

Swapblocks, Inc.
MEMORANDUM OF TERMS
TOKEN 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 tokens (“SBX Tokens”). 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 Tokens.

Price Per Token: \$0.015 per SBX Token for the first 1,000,000 SBX Tokens sold, and, thereafter \$0.0303 per SBX Token (each, a “Purchase Price Per Token”).

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

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

Voting Rights: Following a Qualifying Token Sale, holders of SBX Utility Tokens 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 Token or SBX Utility Token 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 Tokens.

Pre-Sale Details:

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

Expenses:

Each party shall pay their own fees and expenses.

The purchase shall be made pursuant to a token 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



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PRE-SALE DETAILS SHEET

Cap Information:

Early Contributor Cap - \$50,000

Hard Cap - \$1,000,000

Price Information:

Early Contributor Price per SBX: \$0.015

Main Pre-Sale Price per SBX: \$0.0303

Pre-Sale Dates:

Early Contributor Period (ECP): OPEN NOW

Main Pre-Sale (MPS): August 10th - October 12th, 2018

Accepted Coins:

Bitcoin (BTC)

Ether (ETH)

Litecoin (LTC)

Bitcoin Cash (BCH/BCC)

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 tokens 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.