

Terms and Conditions of the Breakout Coin (BRO) Coin Sale Offering

**IMPORTANT**

**WARNING: DO NOT PURCHASE BRO IF YOU ARE NOT EXPERT IN CRYPTO TOKENS OR CURRENCY AND BLOCKCHAIN TECHNOLOGY.**

**THIS COIN SALE IS NOT AN OFFER OF INVESTMENT OR SECURITIES IN ANY BUSINESS, VENTURE, OR COMPANY, OR IN ANY FORM OF GAMING OPERATIONS OR ACTIVITY; PURCHASE OF BRO DOES NOT ENTITLE THE BUYER TO ANY INTEREST IN ANY PROFITS OR REVENUE OF ANY COMMON ENTERPRISE ARISING FROM THE ACTIVITIES OF OTHERS.**

**Table of Contents**

**IMPORTANT WARNING: Do not lose your BRO private key**

- 1 What is BRO?
- 2 Overview of BRO Coin Sale
- 3 Creation and Sale of BRO
- 4 Growth Rate of BRO
- 5 Timing of Sale
- 6 Pricing and Initial Discount on Price of BRO
- 7 Disclosure of Purchases
- 8 Purchase of BRO from BreakoutCoin.com Website
- 9 Obligation to Determine If Purchaser Can Purchase BRO in Purchaser's Jurisdiction
- 10 Acceptance of Terms and Conditions of the BRO Sale
- 11 Independent Confirmation of Purchases
- 12 Purchaser's Loss of the Purchase Password Will Cause the Loss of the Purchased BRO
- 13 Receipt of BRO and the Purchase Email
- 14 Purchaser's Loss of the Purchase Wallet Will Cause the Loss of the Purchased BRO
- 15 BRO Will Only Be Available For Sale on the BRO Website
- 16 Limitations on the Purchase of BRO
- 17 Fraudulent Attempts to Double Spend BTC
- 18 Early Use of the BTC Revenue from the Genesis Sale
- 19 Certain Risks Associated with the Purchase of BRO
  - 19.1 Risk of Dissolution of The BRO Project Due To a Diminishment in the Value of the BTC Sale Revenue
  - 19.2 Risk of Losing Access to BRO Due to Loss of a Wallet File or Password
  - 19.3 Risk of Unauthorized Access to a Downloaded Wallet
  - 19.4 Risk of Regulatory Action in One or More Jurisdictions
  - 19.5 Risk of Alternative, Unofficial BRO Networks
  - 19.6 Risk of Insufficient Interest in the BRO Platform or Distributed Applications
  - 19.7 Risk Associated With the Development of Other Platforms For Decentralized Applications
  - 19.8 Risk that the BRO Platform, As Developed, Will Not Meet the Expectations of Purchaser
  - 19.9 Risk that the BRO Platform May Never be Completed or Released

- 19.10 Risk of Theft
- 19.11 Risk of Security Weaknesses in the BRO Platform Core Infrastructure Software
- 19.12 Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography
- 19.13 Risk of Rapid Adoption and Increased Demand for BRO
- 19.14 Risk of Rapid Adoption and Insufficiency of Computational Application Processing Power on the BRO Network
- 20 All Purchases of BRO Are Non-Refundable
- 21 Taxation of BRO and Taxation Related to the Genesis Sale
- 22 Privacy
- 23 Disclaimer of Warranties
- 25 Jurisdiction of the Sale
- 26 Dispute Resolution
- 27 Force Majeure
- 28 Complete Agreement
- 29 Severability
- 30 No Waiver
- 31 Updates to the Terms and Conditions of the BRO Genesis Sale
- 32 Cooperation with Legal Authorities
- 33 Further Information

The subsequent Terms & Conditions pertain to the BRO Coin Sale ("COIN SALE") of 10.0 million Breakout Coin ("BRO"). To use BRO, a Breakout Coin Wallet ("BRO Wallet") is required by all buyers of BRO ("buyers" collectively, and "buyer" individually). A BRO Wallet will be created for each successful Buyer as part of this Coin Sale.

This Coin Sale has been created by Breakout Services, Limitada, a Costa Rica business entity ("Breakout Services"), and will take place wholly outside the United States, its Territories and Possessions. Breakout Services has arranged with a prospective provider of gaming services, Breakout Playa, S.A, to provide for legal, licensed gaming services, with the expectation that such games will have either chips or prizes available denominated in BRO.

**THIS COIN SALE IS NOT AN OFFER OF INVESTMENT OR SECURITIES IN ANY BUSINESS, VENTURE, OR COMPANY, OR IN ANY FORM OF GAMING OPERATIONS OR ACTIVITY; PURCHASE OF BRO DOES NOT ENTITLE THE BUYER TO ANY INTEREST IN ANY PROFITS OR REVENUE OF EITHER BREAKOUT SERVICES OR BREAKOUT PLAYA OR ANY OTHER COMMON ENTERPRISE ARISING FROM THE ACTIVITIES OF OTHERS, WHETHER UTILIZING BRO OR NOT.**

The Coin Sale is not a call for investment, and it doesn't represent an offering of any type of securities or investment in any jurisdiction, and is void in any jurisdiction where this Coin Sale or BRO may be required to be registered as such under applicable laws or regulations.

This Terms and Conditions sets forth the manner in which 10.0 million BRO will be sold to interested buyers who comply with the terms hereof and successfully make their purchase. The reasons why some person or business may be interested in purchasing BRO during the Coin Sale may be varied. Some buyers may wish to purchase BRO for personal use on Breakout Playa's planned gaming network, others may wish to purchase large amounts of BRO in order to promote the revolutionary integration of crypto-currency gaming in a legal, regulated environment. In addition to Breakout Playa, other online gaming services may wish to use BRO for their own gaming platforms, and gamers around the world may wish to support never-before-seen, legal, licensed cryptogaming operations.

