens from holders on a pro rata basis.

5.4.2. Escrow checklist.
Escrow is contracted to control the fulfillment of the following liabilities:
1. The return of the raised funds is done in the case when the minimum required amount is not reached during the token sale. The only permitted way to spend funds from the Development and Marketing Account for Escrow is to return the money to token buyers.
2. The establishment of the non-commercial company (SilentNotary foundation), whose statutory activity is to introduce into legal practice the technology of providing proof by making entries in the blockchain through SilentNotary smart-contract, provide the necessary technical and legal expertise, obtain legal opinions, set use cases, conduct legal studies and provide support for organizations that use the SilentNotary service: consultations, legal support, technical support, subsidies and promotion of the service.

6. The future.

We believe that a whole system of services will emerge that will use SilentNotary, in particular, P2B, B2B, P2P credit systems, real estate management, insurance, evaluation of physical assets. In fact, we are currently working on such a project – a system for the transfer of financial and legal documentation called the DebtLock Project. These services will use documents certified by SilentNotary as their basis.
We are willing to collaborate with other teams and projects. If your project needs solid proofs that certain events or documents took place, we will develop a convenient interaction interface.

7. Conclusion.

The legal system is the basis of our society. We have come a long way and evolved from primitive tribes where the rule of force prevailed to the modern complex system of norms which guarantees the rights of all individuals. The legal systems continues to evolve, but it cannot keep up with the technological progress. It is quite inert, which is natural, since any change in the legal system will cause significant consequences in the entire society. Obviously, the recently developed technology of data storage in a public blockchain is ideal to record facts. And the fact that almost every person today has a smartphone and uses messengers will make this technology accessible to everyone. The legal system is already beginning to accept blockchain as a method of trusted data storage, and once its reluctance is finally over, we will witness a revolution in numerous areas of our life. This will expand our possibilities significantly. Business practices will change. Contracts will be signed in messenger apps. Acceptance certificates will be sent by smartphone. Faster business procedures. Recording of all facts to prevent corruption and fraud. A more stable and safe world. We develop SilentNotary with zealous enthusiasm. Join our team! Become part of the forthcoming changes!

<p style="text-align:center">SilentNotary Token Sale Agreement</p>

Posted: August 17, 2017

Effective Date: August 17, 2017

1. Introduction and the Purpose of SilentNotary

SilentNotary welcomes You (**'User'**) to use SilentNotary's smart contract deployed in Ethereum decentralized platform (hereinafter **'SilentNotary Smart-Contract'**) in accordance with the terms of SilentNotary Terms and Conditions.

The SilentNotary Smart-Contract is specifically developed and designed to provide Users with the opportunity to fix any fact of evidence in a variety of many digital forms, including but not limited: photo, video, sound recording, chat, multi-user chat.

Due to the possibility of decentralized blockchain technology Ethereum the SilentNotary Smart-Contract provides to the User a possibility to record any facts of evidence in a lawful, secure, worldwide way.

The fee for the services and goods listed above will be set by the Company and carried out in application's tokens 'SNTR' (hereinafter 'SNTR' or 'the SNTR digital token'). The SNTR digital token is developed to organize the interaction of ecosystem participants.

The SNTR digital tokens are created on the ERC20 Ethereum Token Standard and are designed to be used to launch the SilentNotary Smart-Contract.

Based on the famous Howey test the SNTR digital tokens should not not be deemed as securities or a collective investment scheme:

(i) the SNTR digital tokens do not grant to the User any voting or ownership rights;

(ii) the SNTR digital tokens do not grant to the User any return on investment;

(iii) the SNTR digital tokens do not grant to the User any profit and passive income from the ownership of the SNTR digital tokens.

The User can purchase SNTR through the Initial Token sale offering (hereinafter 'TSO') during the period of the TSO from 21/08/2017 to 03/09/2017 with optional prolongation to 17/09/2017 (hereinafter 'TSO Period') in accordance with this SilentNotary Token Sale Agreement.

2. SilentNotary Offer

This SilentNotary Token Sale Agreement constitutes an offer to conclude the agreement for purchase and use of SNTR digital token under the conditions stated below (SilentNotary Offer for purchase and use of SNTR digital token) and can be accepted by any person not otherwise than by adherence to the entire SilentNotary Token Sale Agreement, including the conditions of its applications, which are deemed to be its integral part.

This SilentNotary Token Sale Agreement includes and hereby incorporates by reference the following applications: SilentNotary Whitepaper (located at the website https://silentnotary.com/), (collectively, with this SilentNotary Token Sale Agreement, *'the SilentNotary Token Sale Agreement'*).

The SilentNotary may, in its sole discretion, amend the SilentNotary Token Sale Agreement at any time by posting a revised version on the site at https://silentnotary.com/

Any revisions to the SilentNotary Token Sale Agreement will take effect on the noted effective date or when posted if there is no noted effective date (each, as applicable, the "Effective Date"). If the change includes an increase of the fees charged by the SilentNotary, such change will take effect after five (5) days' after it was posted.

