

RCCHAIN COOPERATIVE TOKEN SALE TERMS

PLEASE READ THESE SALE TERMS CAREFULLY. NOTE THAT SECTION 18 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT PURCHASE RHOC.

Your purchase of RChain tokens (“**RHOC**”) during the private token sale as defined below, from RChain Cooperative (the “**Company**,” “we,” or “us”) is subject to these terms of sale (“**Terms**”). Each of you and Company is a “**Party**” and, together, the “**Parties**.”

By purchasing RHOCs from us during the Sale, you will be bound by these Terms and any terms incorporated by reference. If you have any questions regarding these Terms, please contact us at tokensale@rchain.com.

You and Company agree as follows:

1. **Commencement and Duration of Sale.** The Company will conduct a private sale of RHOCs (the “**Sale**”), which will begin at 6:00 AM PDT on August 28, 2017 (the “**Launch Date**”) and end at 6:00 AM PDT on September 18, 2017 (the “**Sale End Date**”), or when \$15,000,000 U.S. Dollar (“**USD**”) worth of RHOC has been sold, whichever is earlier.
2. **Eligibility.** In order to be eligible to participate in the Sale you must be registered as a member of RChain Cooperative. In addition, a prospective purchaser must provide us with contact information (your “**User Credentials**”), proof of identity, and other information. You must also have an Ethereum wallet that supports the ERC-20 token standard in order to receive any RHOCs you purchase from us and provide us the address for that wallet (the “**RHOC Receipt Address**”). We reserve the right to prescribe additional guidance regarding specific wallet requirements. If you select bitcoin (“**BTC**”) as your Payment Currency (as defined below) you must provide us with a refund address to receive any necessary refunds (the “**Refund Address**”). Any refunds will be made in the Payment Currency not in USD. **In the event you supply an incorrect or incomplete Refund Address or RHOC Receipt Address we are not responsible for any delays, losses, costs, non-delivery of refunds or of RHOCs, or other issues arising from the failure to provide, or providing an inaccurate or incomplete Refund Address or RHOC Receipt Address. If you already possess RHOCs prior to the Launch Date, you are not eligible to participate in this Sale.**
3. **Purchase and Sale of RHOCs.**

- a. **Price; Payment Currencies.** The USD price per RHOC is \$0.20 (“**Price Per RHOC**”). While the Price Per RHOC is set in USD, you may pay for RHOCs in either USD, Ether (“**ETH**”), or BTC (each, a “**Payment Currency**”).
- b. **Purchase Procedure.** After logging into the Sale portal via a web browser, you will be contacted by RChain Cooperative to conduct the purchase. You will need to supply proof of identity, and other information, and will be prompted to select an amount of RHOC to purchase. We reserve the right, in our sole discretion, to modify any of the procedures described herein to account for network congestion or other technical challenges.
- c. **Purchase Price.** Your quoted “Purchase Price” in the selected Payment Currency is equal to the USD value of the purchase amount divided by the Exchange Rate (as defined below). The “Exchange Rate” will be the exchange rate between USD and your selected Payment Currency as sourced by the Company from [site with currency exchange] within approximately one (1) hour prior to the time of your purchase request. For the avoidance of doubt, to the extent the Exchange Rate varies from the then-current rate on cryptocompare.com, the Exchange Rate will apply.
- d. **Purchase Price Must Be Received in Full Within Six Hours.** If we have not received the payment of the full Purchase Price in accordance with these Terms within six (6) hours of the time that you receive your payment instructions, we reserve the right to void your purchase request and refuse to accept your payment of the Purchase Price. For the avoidance of doubt, the Purchase Price will be deemed to be paid in full once we have received three (3) network confirmations of the transaction. We reserve the right, in our sole discretion, to modify or extend any of the timelines described herein to account for network congestion or other technical challenges or delays.
- e. **Payment of Purchase Price.** You must pay the Purchase Price by sending the correct quantity of BTC, ETH, or USD (but not a combination) to the unique address displayed to you via the Sale portal. Your purchase is not guaranteed until we receive the full amount of the Purchase Price.
- f. **[One Purchase Per Purchaser.]** You will only be allowed to make one purchase during the Sale. You agree not to allow anyone to use your RChain Account or share your User Credentials with any other person for the purpose of facilitating their unauthorized access to the Sale. If you do share your User Credentials with anyone we will consider their activities to have been authorized by you. You alone are responsible for any acts or omissions that occur during the Sale through the use of your User Credentials. We reserve the right to suspend or block your access to the Sale upon suspicion of any unauthorized access or use, or any attempt thereof, by anyone associated with your User Credentials.]
- g. **Delivery of RHOCs.** Company will deliver the quantity of RHOCs you purchase within five (5) days from the date Company (i) receives your payment, (ii) receives your complete and accurate RHOC Receipt Address, (iii) approves your Accredited Purchaser status, and (iv) you confirms your identity.