Businesses and individuals who are interested in purchasing BRO coins should weigh the costs and risks of buying the cryptography-secured token during the Coin Sale now, versus purchasing it later on a third-party exchange or an in-house exchange, each of which may be available to persons in your jurisdiction once the BRO Genesis Block is fully launched.

#### **IMPORTANT NOTICES**

**All purchases of BRO coins are completely non-refundable. Ownership of any amount of BRO does not come with or imply any rights. Buyers will not have any influence in the development or governance of the Breakout Coin Wallet or Breakout Playa gaming services.**

By actively participating in a sale of BRO, the buyer expressly acknowledges and that he or she has thoroughly reviewed the Terms and Conditions as well as the Breakout Product Purchase Agreement. Participants expressly acknowledge that they fully understand the risks, costs, and benefits to purchasing BRO during the Coin Sale and are bound by the Terms and Conditions. Buyers also represent and warrant, to the full extent that the law permits, that they are of legal age to buy BRO coins in their jurisdiction.

Each Buyer expressly agrees to not hold Breakout Services, Limitada, Breakout Playa, S.A. or their respective parent or affiliate companies, officers, agents, directors, joint ventures, suppliers or employees, or any other part of the Breakout Services Team liable for any losses or any incidental, special, and/or consequential damages stemming from the sale of BRO.

**WARNING: ONLY EXPERTS IN BLOCKCHAIN-BASED SYSTEMS AND CRYPTOGRAPHY-SECURED TOKENS SHOULD CONSIDER THE PURCHASE OF BRO.** The act of buying BRO should only be attempted by businesses, entities and individuals who have advanced comprehension and established experience in the usage of decentralized digital tokens such as Bitcoin and other blockchain-based software.

Breakout Services will make guidelines available to the public which cover BRO usage and storage prior to the official launch of the BRO Wallet. However, buyers should already have a deep understanding of transmission and storage mechanisms for cryptography-secured tokens. Breakout Services cannot be held responsible for any BRO or BTC which is lost due to a buyer's actions or inaction. Buyers must keep their wallet password secure so

they can access the BRO they own after the Coin Sale is complete. **Anyone who does not have extensive knowledge and experience in this field should not purchase BRO, or participate in the Breakout Coin Sale.**

**WARNING: PUBLICALLY TRADED CRYPTOGRAPHY-SECURED TOKENS MAY SEE EXTREME FLUCTUATIONS IN PRICING**

Cryptography-secured tokens traded in public markets, like Bitcoin, historically have exhibited extreme price volatility in such markets as exist and fluctuations in value over measurable periods of time. A buyer of BRO should expect fluctuations, which may be either up or down, in the price of BRO as denominated in bitcoins, US dollars, or even other jurisdictions' fiat monies. Such variations happen because of market forces moving in response to imbalances, for whatever reason, in the supply and demand.

You expressly acknowledge and agree that Breakout Services cannot and does not act as a liquidity provider for BRO nor be held responsible for price fluctuations in the market price of BRO after the close of the Coin Sale. You expressly acknowledge there may be periods of time in which BRO is more difficult to purchase or sell. Moreover, because of varied regulatory stances in various jurisdictions, and the incapacity of the people in certain countries to open fiat exchange accounts in other countries, the liquidity of BRO may be noticeably different in certain countries. These occurrences are likely to manifest in important price discrepancies between sources of BRO.

By purchasing BRO, you deliberately represent and acknowledge that you completely understand that BRO may undergo price volatility. Furthermore, you expressly represent and acknowledge that Breakout Services won't be held liable for any losses or any incidental, special, and/or consequential damages in any way linked to the Initial Offering of BRO.

**WARNING: PURCHASING BRO HAS A NUMBER OF INHERENT RISKS**

Purchasing BRO comes with a wide range and variety of risks. Before buying BRO, you must carefully look at and weigh the risks and your willingness to bear these risks. You are also advised to consult with an accountant, tax professional or lawyer with cryptocurrency experience before moving forward with the purchase. In case any of the risks are intolerable, you should not buy BRO. By purchasing BRO, you expressly represent and acknowledge that Breakout Services won't be held liable for any losses or any incidental, special, and/or consequential damages in any way linked to the Initial Offering of BRO, including potential losses that may arise due to the risks as extrapolated below.

**1. What is Breakout Gaming?**

Breakout Gaming is a branded gaming offering, proposed by Breakout Playa, S.A. independent of any part of the Coin Sale itself. (A purchase of BRO in the Coin Sale is not any form of investment or ownership in any gaming enterprise, profits or activity of Breakout Playa, S.A or any other gaming enterprise or venture which may utilize BRO in the future in some manner.)

The proposed gaming use case to be developed and licensed by Breakout Playa is structured to use BRO-denominated gaming credits in a legal, regulated, licensed environment only, with the effect of providing use case favorable to BRO holders and promotion of each of the Breakout Playa gaming platform and BRO generally. The gaming platform is designed to combine a complete and robust offering of games with a cryptography-secured token to provide a truly revolutionary gambling experience to anyone with an internet

connection. The games to be offered by Breakout Playa, S.A. under applicable licenses and laws, will incorporate different styles of games from all corners of the world. Use of BRO-denominated chips and gaming credits to fuel the Breakout Gaming experience is intended to bring non-crypto users to the table, using the gamification of the introduction to crypto to promote both the games and BRO. Unlike prior crypto-games, the Breakout games will allow for a gaming decision before any crypto-purchase decision will be required.

