



Agreement for Sale of Tokens

Last Updated: April 04, 2018

PLEASE READ THIS AGREEMENT FOR SALE OF TOKENS CAREFULLY. NOTE THAT SECTION 15 OF THIS AGREEMENT FOR SALE OF TOKENS CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH, IF APPLICABLE TO YOU, AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT FOR SALE OF TOKENS, DO NOT PURCHASE THE TOKENS.

Your purchase of BitChord Tokens (the “**BitChord Tokens**”) during the BitChord Token sale (“**Token Sale**”) from BitChord Inc., a corporation formed under the laws of Panama (the “**Company**,” “**we**,” “**us**” or “**our**”), is subject to this Agreement for Sale of Tokens (this “**Agreement**”). Each of you and the Company is referred to as a “**Party**,” and together as the “**Parties**.”

By purchasing BitChord Tokens from the Company during the Token Sale, you will be bound by this Agreement and all terms and conditions incorporated by reference. If you have any questions regarding this Agreement, please contact us at admin@bitchord.io.

You and Company agree as follows:

1. Purpose and Use of the BitChord Tokens

- (a) BitChord, Inc., a Panama corporation (“**BitChord**”), is developing and deploying an Ethereum-based comprehensive blockchain platform for the music industry described in the White Paper captioned “BitChord: Blockchain-based platform for guitar players” available on www.bitchord.io (the “**White Paper**”) and in Exhibit A hereto (the “**Platform**”) that will be accessed through the BitChord Tokens, a decentralized ERC20 token that Company is selling in the Token Sale. As discussed further in the White Paper, the BitChord Tokens are the digital utilities that power and incentivize the BitChord ecosystem and provides access to the Platform (the “**Token Utility**”).
- (b) Purchase, ownership, receipt or possession of BitChord Tokens carries no rights, express or implied, other than the right to use BitChord Tokens in connection with Token Utility, in each case, to the extent that the Platform remains in use after its deployment by Company. **You understand and accept that BitChord Tokens do not represent or confer any ownership right or stake, share or 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 Company, BitChord and their corporate affiliates, including the governance of the Company, BitChord and their corporate affiliates, subject to limitations and**



conditions in this Agreement. BitChord Tokens are not intended to be a digital currency, security, commodity or any other kind of financial instrument.

2. Eligibility

In order to be eligible to participate in the Token Sale, you must:

- (a) Be at least 18 years of age;
- (b) Comply with all the terms and conditions set forth in this Agreement;
- (c) Complete the Registration process, as defined and described in more detail in Exhibit B hereto.

The Registration process is mandatory and requires you to (i) provide all information we request during the Registration process (“**Registration Information**”) and (ii) have an ERC20-compatible Ethereum wallet (a “**Purchaser Wallet**”), each as described further in Exhibit B hereto; and

- (d) Fund your Purchaser Wallet with an amount of ETH or Bitcoins sufficient to allow you to complete your purchase of BitChord Tokens pursuant to this Agreement.

3. Scope of Terms

Unless otherwise stated herein, this Agreement governs only your purchase of BitChord Tokens from the Company during the Token Sale. The Company will have no responsibility for the use of BitChord Tokens after BitChord Tokens are sold.

4. Cancellation and Refunds; Rejected and Unsuccessful Purchase Attempts

Your purchase of BitChord Tokens from us during the Token Sale is final, and there are no refunds or cancellations except as may be required by applicable law or regulation.

WE RESERVE THE RIGHT TO REFUSE OR REJECT BITCHORD TOKENS REGISTRATION OR PURCHASE ATTEMPTS AT ANY TIME FOR ANY REASON IN OUR SOLE DISCRETION. ATTEMPTS TO PURCHASE BITCHORD TOKENS WILL BE REJECTED IF ETH OR BITCOINS ARE SENT TO THE TOKEN SALE ADDRESS AT ANY TIME BEFORE OR AFTER THE TOKEN SALE (UNLESS OTHERWISE PERMITTED BY THE COMPANY). WE ARE NOT RESPONSIBLE FOR ANY UNSUCCESSFUL ATTEMPT YOU MAY MAKE TO PURCHASE OR REGISTER TO PURCHASE BITCHORD TOKENS, REGARDLESS OF CAUSE.



5. Token Sale Procedures and Specifications

Important information about the procedures and material specifications of the Token Sale is provided in Exhibit B. By purchasing BitChord Tokens, you acknowledge that you have read and understand Exhibit B.