4. **Purpose and Use of RHOC in the RChain Blockchain.**

- a. The purpose of the RHOC is to facilitate the provision, creation, execution, and maintenance of scalable decentralized applications (the “**Services**”) within the RChain blockchain network of RChain node computers (the “**RChain Blockchain**”). Additional information regarding the RChain Blockchain, the Services, and the Company is summarized in Exhibit A and further described in the Whitepaper available at [REDACTED] the “**Whitepaper**”).
- b. While we are developing certain applications and software for use in the RChain Blockchain, we do not operate or control the RChain Blockchain. We are not responsible or liable for the activity of other users of the RChain Blockchain or any third-party uses of the RChain Blockchain.
- c. By purchasing RHOC tokens in this Sale, **you promise that you will participate in pre-release operations and/or testing of the RChain Blockchain**, including but not limited to node operation, software development, and/or testing of code and its execution in practical conditions, or other kinds of tasks as may arise from time to time.
- d. Purchase, ownership, receipt, or possession of RHOC carries no rights, express or implied, other than the right to use RHOC as a means to enable usage of and interaction with Services enabled by the RChain Blockchain, if successfully completed and deployed. In particular, you understand and accept that RHOC do not represent or confer any ownership right or stake, share, security, or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the RChain Blockchain and/or Company and its corporate affiliates, other than any rights relating to the provision and receipt of Services in the RChain Blockchain, subject to these Terms. **The RHOC tokens are not intended to be a digital currency, security, commodity, or any kind of financial instrument.**

Commented [AL1]: Anything else we want to say here?

5. **Migration and Conversion of RHOC.**

- a. The RHOC are an ERC-20 token on the Ethereum protocol. We reserve the right to migrate the ERC-20 based RHOC (the “**Pre-launch RHOC**”) to Company’s RChain Blockchain once the blockchain is live at some time in the future, should we determine, in our sole discretion, that doing so is necessary or useful to the operation of the RChain Blockchain. During this conversion you will have the opportunity to convert RHOC to RChain Blockchain tokens at the rate of exactly 1:1.
- b. When we decide to migrate the RHOC, we may no longer provide support for the Pre-launch RHOC. The Company anticipates that it will require Pre-launch RHOC holders to convert their Pre-launch RHOC to REV. The Company anticipates there will be significant incentives for Pre-launch RHOC owners to do so, since the practical utility of Pre-existing RHOC will likely diminish rapidly once the REV are in use on the RChain Blockchain itself. Accordingly, by

accepting these Terms you acknowledge and agree that in order for you to continue to participate in the RChain Blockchain or obtain utility from the Pre-launch RHOC tokens you will convert the Pre-launch RHOC you purchase during the Sale to REV tokens in the future. You acknowledge and understand that RHOCs are expected to have no useful function or purpose after the conversion to REV tokens is executed.

- c. When we decide to migrate the Pre-launch RHOC, we will notify you via the email address you provided to us at the time of the Sale. You are solely responsible for updating us should your contact information change. You are responsible for converting your RHOC tokens to REV tokens when the conversion becomes available.

6. **Scope of Terms.**

- a. Unless otherwise stated herein, these Terms only govern your purchase of RHOC from Company during the Sale.
- b. Any use of RHOC in connection with providing or receiving Services in the RChain Blockchain may be governed by other applicable terms and conditions and policies.

7. **Cancellation; Refusal of Purchase Requests.** All purchases of RHOC from us during the Sale are final, and there are no refunds or cancellations except as set forth herein or as may be required by applicable law or regulation. We reserve the right to refuse or cancel Token purchase requests at any time in our sole discretion.

8. **RHOC Creation and Allocation.** Important information about the Company's creation and intended use of the RHOC is provided in Exhibit B. By purchasing RHOC, you acknowledge that you have read, understand, and have no objection to Exhibit B.