## 2. Overview of BRO Coin Sale

Breakout Services, Limitada, (“Breakout Services”) will produce and market a quantity of BRO in a pre-sale event called the BRO Coin Sale, which will be held at <https://breakoutcoin.com> (“the Coin Sale”). Purchasers in the Coin Sale will acquire BRO in exchange for BTC at over a period of thirty days (30) days. Buyers of BRO in the Coin Sale will be awarded cryptography-secured receipts in the form of a downloaded “wallet” that will enable them to claim their purchase once the product has been developed and is ready for delivery. All BRO pre-sold in this manner will be delivered to Buyers in the Breakout Coin Genesis Block, the initial block of Breakout Coin’s blockchain which will mark the beginning of the cryptography-secured token network. The Breakout Coin network is expected to be operation by the end of the year; however, there is no guarantee that these things will happen in the given timeframe, or at all. Buyers will be able to claim their BRO at any point after the Genesis Block by taking control of their assigned BRO account which provides access to the cryptography-secured token: BRO.

## 3. Creation and Sale of BRO

All BRO will be generated using three methods: (1) is a pre-mine, upon the release of the Genesis Block (the instant the Breakout Coin network starts functioning) that will create an amount of BRO in the blockchain for you to purchase. This BRO will be used to distribute BRO to Coin Sale Buyers. The Genesis Block will also include an additional amount to be applied in promotions of BRO-denominated gaming, to the extent licensed and approved; plus 2.5 million BRO to reward persons who worked on the project, have marketed BRO-denominated gaming, and its backers. Genesis Block; (3) is the continued release of BRO to stakers once the network completely transitions to a revolutionary Proof-of-Stake system, Bergstake. **The BRO Coin Sale only directly concerns method (1).**

- a. 10.0 million BRO will be created for placement through the Coin Sale. This is a pre-determined exact amount that will be created in the pre-mine for allocation among buyers in the BRO Coin Sale.
- b. In addition to the Coin Sale pool of 10.0 million BRO, a second pool of BRO is reserved for promotion of BRO-denominated gaming shall be created. It is anticipated that such a promotional pool of BRO will be used by agreement to be negotiated with Breakout Playa, S.A. for use on the new Breakout Playa Gaming Platform. No BRO in this pool will be sold to the public, it will be given and used for gaming marketing and in the form of promotions. The size of this pool will be 7.0 million BRO.
- c. In addition to the Coin Sale pool of 10.0 million BRO, and allocation of 7.0 million BRO for promotions, the pre-mine will also create a third pool of BRO. This third pool of BRO is reserved for distributions to the organizers of the Coin Sale, development of Breakout Coins, and various marketing representatives and consultants, professionals and service providers to the Coin Sale or planned gaming use case applications for BRO.

Breakout Services makes no guarantees as to the timeframes that the second and third pools may be used. The discussion of the distribution of promotional BRO is provided on the Coin Sale website as an illustration only of one possible schedule for use among various gaming channels and in various methods of marketing. **The actual use of the Promotional BRO pool is subject to both future negotiation between Breakout Services and Breakout**

Plays, S.A. or any other gaming provider, as well as regulatory approval as may be required by gaming regulators in different markets.

#### **4. Growth Rate of BRO post-Coin Sale**

New BRO will be created exclusively through a Proof-of-Bergstake process at a constant rate. 1.0 million BRO will be released every year. One million BRO will be created annually and distributed through a revolutionary Proof-of-Bergstake system. Although Breakout Services doesn't intend to change the current schedule of annual BRO creation, the annual rate of new creation may need to be changed for technical reasons.

#### **5. Date and Duration Timing of Coin Sale**

The Coin Sale will begin at 14:00:00 GMT on October 21, 2014.

The Coin Sale will run for thirty days and will end at 14:00:00 GMT on November 20, 2014.

Breakout Services reserves the right to change the starting date and extend the Coin Sale duration for any reason, including downtime of the fundraising website, <https://www.breakoutcoin.com> or other unforeseen issues. Even though it does not currently intend to do so, Breakout Services reserves the right to shorten the Coin Sale for any reason.

#### **6. Pricing of BRO**

At the beginning of the Coin Sale, the price will be at 6600 BRO per bitcoin. Then for a period of 7 days, the price of BRO per bitcoin will be fixed at 6000. Every 48 hours from there on, the fixed price of BRO per bitcoin will drop by 500 BRO until it reaches 3000 BRO per bitcoin. Breakout Services reserves the right to close the coin sale prior to the closing date of the sale if they reach a pre-determined sum disclosed to the public.

If Breakout Services closes the Coin Sale prior to the announced closing date, Breakout Services retains the right to continue the Coin Sale at a later time to be determined. Price per bitcoin for subsequent coin sales to be determined by market conditions, Breakout Services reserves the right to price the fixed amount of BRO per bitcoin accordingly as they see fit.

As soon as other exchanges and parties in the global market begin exchanging and using BRO, its price will be driven by broad market forces.

#### **7. Disclosure of Purchases**

To promote transparency, and to help BRO Buyers attain as much information regarding their decision to buy BRO, Breakout Services will be using a purchase mechanism that will allow all purchases to be tracked transparently. Each Buyer will be able to independently verify the total amount of BRO that has been sold in the Coin Sale, the amount of BTC paid for BRO allocated in the Coin Sale, and the formula for allocation of the 10.0 million BRO to be sold. Additionally, Breakout Services has disclosed the balance of BRO contained in the Genesis Block which is not part of the Coin Sale, to foster better understanding by prospective buyers of the amount of pre-allocated BRO at the time of their purchase decision. Breakout Services will make all purchases publicly visible and verifiable on the Bitcoin blockchain at the multi-signature "Genesis Address".

## **8. Purchase of BRO on the Breakoutcoin.com fundraising website**

Buyers can purchase BRO on the Breakout Coin Sale website (<https://www.breakoutcoin.com> ). Walk-through instructions for purchases with bitcoin (BTC) will be available on the Breakout Coin website under the 'Join In' tab for the entire sale. Any and all questions should be sent using the inquiry page on the Coin Sale Contact page.

