

Swapblocks, Inc.  
MEMORANDUM OF TERMS  
COIN SALE

This memorandum summarizes the principal terms proposed by Swapblocks, Inc., a North Carolina corporation (the “Company”), with respect to a private placement of its cryptocurrency coins (“SBX Coins”). This Term Sheet is not a commitment to invest or purchase, and is conditioned on the completion of due diligence, legal review and documentation that is satisfactory to the Purchasers. No legally binding obligations will be created until definitive agreements are executed and delivered by all parties.

Total Offering Amount: Up to \$1,000,000 in aggregate amount of SBX Coins. Additional coins may be purchased on a case by case basis.

Price Per Coin: \$0.05 per SBX Coin for the first 1,000,000 SBX Coins sold, and, thereafter \$0.10 per SBX Coin (each, a “Purchase Price Per Coin”).

Sale of Company: If there is a Liquidity Event before the conversion of the SBX Coin upon a Qualifying Coin Sale, the Purchaser will receive a cash payment equal to the investment amount.

Automatic Conversion: Automatic Conversion in a Qualifying Coin Sale. If the Company (or any subsidiary thereof) issues future SBX Coins which, upon the advice of counsel, constitute non-security utility coins (“***SBX Utility Coins***”) in a public sale which results in aggregate gross proceeds to the Company of at least \$1,000,000, (a “***Qualifying Coin Sale***”), then each SBX Coin will automatically convert into an SBX Utility Coin without any further action by the Purchaser or the Company.

Voting Rights: Following a Qualifying Coin Sale, holders of SBX Utility Coins shall have the right to vote together as a single class and not as a separate class (except as otherwise may be required by law) for the sole purpose of electing delegate nodes on the SWAPblocks Platform. For the avoidance of doubt, nothing herein shall imply or otherwise be construed to create a right of any holder of either an SBX Coin

or SBX Utility Coin to that of a holder of equity securities in the Company.

Information Rights:

The Company shall provide in a reasonable timeframe to each Purchaser updates on the proposed launch of the SWAPblocks Platform from time to time as well as any material changes to the creation and sale of future SBX Coins.

Pre-Sale Details:

The Company has provided a pre-sale details sheet, which provides additional information relevant to the proposed purchase of SBX Coins, attached hereto as Exhibit A.

Expenses:

Each party shall pay their own fees and expenses.

The purchase shall be made pursuant to a coin purchase agreement and other documentation reasonably acceptable to the Company and the Purchasers. The term sheet is not legally binding on any parties and is subject to the satisfactory completion of due diligence and the execution of mutually agreed upon definitive documents.

**EXHIBIT A**



**swapblocks**

**PRE-SALE DETAILS SHEET**

**Cap Information:**

Early Contributor Cap - \$50,000

Hard Cap - \$1,000,000

**Price Information:**

Early Contributor Price per SBX: \$0.05

Main Pre-Sale Price per SBX: \$0.10

**Pre-Sale Dates:**

Early Contributor Period (ECP): OPEN NOW

Main Pre-Sale (MPS): August 10<sup>th</sup>

**Accepted Coins:**

Bitcoin (BTC)

Ether (ETH)

Litecoin (LTC)

Ark (ARK)

Shift (SHIFT) Lisk (LSK)

Monero (XMR)

Tezos (XTZ)

Nano (NANO)

Cardano (ADA)

Stellar (XLM)

Polymath

(POLY)

Ripple (XRP)

**Exchange Rate Valuation:**

- All contributions will be denominated in USD (\$).
- The ECP contributions will be valued at the volume-weighted average of the closing daily value, denominated in USD, using CoinMarketCap.com data on the day of contribution.
- The MPS contributions will be valued at the volume-weighted average of the closing daily value, denominated in USD, using CoinMarketCap.com data over the MPS period.
- Total contribution value will equal the sum of the USD conversion values as described above for all coins contributed.

**SBX Distribution Details:**

- Distributions for the ECP will be allocated on a first-come, first-serve basis.

- All transaction costs associated with contributing or unwinding a contribution shall be borne by the contributor.
- The MPS will be managed on a first-come, first-serve basis. Once the hard cap is reached, no additional funds will be accepted. If the final contributor's contribution exceeds the available cap space, their order will be partially filled, and their remaining contribution will be returned. In this scenario, Swapblocks will pay the transaction fees associated with unwinding the unfilled portion of the order. If this contributor has submitted multiple coins, Swapblocks will contact them to determine which coins to apply to the order and which ones to return.
- If a contribution must be unwound for any of the reasons listed above, or any reason not listed here, Swapblocks, Inc. will return the coins that were contributed. In the event of a required return of capital, the price risk of those coins shall be borne by the contributor.
- The ECP cap, soft cap and hard cap will all be based on total capital raised by Swapblocks, Inc. through a private placement offering under Reg D.

Disclaimer: Swapblocks, Inc. does not guarantee nor imply profit from owning SBX coins. Swapblocks, Inc. reserves the right to adjust or cancel any aspect or detail of the ECP or MPS portions of the pre-sale including, but not limited to, the start and end dates and accepted coins. Swapblocks, Inc. makes no promise or guarantee of the creation or existence of any secondary market for the trading or exchange of SBX coins. Purchasing cryptographic currency or coins entails high levels of risk. Please consult your financial and/or tax advisors for all matters relating to the appropriateness of any investment and tax implications, respectively.