6. Acknowledgment and Assumption of Risks

You acknowledge and agree that there are risks associated with purchasing BitChord Tokens, owning BitChord Tokens, and using BitChord Tokens in connection with Token Utility, as disclosed and explained in Exhibit C hereto. If you have any questions regarding these risks, please contact us at admin@bitchord.io. **BY PURCHASING THE BITCHORD TOKENS, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.**

7. Security

You are responsible for implementing reasonable measures for securing your Purchaser Wallet and any other wallet or vault you use to hold BitChord Tokens you purchase from us, including any requisite private keys or other credentials necessary to access such Purchaser Wallet or other wallet or vault. Notwithstanding any other provision of this Agreement, we will not be responsible or liable for any damages, losses, costs, penalties, fines or expenses arising out of or relating to (i) your failure to implement reasonable measures to secure your Purchaser Wallet or any other wallet or vault you use to hold BitChord Tokens or the relevant access credentials, (ii) the loss of, tampering with, circumventing or unauthorized use of the access credentials to your Purchaser Wallet or any other wallet or vault you use to hold BitChord Tokens, (iii) any security breach affecting the security of your Purchaser Wallet or any wallet or vault you use to hold BitChord Tokens, or (iv) the loss of BitChord Tokens from your Purchaser Wallet or any wallet or vault you use to hold BitChord Tokens.

8. Registration Information

Please refer to our Website Terms of Use for information about how we collect, use and disclose your Registration Information and other information collected through www.bitchord.io.

9. Taxes

Any amounts that you pay for BitChord Tokens are exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of BitChord Tokens, including, for example, sales, use, value added, and similar taxes. It is 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 BitChord Tokens.



10. Representations and Warranties

You represent and warrant that as of the date of your purchase of any BitChord Tokens:

- (a) You have a sufficient technical understanding of cryptographic tokens (including BitChord Tokens, Ether and BTC), Ethereum-based protocols, distributed networks (including the Platform), token storage mechanisms (including your Purchaser Wallet), and blockchain technology in general to understand this Agreement and to appreciate the risks and implications of purchasing BitChord Tokens;
- (b) You have carefully read and understand the terms and conditions of this Agreement (including all exhibits which are part of this Agreement);
- (c) You have carefully read and examined the White Paper and understand the purpose of the BitChord Tokens;
- (d) You have obtained sufficient information about BitChord Tokens to make an informed decision to purchase BitChord Tokens;
- (e) You understand, acknowledge and assume the restrictions and risks associated with the purchase, holding and use of BitChord Tokens as set forth herein, including, but not limited to, the risks explained and disclosed in Section 6 and Exhibit C;
- (f) You understand that BitChord Tokens are intended to be used only in connection with Token Utility, and confer no rights of any form with respect to the Company, BitChord or their corporate affiliates, including, but not limited to, any ownership, voting, stock, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- (g) You are purchasing BitChord Tokens solely for use in connection with Token Utility and are not purchasing BitChord Tokens for any other purposes, including, but not limited to, any investment, speculative or other financial purposes;
- (h) You understand and acknowledge that the Company is not registered with or licensed by any financial regulatory authority in Panama or elsewhere. Accordingly, no Panama or other financial regulatory authority has passed upon the contents of this Agreement or the merits of purchasing BitChord Tokens, nor has this Agreement been filed with, or reviewed by, any Panama or other financial regulatory authority;
- (i) You understand and acknowledge that this Agreement shall not be construed as an invitation (to the public in Panama or otherwise) to subscribe for any securities, and you understand and acknowledge that no actions of, or documentation issued by the Company and/or BitChord, shall be construed as such;
- (j) All Registration Information you have provided is complete and accurate;