## **9. Obligation to determine if buyer can purchase BRO in buyer's jurisdiction**

Each prospective buyer is solely responsible for deciding if he or she can purchase BRO from his/her specific location, under the applicable laws of his or her jurisdiction.

Submission of a buyer request to participate in the Coin Sale, shall made by clicking on the Buy Button, as provided by the Coin Sale website, accepting these Terms and Conditions and submitting and executed Purchase Agreement shall be required and transmittal of a Purchase deposit amount, denominated in bitcoin, to the Coin Sale address provided on the Coin Sale website (No other website shall be authorized to provide a Coin Sale address to collect or accept any bitcoin payments under the Coin Sale process. Beware attempted spoofing or phishing attempts which unfortunately may occur during the duration of the Coin Sale.)

Failure to follow these steps or any additional instructions provided on the Coin Sale website, may delay or prevent Breakout Service's acceptance of the buyer's purchase request and buyer receipt of BRO.

Breakout Services, Limitada, a Costa Rica business entity and the sponsor of the Coin Sale, reserves the right to accept or decline any Buyer submission of an executed Purchase Agreement; such decision by Breakout Services shall be within its discretion and deemed to have occurred at the designated location of Breakout Services, rather than the location of the prospective buyer at the time of submission.

## **10. Agreement to Terms and Conditions of the BRO Coin Sale and Submission of Buyer participation and payment**

In the course of the Sale process, Breakout Services will present the buyer with these T&Cs and other necessary documents. A checkbox will follow these instructions. Checking the checkbox indicates that the buyer: (i) consents and agrees to the Terms of the Breakout Coin Product Purchase Agreement; (ii) expressly represents and warrants that the buyer is legally permitted to purchase BRO in the buyer's jurisdiction and is legally permitted to buy products of foreign origin; (iii) represents and warrants that the buyer meets the required minimum age to legally purchase BRO or has received permission from a legal guardian who has reviewed these terms; (iv) represents and warrants that the buyer will take responsibility for legal restrictions, risks, and security steps that are associated with purchasing BRO, (vi) buyer shall transmit the buyer's bitcoin payment deposit to the indicated Coin Sale Address, ; (v) represents and warrants that the buyer is not purchasing BRO with BTC for speculative investment; and (vi) represents and warrants that the buyer understands the usage and intricacies of cryptography-secured tokens, like Bitcoin and BRO. The truthfulness and accuracy of each of Buyer's representations and warranties shall be a condition of buyer's making a valid request to participate in the Coin Sale. A failure of any such condition shall make such buyer request invalid, in Breakout Services' discretion.

Each buyer submission shall require transmittal of an accompanying purchase deposit amount, denominated in bitcoin, to the Coin Sale Address provided on the Coin Sale website (No other website shall be authorized to provide a Coin Sale address to collect or accept any bitcoin payments under the Coin Sale process. Beware attempted spoofing or phishing attempts which unfortunately may occur during the duration of the Coin Sale.)

**Each prospective buyer seeking to participate in the Coin Sale agrees that submission of his/her offer to participate shall be subject to acceptance by Breakout Services, in its sole discretion and actual receipt by Breakout Services of the buyer-tendered bitcoin payment deposit.** These details are described in more detail in the following sections; (v) represents and warrants that the buyer is not purchasing BRO with BTC for speculative investment; (vi) represents and warrants that the buyer understands the usage and intricacies of cryptography-secured tokens, like Bitcoin and BRO.

### **11. Purchase Deposit Confirmation**

In the course of the checkout process, buyers will be presented with an intermediary BTC address, the 'Coin Sale Address'.

Using this intermediary BTC address, buyers can confirm that their BTC purchase deposit was received by Breakout Services and, following acceptance of their participation, subsequently sent to the Genesis Address. For good measure, Breakout Services will also insert a small time-stamped code into the Bitcoin blockchain to serve as additional confirmation and evidence of submission of the required purchase deposit. Parties with knowledge of this intermediary BTC address do not have ownership of the purchased BRO to be shown at the address location.

### **12. Buyer's Loss of the Purchase Password Will Result in Permanent Loss of Purchased BRO**

Buyers will need to specify a unique password (the "Purchase Password") to complete the checkout process. This is a password specifically for the checkout process. With this password, the unique address and private key to the buyer's Breakout account will be synced into a wallet.

Loss of this password will result in the permanent loss of the purchased BRO. Buyers should take care to take the necessary precautions to safeguard the password. It should not be shared with anyone. Any unauthorized party with knowledge of the password and access to the wallet would have access to the BRO and could do what they wanted with them.

By accepting these terms, the buyer agrees not to hold Breakout Services or Breakout Playa, S.A. liable for losses or special, incidental, or consequential damages in any way connected to the buyer's failure to properly secure and keep private their purchase password.

### **13. Receipt of BRO and the Purchase Email**

Breakout Services will require each buyer to submit a valid email address as a part of the checkout process. Upon purchase of BRO, the buyer will receive a wallet file with a unique address and private key to the buyer's Breakout Coin Wallet account, that will be sent to the email address the buyer specified during the checkout process. The Breakout Coin Wallet account will store the private keys necessary to transact with purchased BRO.

The buyer agrees to save the Breakout Coin Wallet file to their computer and store additional copies on two additional secure devices. Buyers agree to delete this email after storing the information in a safe place.



By accepting these terms and purchasing BRO, and to the extent permitted by applicable law, the buyer agrees not to hold Breakout Services liable for any losses or any special, incidental, or consequential damages in any way connected to the buyer's failure to properly safeguard the Breakout wallet file or delete the purchase email.