9. **Acknowledgment and Assumption of Risks.** You acknowledge and agree that there are risks associated with purchasing, owning, and using RHOC for the provision or receipt of Services in the RChain Blockchain, as disclosed and explained in Exhibit C. BY PURCHASING RHOC, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

10. **Security.** You are responsible for implementing reasonable measures for securing the wallet, vault, or other storage mechanism you use to receive and hold RHOC purchased from us, including any requisite private key(s) or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your RHOC. We are not responsible for any losses, costs, or expenses relating to lost access credentials.

11. **Personal Information.** We may determine, in our sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable laws or

regulations in connection with selling RHOC to you. You agree to provide us such information promptly upon request and acknowledge that we may refuse to sell RHOC to you until you provide such requested information and we have determined that it is permissible to sell you RHOC under applicable laws or regulations.

12. **Taxes.** Any amounts that you pay for RHOC are exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of RHOC, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of RHOC.
13. **Representations and Warranties.** By sending ETH or BTC to purchase RHOC from us, you represent and warrant that:
 - a. You have read and understand these Terms (including all Exhibits);
 - b. YOU ACKNOWLEDGE AND AGREE THAT THERE ARE RISKS ASSOCIATED WITH PURCHASING RHOC, OWNING RHOC, AND USING RHOC FOR THE PROVISION OR RECEIPT OF SERVICES IN THE RCHAIN BLOCKCHAIN INCLUDING (BUT NOT NECESSARILY LIMITED TO) THE RISKS DESCRIBED IN EXHIBIT C;
 - c. You have sufficient understanding of technical and business matters (including those that relate to the Services and RChain Blockchain), cryptographic tokens, token transactions, token storage mechanisms (such as token wallets), and blockchain technology to understand these Terms and to appreciate the risks and implications of purchasing RHOC, including but not limited to (i) the irreversibility of transactions; (ii) that in the event you improperly send tokens to the incorrect address it may result in loss of the tokens; (iii) that you must keep your private key(s) secret, because anyone who you share your private key with will be able to send tokens from that address;
 - d. You understand the restrictions and risks associated with the creation of RHOC as set forth herein, and acknowledge and assume all such risks;
 - e. You have obtained sufficient information about the RHOC, the Services and the RChain Blockchain to make an informed decision to purchase RHOC, and participate in the development of RChain before its launch. You understand that by participating in this token sale the tokens to be received are ERC-20 tokens which will in the future be converted to RChain Blockchain tokens;
 - f. You understand that the RHOC confer only the right to provide and receive Services in the RChain Blockchain and to contribute to the technical development of the RChain Blockchain), and confer no other rights of any form with respect to the RChain Blockchain or the Company, including, but not limited to, any ownership, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;

- g. You are purchasing RHOC solely for the purpose of receiving Services, participating in the RChain Blockchain, and supporting the development, testing, deployment and operation of the RChain Blockchain, being aware of the commercial risks associated with the Company and the RChain Blockchain. You are not purchasing RHOC for any other purposes, including, but not limited to, any investment, speculative or financial purpose;
- h. Your purchase of RHOC complies with applicable laws and regulations in your jurisdiction, including, but not limited to, (i) legal capacity and any other threshold requirements in your jurisdiction for the purchase of the RHOC and entering into contracts with the Company, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- i. You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of RHOC;
- j. If you are purchasing RHOC on behalf of any entity, you are authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly);
- k. You are not resident or domiciled in the state of New York or purchasing RHOC from a location in New York State; and
- l. You are not (i) a citizen or resident of a geographic area in which access to or use of the Services or the acceptance of delivery of the RHOC is prohibited by applicable law, 6 decree, regulation, treaty, or administrative act, (ii) a citizen or resident of, or located in, a geographic area that is subject to U.S. or other sovereign country sanctions or embargoes, or (iii) an individual, or an individual employed by or associated with an entity, identified on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List. You agree that if your country of residence or other circumstances change such that the above representations are no longer accurate, that you will immediately cease using the Services. If you are registering to use the Services on behalf of a legal entity, you further represent and warrant that (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, and (ii) you are duly authorized by such legal entity to act on its behalf.

14. **Indemnification.**

- a. (a) To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the Company and our respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the "**Company Parties**") from and against all claims, demands, actions, damages, losses, costs and

expenses (including attorneys' fees) that arise from or relate to (i) your purchase or use of the Tokens, (ii) your responsibilities or obligations under these Terms, (iii) your violation of these Terms, or (iv) your violation of any rights of any other person or entity.