- (k) You are at least 18 years of age; Your purchase of BitChord Tokens complies with applicable laws and regulations in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing BitChord Tokens, using BitChord Tokens, and entering into contracts with us, (ii) any foreign exchange, regulatory or import/export restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- (l) You are not resident or domiciled in the People’s Republic of China, South Korea, Singapore or Panama or purchasing BitChord Tokens from a location in the People’s Republic of China, , South Korea, Singapore or Panama or any other jurisdiction prohibiting its residents or domiciles from participating in or purchasing tokens or coins in token sales (commonly referred to as “Initial Coin Offerings” or “ICOs”);
- (m) If you are purchasing BitChord Tokens on behalf of any entity, (i) you are authorized to accept this Agreement and to act on such entity’s behalf, (ii) such entity will be responsible for breach of this Agreement by you or any other employee or agent of such entity (references to “you” in this Agreement refer to you and such entity, jointly), and (iii) such entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization;
- (n) You will not use BitChord Tokens or the Platform in connection with any activity that violates applicable laws in any relevant jurisdiction.
- (o) You will at all times maintain control of your Purchaser Wallet, and you will not share or disclose the account credentials associated with your Purchaser Wallet with any other party. If you transfer BitChord Tokens from your Purchaser Wallet into another wallet or vault, you will likewise at all times maintain control of such other wallet or vault, and you will not share or disclose the account credentials associated with such other wallet or vault with any other party;
- (p) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of BitChord Tokens; and



- (q) You understand and acknowledge that title to, and risk of loss of, BitChord Tokens you purchase from Company passes from Company to you in Panama.

11. Indemnification

- (a) To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the Company, BitChord and their 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 (collectively, the “**Indemnified 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 BitChord Tokens, (ii) your responsibilities or obligations under this Agreement, (iii) any breach by you of this Agreement, or (iv) any infringement or violation by you of any rights of, or laws or regulations applicable to, any other person or entity.
- (b) The Company and BitChord reserve the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under Section 11(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 and/or BitChord.

12. Disclaimers

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (I) BITCHORD TOKENS ARE SOLD ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT WARRANTIES OF ANY KIND, AND WE EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO BITCHORD TOKENS, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON- INFRINGEMENT; (II) WE DO NOT REPRESENT OR WARRANT THAT BITCHORD TOKENS ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN BITCHORD TOKENS WILL BE CORRECTED; AND (III) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT BITCHORD TOKENS OR THE DELIVERY MECHANISM FOR BITCHORD TOKENS ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

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 12 may not apply to you.



13. Limitation of Liability

(A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL THE COMPANY OR ANY OF THE INDEMNIFIED PARTIES BE LIABLE FOR LOSS OF PROFITS OR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER LOSS OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR LOSS FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF BITCHORD TOKENS OR OTHERWISE RELATED TO THIS AGREEMENT, REGARDLESS OF THE FORM OR CAUSE OF ACTION, WHETHER BASED IN CONTRACT, TORT, 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 LOSS WERE FORESEEABLE); AND (II) IN NO EVENT WILL THE AGGREGATE LIABILITY OF COMPANY AND THE INDEMNIFIED PARTIES (JOINTLY) FOR ANY LOSS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE USE OF OR INABILITY TO USE BITCHORD TOKENS, EXCEED THE AMOUNT YOU PAY TO US FOR BITCHORD TOKENS.

(B) THE LIMITATIONS SET FORTH IN SECTION 13(A) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR GROSS NEGLIGENCE, FRAUD OR INTENTIONAL OR WILLFUL MISCONDUCT OF THE COMPANY.

14. Release

To the fullest extent permitted by applicable law, you release the Company and the other Indemnified Parties from responsibility, liability, claims, demands and 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 users and the acts or omissions of 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 (including similar laws in other applicable jurisdictions) to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.**

15. Governing Law and Venue

This Agreement will be governed by and construed and enforced in accordance with the laws of Panama, without regard to conflict of law rules or principles (whether of Delaware 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 this Agreement or its subject matter or formation (including non-contractual Disputes of claims) will be resolved in the courts of Panama.



16. Severability

If any term, clause or provision of this Agreement is held unlawful, void or unenforceable, then that term, clause or provision will be severable from this Agreement 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 this Agreement.

17. Disruption Event

In the event of a Disruption Event, we have the right to suspend the Token Sale. If we elect to suspend the Token Sale, we will publicly announce the suspension as soon as reasonably practicable and, prior to resuming the Token Sale, we will announce the resumption at least four hours in advance. If we suspend the Token Sale for a period of time (the “**Suspension Period**”) pursuant to this Section 18, we will determine in our sole and absolute discretion whether to (i) nevertheless end the Token Sale on the scheduled Token Sale End Date (as defined in Exhibit B) or (ii) extend the Token Sale for a period equal to the Suspension Period. We will provide notice of our election in this regard in the public announcements of the resumption of the Token Sale following the Suspension Period. A “Disruption Event” means (i) any event or occurrence that causes a disruption in the functionality of the Ethereum blockchain, and such disruption has an adverse effect on the processing time for Ethereum blockchain transactions, (ii) any event or occurrence that causes a disruption in the functionality of the software used in connection with the Token Sale and such disruption has an adverse effect on the implementation of the Token Sale, (iii) a change in the price of Ether or BTC of 10% or more in any 24-hour period, (iv) any compromise of security that has or in our sole good faith determination may have an adverse impact on the Token Sale, or (v) any other event that we reasonably think materially adversely effects or may materially adversely effect the Company, BitChord and/or the Platform.

