

PATIENTORY TERMS OF TOKEN SALE

Last Updated: 30 May 2017

PLEASE READ THESE TERMS OF TOKEN SALE CAREFULLY. NOTE THAT SECTION 14 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH, IF APPLICABLE TO YOU, AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS OF SALE, DO NOT PURCHASE TOKENS.

Your purchase of Patientory Tokens (“**PTOY**”) during the PTOY sale period (“**Sale Period**”) from the Patientory Foundation (“**Foundation**,” “**Patientory**,” “**we**,” or “**us**”) is subject to these Terms of Sale (“**Terms**”). Each of you and Foundation is a “**Party**,” and together the “**Parties**.”

By purchasing PTOY from us during the Sale Period and/or using PTOY in connection with the Platform (as defined below), you will be bound by these Terms and all terms incorporated by reference. If you have any questions regarding these Terms, please contact us at info@patientory.com.

You and Foundation agree as follows:

1. Purpose and Use of PTOY in Connection with the Platform

PTOY are intended to be used for access to and secure storage of health data and related transactions and services (the “**Services**”), as facilitated through a decentralized platform that Foundation and its affiliates are developing (the “**Platform**”). Important additional details regarding the Services and Platform are provided in **Exhibit A**.

Ownership of PTOY carries no rights, express or implied, other than the right to use PTOY as a means to obtain Services, and to enable usage of and interaction with the Platform, if successfully completed and deployed. In particular, you understand and accept that PTOY do not represent or confer any ownership right, 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 Platform, and/or Foundation and its corporate affiliates, other than rights relating to the receipt of Services and use of the Platform, subject to limitations and conditions in these Terms and applicable Platform Terms and Policies (as defined below). PTOY are not intended to be a digital currency, security, commodity, or any other kind of financial instrument.

2. Scope of Terms

Unless otherwise stated herein, these Terms govern only your purchase of PTOY from us during the Sale Period.

The use of PTOY in connection with the Services or Platform may be governed by other applicable terms and policies (collectively, the “**Platform Terms and Policies**”). Any Platform Terms and Policies we promulgate will be available at www.patientory.com. We may add terms or policies to the Platform Terms and Policies in our sole discretion, and may update each of the Platform Terms and Policies from time to time according to modification procedures set forth therein. To the extent of any conflict with these Terms, the Platform Terms and Policies shall control with respect to any issues relating to the use of PTOY in connection with the Services or Platform.

3. Cancellation; Refusal of Purchase Requests

Your purchase of PTOY from us during the Sale Period is final, and there are no refunds or cancellations except (a) if the Activation Threshold is not reached, pursuant to applicable procedures set forth in **Exhibit B**, or (b) as may be required by applicable law or regulation. We reserve the right to refuse or cancel PTOY purchase requests at any time in our sole discretion.

4. PTOY Sale Procedures and Specifications

Important information about the procedures and material specifications of our PTOY sale is provided in **Exhibit B**, including, but not limited to, details regarding the timing and pricing of the PTOY sale, the amount of PTOY we will sell, and our anticipated use of the PTOY sale proceeds. By purchasing PTOY, you acknowledge that you understand and have no objection to these procedures and material specifications.

5. Acknowledgment and Assumption of Risks

You acknowledge and agree that there are risks associated with purchasing PTOY, holding PTOY, and using PTOY in connection with the Services and Platform, as disclosed and explained in **Exhibit C**. If you have any questions regarding these risks, please contact us at info@patientory.com. BY PURCHASING PTOY, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

6. Security

You are responsible for implementing reasonable measures for securing the wallet, vault, or other storage mechanism you use to receive and hold PTOY you purchase 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 PTOY. We are not responsible for any such losses.

7. Personal Information

We may determine, in our sole discretion, that it is necessary to obtain certain information about you, including but not limited to instances where we must obtain certain information in order to comply with applicable law or regulation in connection

with selling PTOY to you. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell PTOY to you unless or until you provide such requested information, and we have determined that it is permissible to sell you PTOY under applicable law or regulation.