- b. (b) Company reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under Section 14(a). This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and the Company.

15. Disclaimers.

- a. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) THE RHOC ARE SOLD ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO THE RHOC, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT, (B) WE DO NOT REPRESENT OR WARRANT THAT THE RHOC ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN THE RHOC WILL BE CORRECTED, AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT THE RHOC OR THE DELIVERY MECHANISM FOR RHOC ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.
- b. Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this Section 15 may not apply to you.

16. Limitation of Liability.

- a. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW (I) IN NO EVENT WILL THE COMPANY OR ANY OF THE COMPANY PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF THE TOKENS OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, SIMPLE NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE), AND (II) IN NO EVENT WILL THE AGGREGATE

LIABILITY OF THE COMPANY AND THE COMPANY PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE THE TOKENS, EXCEED THE AMOUNT YOU PAY TO US FOR THE TOKENS.

- b. THE LIMITATIONS SET FORTH IN SECTION 16(a) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF THE COMPANY.
- c. Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this Section 16 may not apply to you.

17. **Release.** To the fullest extent permitted by applicable law, you release the Company and the other Company Parties from responsibility, liability, claims, demands and/or damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between participants in the RChain Blockchain and the acts or omissions of any third parties. [You expressly waive any rights you may have under California Civil Code § 1542 as well as any other statute or common law principles that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.]

18. **Dispute.**

- a. **Binding Arbitration.** Except for any disputes, claims, suits, actions, causes of action, demands or proceedings (collectively, “Disputes”) in which either Party seeks to bring an individual action in small claims court or seeks injunctive or other equitable relief for the alleged unlawful use of intellectual property, including, without limitation, copyrights, trademarks, trade names, logos, trade secrets or patents, you and the Company (i) waive your and the Company’s respective rights to have any and all Disputes arising from or related to these Terms resolved in a court, and (ii) waive your and the Company’s respective rights to a jury trial. Instead, you and the Company will arbitrate Disputes through binding arbitration (which is the referral of a Dispute to one or more persons charged with reviewing the Dispute and making a final and binding determination to resolve it instead of having the Dispute decided by a judge or jury in court).
- b. **No Class Arbitrations, Class Actions or Representative Actions.** Any Dispute arising out of or related to these Terms is personal to you and the Company and will be resolved solely through individual arbitration and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to

resolve a Dispute as a representative of another individual or group of individuals. Further, a Dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

- c. **Federal Arbitration Act.** The enforceability of this Section 18 will be both substantively and procedurally governed by and construed and enforced in accordance with the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (the “FAA”), to the maximum extent permitted by applicable law.
- d. **Notice; Informal Dispute Resolution.** Each Party will notify the other Party in writing of any arbitrable or small claims Dispute within thirty (30) days of the date it arises, so that the Parties can attempt in good faith to resolve the Dispute informally. Notice to the Company shall be sent by e-mail to the Company at legal@civic.com. Notice to you shall be by email to the email address you provide to us. Your notice must include (i) your name, postal address, email address and telephone number, (ii) a description in reasonable detail of the nature or basis of the Dispute, and (iii) the specific relief that you are seeking. If you and the Company cannot agree how to resolve the Dispute within thirty (30) days after the date notice is received by the applicable Party, then either you or the Company may, as appropriate and in accordance with this Section 18, commence an arbitration proceeding or, to the extent specifically provided for in Section 18(a), file a claim in court.
- e. **Process.** Any arbitration will occur in King County, Washington. Arbitration will be conducted confidentially by a single arbitrator in accordance with the rules of the Judicial Arbitration and Mediation Services (“JAMS”), which are hereby incorporated by reference. The state and federal courts located in King County, Washington will have exclusive jurisdiction over any appeals and the enforcement of an arbitration award. You may also litigate a Dispute in the small claims court located in the county where you reside if the Dispute meets the requirements to be heard in small claims court.
- f. **Authority of Arbitrator.** As limited by the FAA, these Terms, and the applicable JAMS rules, the arbitrator will have (i) the exclusive authority and jurisdiction to make all procedural and substantive decisions regarding a Dispute, including the determination of whether a Dispute is arbitrable, and (ii) the authority to grant any remedy that would otherwise be available in court; provided, however, that the arbitrator does not have the authority to conduct a class arbitration or a representative action, which is prohibited by these Terms. The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual’s claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one individual.
- g. **Rules of JAMS.** The rules of JAMS and additional information about JAMS are available on the JAMS website. By agreeing to be bound by these Terms, you either (i) acknowledge and agree that you have read and understand the rules of

JAMS, or (ii) waive your opportunity to read the rules of JAMS and any claim that the rules of JAMS are unfair or should not apply for any reason.