#### **14. Buyer's Loss of the Purchase Wallet Will Result in Permanent Loss of Purchased BRO**

The buyer will receive and store a Breakout Coin wallet (the "Purchase Wallet") in the course of the checkout process. The buyer is responsible for keeping this secure.

By accepting these terms, to the extent permitted by applicable law, the buyer agrees to not hold Breakout Services, or any of its directors, officers, shareholders, consultants, or employees liable for any losses or any special, incidental, or consequential damages in any way connected to the purchaser's failure to properly store, secure and keep private the purchase wallet.

#### **15. BRO Will Only Be Available for Sale on the Breakout Coin Sale Website**

Breakout Services will only sell BRO at the official store front located at <https://breakoutcoin.com> (under the "Buy Genesis Breakout Coin" tab). This is the only valid website from which BRO purchases can be made during the Initial Offering. Therefore, Breakout Services explicitly prohibits the use of third-party website or services for BRO purchases until the end of the sale.

By accepting these terms when participating in the Coin Sale, and to the extent permitted by applicable law, the buyer agrees not hold Breakout Services or any of its employees liable for losses incurred by any person, entity, corporation, or group of individuals who uses an unauthorized third party service to purchase BRO.

**Please be certain that the URL of your web browser indicates that it is using a hypertext transport protocol secure connection ("https") when making obtaining any BTC submission data or submitting request to participate and that the domain name is correct.** Again, the only official website is <https://www.breakoutcoin.com>. (No other website or third party shall be authorized to provide a Coin Sale address to collect or accept any bitcoin payments under the Coin Sale process. **Beware attempted spoofing or phishing attempts by third parties, which, unfortunately, may arise during the duration of the Coin Sale or thereafter.**)

#### **16. Limits of amount of BTC an individual may tender**

Breakout Services wants to ensure broad participation in the sale for a diverse distribution of Breakout coin owners under the terms of the Coin Sale.

Any group of person, entity or group that seeks to tender more than 1,000 BTC must clear the large purchase with Breakout Services. Please contact Breakout Services at [contact@breakoutcoin.com](mailto:contact@breakoutcoin.com) for more information.

When using the Breakout Coin fundraising website to purchase BRO, each buyer agrees that, to the best of the buyer's knowledge, and after all necessary inquiries, such buyer participation will not cause any entity, person, group, company, corporation, or group of associated entities to tender more than 2,500 BTC in aggregate.

## **17. Fraudulent attempts to double spend BTC**

Double spending attempts are not permitted. Breakout Services will monitor all incoming Bitcoin transactions to enforce this rule. Attempted double spends will negate the original transaction, such double spent BTC will be held by Breakout Services subject to claim by a rightful, verified owner within 60 days of the Close of the Coin Sale, and no BRO will be generated for that buyer's Purchase Wallet.

## **18. Breakout Services Will Not Purchase BRO Through the Coin Sale**

Breakout Services hereby warrants that it will not purchase BRO at its own Coin Sale. Furthermore, Breakout Services warrants that it will not purchase BRO from third parties or attempt to establish future control of any amount of BRO through indirect sales.

## **19. Certain Risks Associated With the Purchase of BRO**

The purchase of BRO carries with it significant risk. Prior to buying BRO, the Buyer should consider all the risks and, if necessary, consult an experienced lawyer, accountant, and/or tax professional while determining whether or not to make a purchase.

### **19.1 Risk of Dissolution of Breakout Services Due To a Diminishment in the Value of the BTC Sale Revenue**

Breakout Services operations will depend upon the value of its assets, largely derived from the BTC proceeds of the Coin Sale. Since all Buyers are paying in BTC, it is possible that a significant drop in the value of BTC could leave Breakout Services with insufficient resources to operate. In the last few months, the price of BTC, in relation to fiat currencies, has been relatively volatile, and this volatility may continue to be the case. To mitigate this risk, Breakout Services intends to periodically convert BTC generated from the Coin Sale Offering into fiat currencies, on a schedule or from time to time in its sole discretion, to allow for an orderly application of the Sale proceeds to their intended described use and match assets to current or long term liabilities.

### **19.2 Risk of Losing Access to BRO Due to Loss of a Wallet File or Password**

As previously stated, BRO will be stored in a Purchase Wallet, which can only be accessed by providing the Purchase Password selected during the buy. If the Purchase Password is not accurately stored or if the Purchase Wallet sent by Breakout Services is misplaced, the associated BRO will be lost.

To counteract this, Buyers should store their Purchase Wallet and Purchase Password each in one or more backup locations separate from the primary location. These two items should not be stored together.

In order to access bought BRO, both the Purchase Wallet and Purchase Password are required; loss, theft, or leakage of both will lead to the loss of the Buyer's BRO.

### **19.3 Risk of Unauthorized Access to a Downloaded Wallet File**

Any third party that comes in control of the Buyer's provided Purchase Email will be able to download the Purchase Wallet and potentially access the Buyer's BRO by deciphering or brute-forcing the associated Purchase Password. To prevent this, Buyers should (1) Select a highly secure Purchase Password; and (2) Immediately

delete the Purchase Email containing the Purchase Wallet after receipt and secure backup, as is explicitly required by this T&C.

Buyers should also look out for phishing attempts. Buyers should not respond to any inquiries regarding their purchase of BRO, including but not limited to, email requests seemingly from Breakout Services or Breakout Coin's domain.

#### **19.4 Risk of Regulatory Action in One or More Jurisdictions**

Cryptography-secured tokens, and gaming, both have seen varied amounts of regulatory scrutiny from different governments around the world. The Breakout Gaming Platform and/or BRO could potentially see impact from regulatory inquiries or regulatory action that might limit the ability of Breakout Services to continue operating the Breakout Gaming Platform, on which BRO is used.