8. Taxes

The purchase price that you pay for PTOY is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of PTOY, 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 PTOY.

9. Representations and Warranties

By transferring Ether to the smart contract system ("**Smart Contract System**," as explained in **Exhibit B**) to purchase PTOY from us, you represent and warrant that:

- (a) You have read and understand these Terms (including all Exhibits);
- (b) You have a sufficient understanding of the functionality, usage, storage, transmission mechanisms, and other material characteristics of cryptographic tokens like Bitcoin and Ether, token storage mechanisms (such as token wallets), blockchain technology, and blockchain-based software systems to understand these Terms and to appreciate the risks and implications of purchasing PTOY;
- (c) You have carefully reviewed the code of the Smart Contract System located on the Ethereum blockchain at the addresses set forth in **Exhibit B** and fully understand and accept the functions implemented therein;
- (d) You have obtained sufficient information about PTOY to make an informed decision to purchase PTOY;
- (e) You understand the restrictions and risks associated with the creation of PTOY by the Smart Contract System as set forth herein, and acknowledge and assume all such risks;
- (f) You understand, acknowledge, and assume the risks associated with the purchase, holding, and use of PTOY in connection with the Services and Platform, as explained and disclosed in Section 5 and **Exhibit C**;
- (g) You understand that PTOY confer only the right to receive Services and to access the Platform, and confer no other rights of any form with respect to the Platform or Foundation or its corporate affiliates, including, but not limited to,

- any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- (h) You are purchasing PTOY solely for the purpose of receiving Services, accessing the Platform, and supporting the development, testing, deployment, and operation of the Platform, being aware of the commercial risks associated with the Foundation and the Platform. You are not purchasing PTOY for any other purposes, including, but not limited to, any investment, speculative, or other financial purposes;
 - (i) Your purchase of PTOY complies with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing PTOY, using PTOY, and entering into contracts with us, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
 - (j) You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of PTOY;
 - (k) If you are purchasing PTOY on behalf of any entity, you are authorized to accept these Terms on such entity's behalf, and 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). 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;
 - (l) You are not resident or domiciled in New York State or purchasing PTOY from a location in New York State;
 - (m) You are 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, 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; and

- (n) You understand and acknowledge that title to, and risk of loss of, PTOY you purchase from Foundation and receive from the Smart Contract System passes from Foundation to you in the State of Georgia.

10. Indemnification

- (a) To the fullest extent permitted by applicable law, you will indemnify, defend, and hold harmless Foundation 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 “**Foundation 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 PTOY, (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) Foundation reserves the right to exercise sole control over the defense, at your expense, of any claim subject to indemnification under Section 10(a). This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between you and Foundation.

11. Disclaimers

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

12. Limitation of Liability

(A) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL FOUNDATION OR ANY OF THE FOUNDATION 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 PTOY 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 FOUNDATION AND THE FOUNDATION 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 PTOY, EXCEED THE AMOUNT YOU PAY TO US FOR PTOY.

(B) THE LIMITATIONS SET FORTH IN SECTION 12(A) WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD, OR INTENTIONAL, WILLFUL, OR RECKLESS MISCONDUCT OF FOUNDATION.

(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 may not apply to you.

13. Release

To the fullest extent permitted by applicable law, you release Foundation and the other Foundation 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 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 to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.**

14. Dispute Resolution; Arbitration

PLEASE READ THE FOLLOWING SECTION CAREFULLY BECAUSE IT CONTAINS ADDITIONAL PROVISIONS APPLICABLE ONLY TO INDIVIDUALS LOCATED, RESIDENT, OR DOMICILED IN THE UNITED STATES. IF YOU ARE LOCATED, RESIDENT, OR DOMICILED IN THE UNITED STATES, THIS SECTION REQUIRES YOU TO ARBITRATE CERTAIN DISPUTES AND CLAIMS WITH FOUNDATION AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF FROM US.