19. **Governing Law and Venue.** These Terms will be governed by and construed and enforced in accordance with the laws of the state of Washington, without regard to conflict of law rules or principles (whether of the state of Washington or any other jurisdiction) that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms that is not subject to arbitration or cannot be heard in small claims court will be resolved in the state or federal courts of the state of Washington and the United States, respectively, sitting in King County, Washington.
20. **Severability.** If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from these Terms and will not affect the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these Terms.
21. **Miscellaneous.** These Terms constitute the entire agreement between you and us relating to your purchase of Tokens from us. We may assign our rights and obligations under these Terms. Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision. We will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control. Purchasing Tokens from us does not create any form of partnership, joint venture, or any other similar relationship between you and us. Except as otherwise provided in herein, these Terms are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity. You agree and acknowledge that all agreements, notices, disclosures, and other communications that we provide to you, including these Terms, will be provided in electronic form.

EXHIBIT A

Description of Company, RChain Blockchain, and RHOC

RChain Cooperative is a cooperative association located in the state of Washington, founded by Lucius Gregory Meredith, Edward Eykholt, and Evan Jensen, principally engaged in developing and supporting the RChain Blockchain.

The RChain Blockchain is a next-generation blockchain technology that will deliver Ethereum-like smart contracting capability together with an unprecedented degree of scalability and capacity. To obtain the use of the resources of the RChain Blockchain, users will need to use tokens to purchase network resources such as computation, disk storage, bandwidth, validation, etc. Programs written using the language Rholang will be executable by paying tokens to the program. Consumers will pay tokens to execute a useful service upon their demand, and the program will distribute the customer's payment for that service among the developers who created it, as well as to cover all fees from the network, such as for system resources used, generally being paid to the node computers which supply the network resources those programs consume, and to other programs used as well.

The REV token native to the RChain Blockchain will be necessary to execute programs on the RChain Blockchain. The RHOC token will be exchanged for the REV token at exactly a 1:1 ratio, when all RHOC tokens are converted into REV tokens, a conversion which will approximately coincide with the official release version of the RChain Blockchain.

Until the official release version of the RChain Blockchain, RHOCs will be used to assist the development of the network. As a purchaser of RHOC tokens, you are expressly interested in participating in a pre-release of the RChain Blockchain, including but not limited to node operation, software development, and/or testing of code and its execution in practical conditions, or contributing in other ways to the development and launch of RChain. You acknowledge that all RChain testing activity is experimental in nature and that node functionality, smart contract code, etc. may not perform correctly as intended, as this period is expressly intended for active development and testing to identify problems.

The Company intends to develop and to assist others in developing a wide variety of useful services and programs which will run on the RChain Blockchain. Node operators are essential to supply system resources in order for the RChain Blockchain to function. And, individuals or businesses who are interested in developing services or programs building upon RChain, or in contributing to open source community software development, are invited to purchase RHOC tokens in this Sale so they may test and execute programs on the RChain Blockchain.

EXHIBIT B
Creation and Allocation of Tokens by Company

The RHOC token is an Ethereum ERC20 token that will be converted at exactly 1:1 for the REV token on the RChain Blockchain, approximately coinciding with the official release of the RChain Blockchain, or a reasonable period in advance of the release date.

At present RHOC tokens are generally not widely available, and until the RChain Blockchain is closer to a release date its tokens are as of this time not planned to be widely available. Approximately coinciding with the official release of the RChain Blockchain the RChain Blockchain's REV token will be made widely available for purchase. REV tokens will be widely available for the general public to purchase so consumers and businesses may obtain services from the RChain Blockchain.

Initially, 1,000,000,000 RHOCs were created. On June 17, 2017, the amount of 129,336,426 RHOC tokens were burned, or permanently removed from circulation. No additional RHOCs will be created for any reason. There are no plans at this time to burn any additional RHOCs before the conversion to REV tokens on the RChain Blockchain.