#### **19.5 Risk of Alternative, Unofficial BRO-denominated Gaming Networks**

Following the Coin Sale, and anticipated licensing and launch of the Breakout Playa, S.A., it is possible that alternative gaming platforms could be established. These alternative or unofficial gaming networks may or may not use BRO. The Breakout Playa Gaming Platform may be in competition with these alternative gaming networks, which in turn may negatively impact the Breakout Playa ,S.A. company performance. To the extent that Breakout Services shall be providing BRO for marketing of the Breakout Playa gaming, whether through a loan, sale or otherwise, such promotional program may be at risk.

#### **19.6 Risk of Insufficient Interest in the Breakout Playa Gaming Platform**

It is possible that the Breakout Playa Gaming Platform will not be utilized by a large number of international players, businesses, and networks. It is also possible that the new games created by Breakout Playa will be received with limited public interest. Such a lack of interest could negatively impact the development of the Breakout Playa Platform and hence the post-Sale use cases for BRO. Breakout Playa has agreed to use and offer newly-created both BRO and unique games for the Breakout Playa Gaming Platform; however, it cannot predict the success of its own efforts or the impact of efforts of third parties.

#### **19.7 Risk Associated With the Development of Other Gaming Platforms**

Breakout Playa is one of several organizations attempting to build a new online gaming platform. It has determined to do so to seek a competitive advantage among gaming services providers by providing a use case for BRO. It is possible that Breakout Playa hasn't chosen the optimal path to create a gaming platform accessible to anyone with internet access.

Breakout Playa believes its development process to be ahead of all competitors seeking to launch licensed, legal, igaming, accepting both cryptocurrency and fiat currency deposits, while offering crypto-denominated games. Breakout Playa anticipates maintaining its position as a leader in the industry, competition from other more general, established gaming platforms may impact the success of Breakout Playa.

#### **19.8 Risk that the Breakout Playa Gaming Platform, As Developed, Will Not Support a Retail Use or end-user customer acceptance for BRO post-sale.**

Buyers acknowledge that the Breakout Playa Platform is presently under development, has not received any gaming regulatory approval to date, and the final product may contain significant differences. **You expressly acknowledge and agree that your decision whether or not to buy BRO is not materially affected by the efforts of Breakout Playa to develop and provide licensed, regulated gaming services.** Buyers recognize that any expectations of Breakout Playa about the form and functionality of the Breakout Playa Gaming Platform may not be fulfilled upon the ultimate release of the Gaming Platform.

#### **19.9 Risk that the Breakout Playa Gaming Platform May Never be Completed**

Buyer comprehends that it is possible that an official completed version of the Breakout Playa Gaming Platform may not be released and there may never be a licensed, legal, regulated and operational Breakout Playa Gaming Platform.

#### **19.10 Risk of Theft**

The BRO Coin Sale will generate BTC that may become an attractive target to hackers. To counteract this risk, Breakout Services has and will continue to adopt comprehensive security precautions to safeguard all of Breakout Services' digital assets.

Multi-factor security measures will be used for both the BTC and BRO in Breakout Services' possession. Security measures may include but are not limited to physical precautions, multi-signature keys, anti-phishing procedures, the partitioning of hot and cold wallets, and diversification. Breakout Services will conduct both internal and external audits of their own security.

#### **19.11 Risk of Security Weaknesses in the Breakout Coin Wallet**

The Breakout Coin Wallet is built on open-source software and may be vulnerable to future exploits involving underlying software.

#### **19.12 Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography**

Advances in code cracking algorithms or techniques along with technical progress in the form of quantum computers could present risks to all or specific digital currencies and cryptography-secured tokens. These risks could result in the theft or loss of BRO. To the best of its ability, Breakout Services intends to update the protocol underlying the Breakout Coin Wallet to account for advances in the field of cryptography. Breakout Services will strive to implement all necessary additional security measures but nobody can predict the future of cryptography.

#### **19.13 Risk of Quickened Adoption and Increased Demand for BRO**

If the Breakout Playa Gaming services are quickly adopted around the world, the demand for BRO could also rise or fall dramatically. A rise in demand would outpace the constant supply of new BRO released. In such a situation, the Breakout Gaming Platform could become destabilized as a gaming service. Breakout Playa's gaming services model is intended to operate as a gaming merchant; as a gaming merchant, it is intended to be not a vehicle for acquisition, speculation, transactions, transfers or holding by customers of BRO-denominated asset values. Breakout Services may need to change its possible customer account model of securing gaming

credits to be held as BRO-denominated assets, based upon customer activity other than gaming. (It is possible that, in the absence of active ongoing gaming activity, a Breakout Play customer account may be closed and the balance distributed. This could result in dampened interest in BRO. Although Breakout Playa gaming services will be denominated in BRO, the future development of the Breakout Playa business model may, faced with increased opportunities for non-BRO services, leading to a migration of customers or resources to promote player liquidity in non-BRO gaming. Such a shift in gamer demand might dampen the prospects of demand for BRO.

#### **19.14 Risk of Rapid Adoption and Insufficiency of the Breakout Playa Gaming Platform or Breakout Coin Wallet**

If the Breakout Playa Gaming Platform or the Breakout Coin Wallet is quickly adopted, the frequency or size of BRO transactions on the BRO network may overload the BRO network, even though the Breakout Playa Gaming Platform may still be fully functional. Alternatively, the Breakout Playa Gaming Platform could become inundated with users and slow down to unacceptable speeds, even though the BRO network is still transacting BRO in a regular manner. In both situations, the Breakout Playa Game experience could be negatively affected and interest in BRO use may be dampened.

#### **20. All Buys of BRO Are Non-Refundable**

All buys of BRO are final. Buys of BRO are non-refundable. By buying BRO, the buyer recognizes that neither Breakout Services nor any of its affiliated parties are required to provide refund for any reason.