18. Modification of Terms

We have the right to modify this Agreement if we reasonably believe that such modifications are necessary to comply with applicable laws or regulations or to address technical or factual inaccuracies. If we make changes, we will post the amended Agreement at www.bitchord.io and update the “Last Updated” date above. We may also provide notice to you via email to the email address you provide during Registration. The amended Agreement will be effective immediately, and your continued participation in the Token Sale, or continued use or holding of BitChord Tokens you purchase in the Token Sale, as applicable, shall constitute your acceptance of the modified Agreement.

19. Miscellaneous

This Agreement constitutes the entire agreement between you and us relating to your purchase of BitChord Tokens from us. Our failure to exercise or enforce any right or provision of this Agreement 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 this Agreement where the delay or failure results from any cause beyond our reasonable control. We may assign our rights and



obligations under this Agreement. Purchasing BitChord 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, this Agreement 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 this Agreement, may be provided in electronic form.

* * *



Exhibit A

Description of Company, the Platform, and BitChord Tokens

1. Overview of Company and Affiliates

The Company is a corporation formed under the law of Panama. The Company will have certain responsibility for administering certain aspects of ongoing development related to BitChord Tokens, Token Utility and the Platform. The Platform is solely owned and operated by BitChord Inc.

2. Overview of Platform

The Company, BitChord, is currently developing the first-of-its-kind, fully integrated blockchain-based solution for the transparent, standardized and regulated interaction between guitar players, users, and musical equipment retailers, in which an in-platform token, BitChord Token, is used (collectively, the “**Platform**”). The integration of BitChord Tokens and blockchain technology will offer a way to streamline all these participants (“**Users**”) simultaneously as it will hold an immutable ledger that will leverage crypto-tokens built on smart contracts. BitChord Token transactions will be instant, and average transaction confirmation time will be within minutes. All transactions will be secured with state-of-the-art cryptography, and blockchain integrity will be protected by CPU efficient ASIC resistant proof of work. This unique model will allow BitChord to fill numerous operational and process gaps for guitar players and musical equipment retailers.

3. BitChord Tokens - Token Utility

The Company expects BitChord Tokens to be used as digital utilities that power and incentivize the BitChord ecosystem and Platform. The BitChord Token provides access to the Platform. For purposes of this Agreement, the use of BitChord Tokens as described herein and in the White Paper is collectively referred to as “**Token Utility**.”

4. Additional Information Regarding the Platform and Ongoing Development

Further details regarding the Platform, uses of BitChord Tokens for Token Utility, and Company’s anticipated development roadmap are described in the BitChord: Blockchain-based Platform for Guitar Players (the “**White Paper**”), which is available at www.bitchord.io

Although Company intends for the Platform and BitChord Tokens to function in the manner generally described above, it reserves the right to modify features, functionalities or ongoing development plans in its sole and absolute discretion. Moreover, the information provided in the White Paper is provided for illustrative and descriptive purposes only, does not form part of this Agreement unless expressly incorporated herein, and is subject to modification by Company in its sole and absolute discretion.



Exhibit B

Token Sale Procedures and Specifications

1. Total Number of BitChord Tokens to be Created and Sold

Company will create a total of 67,100,000 BitChord Tokens by the time of the Delivery Date (defined in Section 5 below). No additional BitChord Tokens will be created. Prior to the Token Sale, Company will conduct a presale sale of approximately 12,100,000 BitChord Tokens (or 11% of the total BitChord Tokens) (“**Pre-sale**”).