3. User's Acceptance

To become a party of the SilentNotary Token Sale Agreement, which means the acceptance of SilentNotary Offer for purchase and use of the SNTR digital token under the conditions stated below, the User shall purchase any amount of the SNTR digital token in accordance with the the technical recommendations of the SilentNotary, which shall be published at https://silentnotary.com/ no later than twenty-four (24) hours before the TSO Period.

By purchasing the SNTR digital token in accordance with the the technical recommendations of the SilentNotary, the User acknowledges and agrees that fully and unconditionally accepts the SilentNotary Offer for purchase and use of SNTR digital token under the conditions stated in the SilentNotary Token Sale Agreement, without reservation or exception.

The moment when the SilentNotary Token Sale Agreement is concluded (the acceptance of the public SilentNotary Offer for purchase and use of SNTR digital token), shall be the moment of the first purchase of the SNTR digital token.

If You do not agree to all of the terms of the SilentNotary Token Sale Agreement, You may not purchase any amount of the SNTR digital tokens.

4. The SilentNotary Token Sale Agreement Grants

The SilentNotary grants to the User an opportunity to use the SNTR digital tokens to run the SilentNotary Smart-Contract.

The SilentNotary Smart-Contract requires the SNTR for its work. Only the owner of the SNTR digital token may purchase the services of the SilentNotary Smart-Contract. The calculation of the required tokens is described in the Whitepaper.

5. The SilentNotary Token Sale Agreement Grant Restrictions

User shall not, and shall not allow any third party to:

(i) insert into the SilentNotary Smart-Contract any viruses, worms, date bombs, time bombs, or other code that is specifically designed to harm the use of the SilentNotary Smart-Contract to cease operating, or to damage, interrupt, or interfere with any end user data;

(ii) disassemble, de-compile or otherwise reverse engineer the SilentNotary Smart-Contract or otherwise attempt to learn the source code or algorithms underlying the SilentNotary Smart-Contract;

(iii) use the SNTR digital tokens for of illegal or unlawful actions or other unauthorized purposes;

(iv) exceed the scope of any license granted to User hereunder.

6. The SNTR digital tokens Buy-Back Mechanism

The SNTR digital tokens Buy-Back Mechanism is a method of obtaining the SNTR digital tokens,

which is reserved for the case of the absence the SNTR digital tokens on secondary markets.

Anyone may require the SNTR digital tokens from the SNTR digital tokens owners through the SilentNotary Smart-Contract and the required SNTR digital tokens shall be withdrawn from all SNTR digital tokens owners proportionally, and they shall receive ETH in proportion to the withdrawn SNTR digital tokens in exchange.

The SNTR digital tokens Buy-Back Mechanism is described in more detail in the SilentNotary Whitepaper.

7. Representations and Warranties

By purchasing the SNTR digital tokens the User represents and warrants that:

(i) the User have read and understand the SilentNotary Token Sale Agreement in full;

(ii) the User have read and understand the SilentNotary Whitepaper in full;

(iii)the User fully understands, realizes and agrees with the SNTR digital tokens Buy-Back Mechanism;

(iv) the User fully understands, realizes and agrees with the information about the functionality, usage, storage, transmission mechanisms and other material characteristics of the SNTR digital tokens, blockchain technology, blockchain-based software systems and their risks, and appreciates the risks and implications of purchasing the SNTR digital tokens;

(v) the User fully understands, realizes and agrees that the SNTR digital tokens are created on a blockchain and are designed to be used to launch the SilentNotary Smart-Contract and it does not grant to the User any voting or ownership rights, any return on investment or any profit and passive income from the ownership of the SNTR digital tokens;

(vi) the User's purchase of the SNTR digital tokens complies with applicable laws and regulations in the User's jurisdiction;

(vii) the User is not (i) a citizen or resident of a geographic area in which access to or use of the Services is prohibited by applicable law, decree, regulation, treaty, or administrative act, (ii) a citizen or resident of, or located in United States, and do not have a primary residence or domicile in the United States.

8. Purchasing of the SNTR digital tokens

In order to purchase the SNTR digital tokens User must comply with the requirements of Article

6 of the SilentNotary Token Sale Agreement.

The SNTR digital tokens shall be issued in a limited number of $1 * 10^{12}$ digital tokens. All the SNTR digital tokens shall be of equal value and functionality.

User may purchase the SNTR digital tokens during the TSO Period by exchanging ethers (ETH) for the SNTR digital tokens at the exchange rate from 0.01ETH to 0.2ETH per 1 M SNTR in accordance with the rules of the SilentNotary Whitepaper.

9. Taxes

User shall pay any applicable taxes, including sales, use, personal property, value-added, excise, customs fees, import duties or stamp duties or other taxes and duties imposed by governmental agencies of whatever kind and imposed with respect to the transactions under the SilentNotary Token Sale Agreement.