#### **21. Taxation of BRO and Taxation Related to the Coin Sale**

Breakout Services makes no determination or any representation regarding the tax implications of the sale of BRO or the acts of holding and using BRO. The buyer agrees to carry the sole responsibility for determining if the purchase of BRO using BTC, or the potential gains or losses in BRO value over time, has tax implications in the Buyer's respective jurisdiction.

By buying BRO, and to the extent permitted by law, the buyer agrees not to hold any of Breakout Services, its officers, directors, consultants, employees, contractors, and representatives parties liable for any tax liabilities incurred as a result of buying BRO.

#### **22. Privacy**

Breakout Services requires buyers to provide a Purchase Email address as identifying information. Except as provided herein, Breakout Services will not publish or provide to any private party any identifying information regarding a BRO purchase without consent of the buyer.

Buyers expressly agree and consent that Breakout Services may license access to buyer email addresses to Breakout Playa for use in marketing and promotion of BRO-denominated gaming services and expressly agree that Breakout Playa may use email addresses obtained from Coin Sale data and licensed by Breakout Services to it for such use.

Buyers **expressly agree** they may be contacted, through email, by Breakout Services regarding the purchase. It is important to note that these emails will be informational only and will not request personal information such as your Purchase Wallet or Purchase Password.

### **23. Disclaimer of Warranties**

Breakout Services expressly disclaims any and all warranties, express or implied as to Breakout Coin products, to the fullest extent permitted by law, including any warranty of fitness for purpose, as either a store of value, transmittal of value, or as legal tender or for use as a payment system or method for the purchase of goods or services in any market anywhere in the world.

The Buyer expressly agrees that the Buyer is buying BRO at the Buyer's sole risk and that BRO is sold on an "as is" basis without warranties of any kind. There are no express or implied warranties, including, but not limited to, warranties of title or implied warranties, merchantability or fitness for a particular purpose (except only to the extent prohibited under applicable law with any legally required warranty period to the shorter of thirty days from first use or the minimum period required).

Without limiting the foregoing, none of the Breakout Services parties warrant that the process for buying BRO will be uninterrupted or error-free.

### **24. Limitations Waiver of Liability**

The Buyer acknowledges and agrees that, to the fullest extent permitted by any applicable law, the disclaimers of liability contained herein apply to any and all damages or injury whatsoever caused by or related to the use of, or inability to use, BRO or the Breakout Gaming Platform under any cause or action whatsoever of any kind in any jurisdiction, including, without limitation, actions for breach of warranty, breach of contract or tort (including negligence) and that none of the Breakout Services parties shall be liable for any indirect, incidental, special, exemplary, or consequential damages, including for loss of profits, goodwill or data, in any way whatsoever arising out of the use of, or inability to use, or purchase of, or inability to purchase, BRO.

The buyer further specifically acknowledges that Breakout Services parties are not liable, and the Buyer agrees not to seek to hold any of the Breakout Services parties, their directors, officers, consultants, advisors, counsel, employees, contractors or other related persons liable, for the conduct of third parties, including other Buyers of BRO, and that the risk of buying and using BRO rests entirely with the Buyer.

To the extent permissible under applicable laws, under no circumstances will Breakout Services parties be liable to any Buyer for more than the amount the Buyer has paid under the Coin Sale, and which amount has been actually received by Breakout Services, for the purchase of BRO.

Some jurisdictions do not allow the exclusion of certain warranties or the limitation or exclusion of liability for certain types of damages. Therefore, some of the above limitations in this section and elsewhere in the terms may not apply to a Buyer. In particular, nothing in these terms shall affect the statutory rights of any Buyer or exclude injury arising from any willful misconduct or fraud of Breakout Services.

### **25. Jurisdiction of the Sale**

The legal entity conducting the Initial Offering, Breakout Services, Limitada, is organized under the laws of Costa Rica. No sale shall be deemed to have taken place until and except upon the acceptance by Breakout Services of a buyer's submission to participate in the Coin sale. Such acceptance by Breakout Services may occur at the site of the Coin Sale deposit and transfer to the benefit of Breakout Services of the Sale proceeds upon the Close of the Coin Sale, and shall not be deemed to have occurred prior to that date, nor at whatever location from which a buyer submitted its request during the prior thirty day Sale duration. Each Buyer agrees that location of the Sale transaction shall not be within the United States, its Territories or Possessions or wherever else from which any specific Buyer shall happen to have submitted its request to participate.

## **26. Dispute Resolution, Mandatory Arbitration**

All disputes, controversies or claims arising out of, relating to, or in connection with the Terms, the breach thereof, or Breakout Services' sale of BRO shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules. All claims between the parties relating to these Terms that are capable of being resolved by arbitration, whether sounding in contract, tort, or otherwise, shall be submitted to ICC arbitration.

Prior to commencing arbitration, the parties have a duty to negotiate in good faith and attempt to resolve their dispute in a manner other than by submission to ICC arbitration.

The arbitration panel shall consist of one arbitrator only, unless the ICC Court of Arbitration determines that the dispute is such as to warrant three arbitrators. If the Court determines that one arbitrator is sufficient, then such arbitrator shall be selected from Switzerland. If the Court determines that three arbitrators are necessary, then each party shall have 30 days to nominate an arbitrator of its choice -- in the case of the Claimant, measured from receipt of notification of the ICC Court's decision to have three arbitrators; in the case of Respondent, measured from receipt of notification of Claimant's nomination. If a party fails to nominate an arbitrator, the Court will do so.

The Court shall also appoint the chairman.

All arbitrators shall be and remain "independent" of the parties involved in the arbitration.