Although subject to change at the Company’s sole discretion, at the time of the Delivery Date, the allocation of BitChord Tokens is expected to be approximately as follows:

- 61% of the total BitChord Tokens, minus the amount of BitChord Tokens sold in the Pre-sale, is expected to be allocated to purchasers in the Token Sale (“**Sale BitChord Tokens**”), assuming the purchase of the entire amount of such tokens.
- 26% of the total BitChord Tokens is expected to be reserved for various purposes related to the Platform’s user community, including, without limitation, to developing user growth and development of the Platform and supplementing the supply of the BitChord Tokens used by the user ecosystem on the Platform at the Company’s sole discretion.
- 11% of the total BitChord Tokens is expected to be allocated to the Company’s and BitChord’s founding team and employees, directors and consultants, as well as to compensate the Company’s marketing, advertising and other professionals.
- 2% of the total BitChord Tokens is expected to be allocated to a bounty reserve.

2. Commencement and Duration of Token Sale

The Token Sale is expected to open initially to purchasers who have successfully completed a pre-registration process on www.bichord.io and otherwise complied with all other pre-registration requirements that maybe required by the Company. This initial opening will occur on or about 00:00am GMT on April 11, 2018.

The Token Sale is expected to continue until (i) the Target Amount (as defined in Section 6 below) is reached or (ii) 8 weeks have elapsed, whichever is earlier (either of (i) or (ii), the “**Token Sale End Date**”).



3. *BitChord Tokens Price*

The price of the BitChord Tokens sold in the Token Sale will be as indicated on the Company's website, www.bitchord.io and as set forth in the White Paper.

4. *Registration and Other Procedures for Buying BitChord Tokens in the Token Sale*

To participate in the Token Sale, you must undergo the Token Sale registration process described herein ("**Registration**"). Registration is expected to begin at the same time the Token Sale commences.

Before beginning Registration, you must have an ERC-20 compatible Purchaser Wallet, such as the Ethereum wallet supported by MyEtherWallet.

To begin Registration, you must access the Registration webpage at www.bitchord.io. To complete Registration, you must: (i) provide all Registration Information requested; (ii) review, agree to and comply with this Agreement; and (iii) sign a message with the private key corresponding to your Purchaser Wallet. Registration Information is currently expected to include first name, last name, entity (if applicable), date of birth, email address, physical address, Purchaser Wallet address, the amount of Ether or BTC (as applicable) you intend to use to purchase BitChord Tokens, and a copy of your official national passport or other government issued identification (depending on the amount of your purchase request). We reserve the right to request additional Registration Information, and to deny attempts to register for the Token Sale, at our sole and absolute discretion.

We may also verify your email and phone number (via SMS text message) to persons who successfully complete Registration, and may provide further information relating to the Token Sale to you via email.

5. *BitChord Tokens Purchase and Delivery*

During the Token Sale, the Token Sale address will only accept Ether or BTC from verified Purchaser Wallets with adequate Ether or BTC balances (as applicable) belonging to persons who have completed Registration. Ether or BTC (as applicable) must be sent to the Token Sale address during the Token Sale in order to purchase BitChord Tokens. Sending Ether or BTC (as applicable) to any other address may result in loss of Ether or BTC (as applicable).

BitChord Tokens are expected to be delivered to the Purchaser Wallet address that sent the Ether or BTC (as applicable) purchase amount to the Token Sale address upon purchase.

The Company expects to (i) deliver to Token Sale purchasers an aggregate number of BitChord Tokens purchased in the Token Sale and (ii) retain any remaining BitChord Tokens.



6. Use of Proceeds from BitChord Tokens Token Sale

The Company is limiting the approximate total proceeds of BitChord Tokens sold in the Token Sale to the estimated amount needed (including sale proceeds received in the Pre-sale) to complete Company's development roadmap, with the maximum amount of such proceeds estimated as 13,330,000 USD ("**Target Amount**").

The proceeds of the Token Sale are intended to be used for the ongoing development of the Platform and BitChord, as outlined in the Company's White Paper (referenced in **Exhibit A**), as well as the Company's and BitChord's working capital and reimbursement of expenses incurred by BitChord in connection with the preparation for the Token Sale and other Company and BitChord expenses. However, there are no restrictions on how the Company may use the proceeds of the Token Sale. The White Paper is provided for illustrative and descriptive purposes only, does not form part of this Agreement unless expressly incorporated herein, and is subject to modification by the Company in its sole and absolute discretion.