10. Trademark License and Use.

User acknowledges and agrees that the SilentNotary's Trademarks are owned solely by the SilentNotary, and agrees to use the SilentNotary's Trademarks only in the form and manner prescribed by SilentNotary. SilentNotary acknowledges that all User's Trademarks are owned solely by User, and agrees to use the User's Trademarks only in the form and manner prescribed by User.

11. Trademark Restrictions.

User shall not remove, modify, adapt, or prepare derivative works of any SilentNotary's Trademarks, SilentNotary's copyright notices, or other SilentNotary's proprietary rights notices.

12. Proprietary rights.

The SilentNotary Token Sale Agreement agreement does not convey the title or ownership of

SilentNotary Smart-Contract from SilentNotary to User but instead gives User only the limited rights and abilities to use SilentNotary Smart-Contract and the SNTR digital tokens as set forth above. SilentNotary reserves all rights not expressly granted by the SilentNotary Token Sale Agreement.

User acknowledges and agrees that SilentNotary Smart-Contract and its source code form, all enhancements, corrections and modifications to the SilentNotary Smart-Contract, all copyrights, patents, trade secrets, or trademarks or other intellectual property rights protecting or pertaining to any aspect of SilentNotary Smart-Contract, are and shall remain the sole and exclusive property of SilentNotary.

13. Liability

The SilentNotary Smart-Contract and the SNTR digital tokens are provided «as is».

User acknowledges and agrees that the SilentNotary Smart-Contract and the SNTR digital tokens may contain bugs or minor mistakes, which the SilentNotary promises to correct if possible.

User acknowledges and agrees that the SilentNotary does not warrant User any financial or other type of outcome, which is the result of the use of the SilentNotary Smart-Contract and the SNTR digital tokens.

Nevertheless, the Parties shall be responsible for compliance with the terms of the SilentNotary Token Sale Agreement, for fulfillment of User's commitments and guarantees in the manner and in the amount prescribed by the SilentNotary Token Sale Agreement, in particular:

(ii) In case of filing accusations, claims or lawsuits to the SilentNotary related to non-compliance by the User of the SilentNotary Token Sale Agreement and/or engagements entered by User during the participation of the TSO, the User agrees to settle such claims or actions on his own and at his own expense, as well as fully compensate the SilentNotary documented proven losses, court fees, legal costs, incurred in connection with the refusal of the User or untimely fulfillment of his obligations by the User.

In case of filing accusations, claims or lawsuits against the SilentNotary, related to non-compliance by the User with exclusive rights or other rights of third parties, the User agrees to settle such claims or actions on his own and at his own expense, as well as fully compensate the SilentNotary documented proven losses, court fees, legal costs, incurred in connection with the refusal of the User or untimely fulfillment of his obligations by the User.

14. The SilentNotary Token Sale Agreement Term & Termination

The SilentNotary Token Sale Agreement between the SilentNotary and User shall commence upon acceptance by User of all the terms of the SilentNotary Token Sale Agreement by clicking the purchase button or by purchasing any amount of the SNTR digital tokens and using any part of the SilentNotary Smart-Contract and shall continue until terminated in accordance with the terms of the SilentNotary Token Sale Agreement.

The SilentNotary shall have the right at its sole discretion and without any prior written notice terminate The SilentNotary Token Sale Agreement if:

(a) User provided invalid data to complete the registration process;

(b) User failed to comply with the requirements of Article 8 of the SilentNotary Token Sale Agreement;

(c) User failed to comply with the other terms and conditions of the SilentNotary Token Sale Agreement.

Upon termination of the SilentNotary Token Sale Agreement, for whatever reason, all licenses granted by the SilentNotary to User under the SilentNotary Token Sale Agreement, User' Account, User's SNTR digital tokens shall be immediately terminate without any data restoration.

Upon termination of the SilentNotary Token Sale Agreement, each party will remain liable to the other for any amounts due and owing to the other party as of the date of termination, and such obligation to pay shall survive any termination of the SilentNotary Token Sale Agreement.

15. Miscellaneous

Notices: Any notice or other communication under the SilentNotary Token Sale Agreement shall be in writing and shall be considered given and received when sent by email.

Competent law and jurisdiction: the SilentNotary Token Sale Agreement and the relationship between the Parties are governed by the laws of the Russian Federation. Any disputes and disagreements arising from the SilentNotary Token Sale Agreement will be settled by negotiations between the Parties. If the Parties fail to reach an agreement, the disputes shall be settled in accordance with the legislation currently in force in the Russian Federation, in Moscow Arbitration Court.

Severability: If any provision of the SilentNotary Token Sale Agreement is held by any court of competent jurisdiction to be illegal, null or void, all the remaining provisions of the SilentNotary Token Sale Agreement shall remain in full force and effect.