- (a) **Binding Arbitration.** Except for any disputes, claims, suits, actions, causes of action, demands, or proceedings (collectively, “**Disputes**”) in which either Party 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 Foundation (i) waive your and Foundation'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 Foundation's respective rights to a jury trial. Instead, you and Foundation 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 Foundation 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 14 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 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 Foundation shall be sent by e-mail to Foundation at info@patientory.com. Notice to you shall be by email to the then-current email address in your Account. 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 Foundation 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 Foundation may, as appropriate and in accordance with this Section 14, commence an arbitration proceeding or, to the extent specifically provided for in Section 14(a), file a claim in court.
- (e) **Process.** Any arbitration will occur in San Francisco County, California. 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 San Francisco County, California 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.
- (h) **Severability of Dispute Resolution; Arbitration.** If any term, clause, or provision of this Section 14 is held invalid or unenforceable, it will be so held to the minimum extent required by law, and all other terms, clauses, and provisions of this Section 14 will remain valid and enforceable. Further, the waivers set forth in Section 14(b) are severable from the other provisions of these Terms and will remain valid and enforceable, except as prohibited by applicable law.

15. Governing Law and Venue

These Terms will be governed by and construed and enforced in accordance with the laws of the State of California, without regard to conflict of law rules that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms or its subject matter or formation (including non-contractual Disputes of claims) that is not subject to arbitration will be resolved in the courts of San Francisco, California.

16. 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.

17. Miscellaneous

These Terms constitute the entire agreement between you and us relating to your purchase of PTOY from us. We may make changes to these Terms from time to time as reasonably required to comply with applicable law or regulation. If we make changes,

we will post the amended Terms at www.patientory.com and update the “Last Updated” date above. We may also attempt to notify you through the PTOY website at www.patientory.com. The amended Terms will be effective immediately upon posting. 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 PTOY 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.

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Exhibit A

Description of Foundation, Platform, and PTOY

1. Overview of Foundation

Foundation is an entity registered in the State of Georgia. Foundation will have primary responsibility for the provision of Services and for administering the development of certain aspects of the Platform. The Platform, including the Patientory network and settlement system described below, was developed and is operated entirely by the Foundation. It is anticipated that in the future, Foundation may form other corporate affiliates to which Foundation may provide, or from which Foundation may receive, certain administrative, technical, and development services in connection with the Services and Platform.

2. Overview of Current Platform

The Platform will consist of a network where participants in the network, such as individuals and health care providers, may securely store, access, and share electronic private health information (“**ePHI**”), and where individuals, health care providers, and insurers may settle transactions among each other.

3. Development of Platform with PTOY Functionality and Services

PTOY is based on the Ethereum protocol and conforms to the ERC20 standard. As a result of directly integrating PTOY and its functionality into the Platform, the Platform will consist of (i) the Patientory network, which provides for secure storage, access, and use of ePHI by network participants, and (ii) settlement of transactions among participants in the Patientory network, each as facilitated by PTOY.

Further details regarding the Platform are described in “Patientory: A Healthcare Peer-to-Peer EMR Storage Network,” also known as the Patientory Whitepaper (“**Whitepaper**”), available at: https://patientory.com/patientory_whitepaper.pdf. The information contained in the Whitepaper and Patientory’s website are of descriptive nature only, and do not, unless explicitly incorporated, form part of these Terms.

Although Foundation intends to develop the Platform in the manner generally described above, it reserves the right to modify features, functionalities, or development plans in its sole and absolute discretion.

Exhibit B

Token Sale Procedures and Specifications

1. Total Number of PTOY to be Created and Sold

Foundation will create up to 100 million PTOY through the Smart Contract System. Before the Sale Period Begins, the Smart Contract System will create a pool of 30 million pre-allocated PTOY to the Foundation ("**Foundation PTOY**") for certain uses as described in Section 5 below. A separate pool of up to 70 million PTOY will be created by the Smart Contract System for sale by the Foundation to purchasers during the Sale Period. All PTOY will be of equal value and functionality.