Exhibit C

CERTAIN RISKS RELATING TO PURCHASE, SALE AND USE OF BITCHORD TOKENS

Important Note: As noted elsewhere in this Agreement, BitChord Tokens are not being designed or sold as currency, securities, right of ownership or any other form of investment product. Accordingly, none of the information presented in this Exhibit C is intended to form the basis for any investment decision, and no specific recommendations are intended. You should carefully consider the risks described below, together with all of the other information included in this Agreement and the White Paper, before deciding whether to purchase the BitChord Tokens. The occurrence of any of the risks described below and/or in the White Paper could have a material adverse effect on the Company's and/or BitChord's business, financial condition, results of operations and future growth and development prospects. In these circumstances, the market price of the BitChord Tokens could decline or the utility of the BitChord Tokens may decrease and the BitChord Tokens may lose their value, if any, entirely.

The Company and BitChord expressly disclaim any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from:

(i) reliance on any information contained in this Exhibit C, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.

By purchasing, holding and using BitChord Tokens, you expressly acknowledge and assume the following risks:

1. *Risk of Losing Access to BitChord Tokens Due to Loss of Private Key(s), Custodial Error or Purchaser Error*

A private key, or a combination of private keys, is necessary to control and dispose of BitChord Tokens stored in your Purchaser Wallet or other digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your Purchaser Wallet or other digital wallet or vault storing BitChord Tokens will result in loss of such BitChord Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of your Purchaser Wallet or other digital wallet or vault service you use, may be able to misappropriate your BitChord Tokens. Any errors or malfunctions caused by or otherwise related to your Purchaser Wallet or other digital wallet or vault you choose to receive and store BitChord Tokens, including your own failure to properly maintain or use such Purchaser Wallet or other digital wallet or vault, may also result in the loss of your BitChord Tokens. Additionally, your failure to follow precisely the procedures set forth in Exhibit B for buying and receiving BitChord Tokens may result in the loss of your BitChord Tokens.



2. Risks Associated with the Ethereum Blockchain

Because BitChord Tokens and the Platform are based on the Ethereum blockchain, any malfunction, breakdown or abandonment of the Ethereum blockchain may have a material adverse effect on the Platform or BitChord Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to BitChord Tokens and the Platform, including the use of BitChord Tokens for Token Utility, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum blockchain.

3. Risk of Mining Attacks

As with other decentralized cryptographic tokens based on the Ethereum blockchain, BitChord Tokens are susceptible to attacks by miners in the course of validating BitChord Tokens transactions on the Ethereum blockchain, including, but not limited, to double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Platform and BitChord Tokens, including, but not limited to, accurate execution and recording of transactions involving BitChord Tokens.

4. Risk of Hacking and Security Weaknesses

Hackers or other malicious groups or organizations may attempt to interfere with the Platform or BitChord Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Platform is based on an open-source protocol, there is a risk that a third party or a member of the Company team or BitChord team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Platform, which could negatively affect the Platform and BitChord Tokens, including BitChord Tokens' use for Token Utility.

5. Risks Associated with Markets for BitChord Tokens

BitChord Tokens are intended to be used solely in connection with the Platform, and Company does not support or otherwise facilitate any secondary trading or external valuation of BitChord Tokens. This restricts the contemplated avenues for using BitChord Tokens, and could therefore create illiquidity risk with respect to BitChord Tokens you hold. Even if secondary trading of BitChord Tokens is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to market-related risks. Furthermore, to the extent that third parties do ascribe an external exchange value to BitChord Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

6. Risk of Uninsured Losses

Unlike bank accounts or accounts at some other financial institutions, BitChord Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit



Insurance Corporation, or private insurance arranged by us, to offer recourse to you.

7. *Risks Associated with Uncertain Regulations and Enforcement Actions*

The regulatory status of BitChord Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the Platform and BitChord Tokens. Regulatory actions could negatively impact the Platform and BitChord Tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale, delivery or use of BitChord Tokens constitutes unlawful activity, or that registration or licensing is required for BitChord Tokens or for some or all of the parties involved in the purchase, sale, delivery or use of BitChord Tokens. The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approvals to operate in such jurisdiction.

8. *Risks Arising from Taxation*

The tax characterization of BitChord Tokens is uncertain. You must seek your own tax advice in connection with purchasing BitChord Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

9. *Risk of Competing Protocols*

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Platform. The Platform may compete with these alternative platforms, which could negatively impact the adoption of the Platform and BitChord Tokens, including BitChord Tokens' use for Token Utility.