The place of arbitration shall be fixed by the ICC Court, but it is expressly agreed that Costa Rica shall be the preferred location of the parties. The arbitral tribunal may conduct hearings, meetings, and deliberations at any location it considers appropriate. The language of the arbitration shall be English. In deciding the merits of the dispute, the tribunal shall apply the laws of Costa Rica and any discovery shall be limited and shall not involve any depositions or any other examinations outside of a formal hearing. The tribunal shall not assume the powers of *amiable compositeur* or decide the case *ex aequo et bono*.

In the final award, the tribunal shall fix the costs of the arbitration and decide which of the parties shall bear such costs in what proportion. Every award shall be binding on the parties. The parties undertake to carry out the award without delay and waive their right to any form of recourse against the award in so far as such waiver can validly be made.

No person shall commence any litigation or judicial proceeding against Breakout Services, Limitada, its directors, officers, advisors, employees, representatives, or any person related to any of them, regarding any dispute or assert any claim related to the Coin Sale or any other matter related to any activity or claim hereunder unless he shall have pursued this mandatory arbitration process to its conclusion against Breakout Services, Limitada or other person against whom any recovery of damages shall be claim thereon. As Breakout Services may be irreparably harmed by possible interference, disruption or improper activity by third parties, known or unknown at this time, directed by such persons against the Coin Sale project, Breakout Services shall remain entitled to seek appropriate equitable or injunctive relief from a Court of competent jurisdiction, notwithstanding the requirement of resort to mandatory arbitration of claims for money damages hereunder.

## **27. Force Majeure**

Breakout Services is not liable for failure to perform solely caused by:

- unavoidable casualty,
- delays in delivery of materials,
- embargoes,
- government orders,
- acts of civil or military authorities,
- acts by common carriers, emergency conditions (including weather conditions) incompatible with safety or good quality workmanship, or
- any similar unforeseen event that renders performance commercially implausible.

If an event of force majeure occurs, the party injured by the other's inability to perform may elect to suspend the Agreement, in whole or part, for the duration of the force majeure circumstances. The party experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of force majeure on the injured party.

## **28. Complete Agreement**

These Terms & Conditions, along with the BRO Product Purchase Agreement, set forth the complete agreement between each Buyer and Breakout Services with respect to the sale of BRO.

For facts regarding the sale of BRO and the Coin Sale, the Buyer agrees to use only these two documents when considering whether or not to buy BRO. The Buyer understands that these documents govern the sale of BRO. Buyer expressly acknowledges that these Terms and Conditions and the Purchase Agreement supersede any prior statements or representations made with respect to the creation of a BRO Genesis Block or the acquisition of BRO.

Buyer expressly agrees he is not relying upon any public or private statements about any so-called Initial Coin Offering (ICO) made by third parties or by the Breakout Services Team or individuals associated with Breakout Services, past and present, especially any discussion or statements regarding such an ICO, its nature, or its possible structure made during the one year prior to the commencement or duration of the Coin Sale.

## **29. Severability**

The Buyer and Breakout Services agree that if any part of these Terms & Conditions or the BRO Product Purchase Agreement is found to be illegal or unenforceable, in whole or in part, such parts shall, as to such jurisdiction, be ineffective solely to the extent of such determination of invalidity or unenforceability without affecting the validity or enforceability thereof in any other manner or jurisdiction and without affecting the remaining parts of the Terms & Conditions or BRO Product Purchase Agreement, which would still be in full effect.

## **30. No Waiver**

Inaction on the part of Breakout Services with regards to requiring or enforcing strict performance by the Buyer of any part of these Terms & Conditions or the BRO Product Purchase Agreement or Breakout Services' failure to exercise any right under these agreements shall not be viewed as a waiver or relinquishment of Breakout Services' right to assert or rely upon said part or right in that or any other instance.



An express waiver by Breakout Services of any provision, condition, or requirement in these Terms & Conditions or the BRO Product Purchase Agreement shall not constitute a waiver of any future obligation of Buyer to comply with such provision, condition, or requirement.

Except as expressly and specifically set forth in these Terms & Conditions, no statements, waivers, consents, representations, or other acts or omissions by Breakout Services shall be deemed a modification of these Terms & Conditions nor are they legally binding, unless documented in writing with hand-written signatures from the Buyer and a duly appointed officer, employee, or agent of Breakout Services.

### **31. Updates to the Terms & Conditions of the BRO Coin Sale**

Breakout Services reserves the right, at its sole discretion, to change, edit, add, or remove portions of the Terms & Conditions and BRO Product Purchase Agreement at any time during the sale by posting the amended Terms & Conditions to the Breakout Coin website (<https://www.breakoutcoin.com>). Any Buyer will be considered as having accepted such changes by purchasing BRO.

**Each Buyer is required to review the Coin Sale website prior to the Closing of the Coin Sale, to ensure that he accepts the current Terms and Conditions and Purchase Agreement.** If at any point in the Coin Sale prior to the Close, you do not agree with any portion of the then-current version of the Terms & Conditions, you should not purchase BRO and notify Breakout Services immediately in writing if you have previously submitted a request to participate and tendered a payment that has been received by Breakout Services.

The Terms & Conditions may not otherwise be amended unless documented in writing with hand-written signatures from the Buyer and Breakout Services.

In the event of a conflict between the Terms & Conditions and the BRO Product Purchase Agreement, the Terms shall govern.

### **32. Cooperation with Legal Authorities**

Breakout Services will cooperate with all law enforcement inquiries, subpoenas, or requests provided they are fully supported and documented by the law in the relevant jurisdictions. In accordance with the cryptography-inspired value of transparency, Breakout Services will try and publish any legal inquiries upon receipt, to the extent it is allowed to do so.

### **33. Further Information**

Further information regarding the BRO sale can be obtained from [contact@breakoutcoin.com](mailto:contact@breakoutcoin.com)