2. Token Pre-Sale, Commencement, and Duration of Token Sale

The Foundation will complete a PTOY pre-sale, and will commence a public sale of PTOY during a sale period ("**Sale Period**"). The public sale of PTOY will begin at approximately 9:00 am PST on May 31, 2017 ("**Launch Date**") and continue until either (a) 46,666.6667 ETH has been received by Foundation or (b) 11:59 pm, PST on June 28, 2017, whichever is earlier.

If less than 1,530 ETH has been received by Foundation during the Sale Period (the "**Activation Threshold**"), each purchaser will have the possibility to initiate the transfer of the respective amount of Ether submitted to the Smart Contract System from the Smart Contract System's address back to the address used by that purchaser to transfer Ether to the Smart Contract System. If, during the Sale Period, the Activation Threshold is reached, but less than 46,666.6667 ETH has been received by Foundation, no additional PTOY will be sold.

3. PTOY Price

For the first ten days following the Launch Date, 1 ETH will purchase 1,800 PTOY, making the sale price of PTOY approximately 0.000555 ETH/PTOY during this time period; for the next ten days following the Launch Date, 1 ETH will purchase 1,650 PTOY, making the sale price of PTOY approximately 0.000606 ETH/PTOY during this time period; thereafter, 1 ETH will purchase 1,500 PTOY, making the sale price of PTOY approximately 0.000667 ETH/PTOY for the remainder of the Token sale. There is no sale price for Foundation PTOY, which is created by the Smart Contract System and pre-allocated to the Foundation before the Sale Period.

4. Procedures for Buying and Receiving PTOY

In order to purchase PTOY during the Sale Period, and to receive the PTOY you purchase, you must have an Ethereum wallet that supports the ERC20 token standard. Foundation reserves the right to prescribe additional wallet requirements.

Prior to the Launch Date, Foundation will publish an address for the PTOY sale via www.patientory.com. To initiate a purchase of PTOY, you must send an amount of Ether to the Smart Contract System located on the Ethereum blockchain pursuant to the instructions at www.patientory.com. This action triggers a smart contract operation, pursuant to which the Smart Contract System will automatically create and promptly deliver the corresponding PTOY to the ERC20 wallet address from which the Ether were sent.

The Smart Contract System is deployed by Foundation from Delaware, and is programmed so that all transactions it executes will be executed in Delaware. As such, title to, and risk of loss of, PTOY created and delivered by the Smart Contract System passes from Foundation to purchasers in Delaware.

5. Foundation PTOY

Of the Foundation PTOY, 20 million PTOY will be used for compensating employees and contractors, and for other internal purposes in connection with the deployment and the development of the Platform.

The remaining 10 million PTOY of the Foundation PTOY will be allocated to the Foundation's founding team, subject to a twelve-month holding period, for the purpose of incentivizing the founding team to continue to develop the Platform.

6. Use of Proceeds from PTOY Token Sale

The Ether that Foundation receives for PTOY sold to purchasers during the Sale Period, up to 46,666.6667 ETH, will be used to compensate engineers, staff, and contractors, cover operating costs and marketing expenses, and to address other administrative and unforeseen costs.

Exhibit C

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

Important Note: As noted elsewhere in these Terms, the PTOY are not being structured or sold as securities 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. Foundation expressly disclaims 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 PTOY, you expressly acknowledge and assume the following risks:

1. Risk of Losing Access to PTOY 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 PTOY stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing PTOY will result in loss of such PTOY. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a digital wallet or vault service you use, may be able to misappropriate your PTOY. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store PTOY, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your PTOY. Additionally, your failure to follow precisely the procedures set forth in Section 4 of **Exhibit B** for buying and receiving PTOY, including, for instance, if you provide the wrong address for receiving PTOY, may result in the loss of your PTOY.

2. Risks Associated with the Ethereum Protocol

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

3. Risk of Mining Attacks

As with other decentralized cryptographic tokens based on the Ethereum protocol, PTOY are susceptible to attacks by miners in the course of validating PTOY 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 PTOY, including, but not limited to, accurate execution and recording of transactions involving PTOY.