10. *Risk of Insufficient Interest in the Platform or Distributed Applications*

It is possible that the Platform will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed protocols and decentralized applications, more generally. Such a lack of use or interest could negatively impact the development of the Platform and the potential utility of BitChord Tokens, including its use for Token Utility.

11. *Risks Associated with the Development of the Platform*

The Platform will still subject to development at the time of the Token Sale and may undergo significant changes over time. How other participants will use the Platform is also outside of the Company's control. This could create the risk that BitChord Tokens or the Platform, as further developed and used, may not meet your expectations at the time of



purchasing BitChord Tokens. It is also possible that the Platform will experience malfunctions or otherwise fail to be adequately developed over time, which may negatively impact the Platform and the potential utility of BitChord Tokens, including its use for Token Utility.

12. Risk of an Unfavorable Fluctuation of Ether, BTC and Other Currency Value

The Company team intends to use the proceeds from selling BitChord Tokens to contribute to the ongoing development of the Platform and BitChord, as described further in Exhibits A and B. The proceeds of the Token Sale will be denominated in Ether and BTC, and may, at the Company's discretion, be converted into other cryptographic and fiat currencies. If the value of Ether, BTC or other currencies fluctuates unfavorably during or after the Token Sale, the Company team may not be able to contribute to ongoing development of the Platform in the manner that it intended.

13. Risk of Dissolution of the Company

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of Ether or BTC (or other cryptographic and fiat currencies), decrease in BitChord Tokens' utility (including its use for Token Utility), the failure of commercial relationships, or intellectual property ownership challenges, the Company may dissolve. The dissolution of Company may still adversely impact the Platform and the utility of BitChord Tokens, given the Company's role in developing the Platform and its anticipated role in contributing to the ongoing development of the Platform.

14. Risks Arising from Lack of Governance Rights in the Company

Because BitChord Tokens confer no governance rights of any kind with respect to the Company, all decisions involving the Company will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue contributions to the Platform's ongoing development or to sell or liquidate the Company. As noted above, the consequences of those decisions could adversely impact the Platform and the utility of BitChord Tokens that you hold, including BitChord Tokens' use for Token Utility.

15. Risks Associated with New and Evolving Laws Impacting Decentralized Application Technology

The distributed ledger and decentralized application ecosystem, and by extension the Platform, may be subject to a variety of federal, state and international laws and regulations, including those with respect to financial services, consumer privacy, data protection, consumer protection, content regulation, network neutrality, cyber security, intellectual property (including copyright, patent, trademark and trade secret laws), and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting the Platform could be enacted, which could adversely impact the Company, the Platform and BitChord Tokens, including BitChord Tokens' use for Token Utility.

Additionally, the users and developers of the Platform may be subject to industry-specific



laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact the Platform and BitChord Tokens, including BitChord Tokens' use for Token Utility.

16. Specific Risks Relating to Value and Function of BitChord Tokens

The launch of new features on the Platform utilizing BitChord Tokens may be delayed for reasons beyond the Company's control and may ultimately prove unsuccessful. The Company may discontinue features if they are not profitable, gambling regulations or licensing requirements change, or for other reasons.

The value of BitChord Tokens will depend on the Token Utility, including its acceptance as a means of accessing services and products on the Platform. The value may be affected by market conditions and other factors. Such changes may adversely effect on the utility and value of the tokens.

Unless other music platforms adopt BitChord Tokens, BitChord Tokens will not have any utility during any period in which circumstances require the Company to suspend the Platform operations. No other platforms have indicated that they intend to adopt BitChord Tokens.

The value of BitChord Tokens will be affected by the demand for the BitChord Token relative to its supply. The Company intends to augment the supply by allowing participants to earn BitChord Tokens through certain activity on the Platform and by selling or releasing additional BitChord Tokens over time.

The ability to convert BitChord Tokens into other cryptocurrencies or fiat currencies will depend on the development of a trading market for the BitChord Token. The Company has no obligation to promote or support trading of the BitChord Tokens.

No promises of future performance or value are or will be made with respect to the BitChord Tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the BitChord Tokens will hold any particular value.

17. Unanticipated Risks

Cryptographic tokens such as the BitChord Tokens are a new and untested technology. In addition to the risks included in this Exhibit C, there are other risks associated with your purchase, holding and use of the BitChord Tokens, including those that are set forth in the White Paper and those that the Company cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Exhibit C.

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