At present RChain Cooperative is by far the largest holder of RHOC tokens, with 86.2%. RChain Holdings holds 12.1%. All other holders together total 1.7% as of July 2017.

RChain Cooperative's governance of the token is ultimately controlled by voting of the members of the Cooperative, and the voting body of members has broad powers to control and to make changes to the RChain Blockchain protocol and tokens.

EXHIBIT C

Certain Risks Relating to Purchase, Sale, and Use of RHOC

BY PURCHASING AND USING TOKENS YOU EXPRESSLY ACKNOWLEDGE AND AGREE THAT THERE ARE RISKS ASSOCIATED WITH PURCHASING AND USING TOKENS AND ASSUME THOSE RISKS, INCLUDING BUT NOT LIMITED TO THE FOLLOWING RISKS:

- a) You acknowledge that you are aware of the risks of the loss of your private key(s), such as by your forgetting where your private keys are stored, accidental deletion, or other error, which will cause the loss of your tokens.
- b) You acknowledge that hackers or other malicious groups may attempt to interfere either with the Company or with you, in an attempt to obtain tokens, such as by obtaining your private key from your computer, by deceiving you into telling them your private key, or by some other method. Hackers may also attack the RChain Blockchain itself, such as by denial of service attacks, consensus attacks, or other hacks, creating a risk of harm arising from cyber attacks on the network. RChain is not responsible for lost or stolen private keys, or for private keys you give to hackers, whether by cyber attack, deception, or some other means.
- c) You acknowledge that the tokens may have no secondary market value, or may be extremely illiquid, as their principal purpose is to be used to obtain computation or other network resources from the RChain Blockchain. Even if secondary trading of tokens is facilitated by third-party exchanges, such value may be extremely volatile or near-zero. In the event the token's value decreases, there is no public insurer or private insurance arranged by the Company, to offer recourse to you.
- d) As a consequence of this early stage of development, errors or unexpected behavior in smart contracts or due to other unexpected bugs or problems, may cause unexpected behavior, including but not limited to loss of tokens, or the consumption of a greater quantity of tokens than estimated to perform a particular task.
- e) You acknowledge that, if you intend to operate a node on the RChain Blockchain, that you may incur costs including but not limited to purchasing or setting up computers and software, and that your fees collected may be small, or nonexistent. You set up your node at your own risk, and the Company is not responsible in the event your node does not collect fees, or for any costs you incur in configuring or operating your node, in any respect.
- f) You acknowledge that, if you intend to contribute any code or software development work, that any code you write or execute may not function correctly. And that the Company is not responsible for any harm that may result from your code or software functioning improperly, as errors are to be expected so they may be identified and corrected. RChain is not responsible for any business losses or loss of revenue resulting from either excessive or incorrect use of the network.
- g) You acknowledge that you are responsible for your actions using the network, including any transactions, code, or other contributions or commands given to the

network. And you acknowledge that the Company is not responsible for the actions of others using the network, which could result in harm to you or others.

- h) You acknowledge that tokens confer no governance rights of any kind, and that decisions involving the Company's products or services will be made by the Company at its sole discretion. The membership and/or the directors of the Company may make decisions which affect the RChain Blockchain and its associated tokens. These decisions may adversely affect the utility of any tokens you own.
- i) You acknowledge that the regulatory status of cryptographic tokens is an area of great uncertainty, and that tokens may face significant regulatory change in the future. It is difficult to predict how or whether legislatures or regulatory agencies around the world will treat blockchains and tokens. It is possible regulatory actions will negatively impact the RChain Blockchain and its tokens in a number of different ways, including but not limited to potentially being prohibited or requiring registration or licensing. The Company may cease operations in areas where regulatory or legislative changes make it unviable or commercially undesirable to continue to operate in that jurisdiction.
- j) You acknowledge that tokens face uncertain tax treatment. You must seek your own tax advice concerning tokens, and purchase or use of tokens may result in adverse tax consequences.
- k) You acknowledge that the Company may, due to any number of reasons in the future, including but not limited to poor demand for its services, failure of commercial relationships, intellectual property challenges, etc., the Company may no longer be viable to operate and may dissolve.
- l) You acknowledge that cryptographic tokens are a new and untested technology, and that there may be additional risks associated with your purchase and usage of the tokens, potentially including unanticipated risks.