4. Risk of Hacking and Security Weaknesses

Hackers or other malicious groups or organizations may attempt to interfere with the Platform or PTOY 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 open-source software, there is a risk that a third party or a member of the Foundation team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Platform, which could negatively affect the Platform and PTOY, including PTOY's utility for obtaining Services.

5. Risks Associated with Markets for PTOY

PTOY are intended to be used solely on the Platform, and Foundation will not support or otherwise facilitate any secondary trading or external valuation of PTOY. This restricts the contemplated avenues for using PTOY to obtain Services or access the Platform, and could therefore create illiquidity risk with respect to PTOY you hold. Even if secondary trading of PTOY 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 PTOY (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, PTOY 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 PTOY 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 PTOY. Regulatory actions could negatively impact the Platform and PTOY in various ways, including, for purposes of illustration only, through a determination that PTOY are a regulated financial instrument that require registration or licensing. Foundation 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 approval(s) to operate in such jurisdiction.

8. Risks Arising from Taxation

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

9. Risk of Alternative Platforms

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the Platform and attempt to facilitate services that are materially similar to the Services. The Platform may compete with these alternative platforms, which could negatively impact the Platform and PTOY, including PTOY's utility for obtaining Services.

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 platforms (such as the Platform) more generally. Such a lack of use or interest could negatively impact the development of the Platform and the potential utility of PTOY, including its utility for obtaining Services.

11. Risks Associated with the Development and Maintenance of the Platform

The Platform is still under development and may undergo significant changes over time. Although we intend for PTOY and the Platform to follow the specifications set forth in **Exhibit A**, and will take commercially reasonable steps toward those ends, we may have to make changes to the specifications of PTOY or the Platform for any number of legitimate reasons. This could create the risk that PTOY or the Platform, as further developed and maintained, may not meet your expectations at the time of purchasing PTOY. Furthermore, despite our good faith efforts to develop and maintain the Platform, it is still possible that the Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Platform and the potential utility of PTOY, including its utility for obtaining Services.

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

The Foundation team intends to use the proceeds from selling PTOY to fund the maintenance and development of the Platform, as described further in **Exhibit B**. The proceeds of the sale of PTOY will be denominated in Ether, and may, at our discretion, be converted into other cryptographic and fiat currencies. If the value of Ether or other currencies fluctuates unfavorably during or after the Sale Period, the Foundation team

may not be able to fund development, or may not be able to develop or maintain the Platform in the manner that it intended.

13. Risk of Dissolution of the Foundation

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of Ether (or other cryptographic and fiat currencies), decrease in PTOY's utility (including its utility for obtaining Services), the failure of commercial relationships, or intellectual property ownership challenges, the Platform may no longer be viable to operate and the Foundation may dissolve.

14. Risks Arising from Lack of Governance Rights

Because PTOY confer no governance rights of any kind with respect to the Platform or Foundation, all decisions involving the Platform or Foundation will be made by Foundation at its sole discretion, including, but not limited to, decisions to discontinue the Platform, to sell more PTOY for use in the Platform, or to sell or liquidate the Foundation. These decisions could adversely affect the Platform and the utility of PTOY that you hold, including PTOY's utility for obtaining Services.

15. Risks Associated with HIPAA Regulation

The Foundation's growth and adoption of the Platform may depend on our ability, and/or our the ability of network participants, to maintain and implement HIPAA-compliant practices, procedures, and other infrastructure. Moreover, the regulatory framework surrounding personal health information may change over time, and continuing to develop and improve the Platform to keep up with these changes may require significant time and additional investment. If we cannot continue to develop and improve the Platform to maintain compliance and/or competitiveness in light of such changes, the Platform may not remain viable, which could negatively impact the utility of PTOY, including PTOY's utility for obtaining Services.

16. Unanticipated Risks

Cryptographic tokens such as PTOY 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 PTOY, including those that the Foundation cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this **Exhibit C**.