

THIS INSTRUMENT HAS BEEN ISSUED PURSUANT TO SECTION 4(A)(6) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND NEITHER IT NOR ANY SECURITIES ISSUABLE PURSUANT HERETO HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED BY RULE 501 OF REGULATION CROWDFUNDING UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR EXEMPTION THEREFROM.

APOTHIO LLC

CLAIM PARTICIPATION AGREEMENT

This Claim Participation Agreement (this “Purchase Agreement”) is entered into on or about October 26, 2021 by and among Apothio, LLC, an Indiana limited liability company (the “Seller”) and each of the buyers who execute a signature page hereto (each, a “Buyer”) for the respective amounts set forth thereon (the “Purchase Price”).

WHEREAS, the Seller has substantial Claims (as defined below) against the defendants named in the lawsuit filed by Seller in the United States District Court for the Eastern District of California, *Apothio, LLC v. Kern County et al.*, No. 1:20-cv-00522-NONE-JLT (E.D. Cal.);

WHEREAS, Seller has engaged Roche Freedman LLP (together with any successor or supplementary counsel, “Law Firm”) to litigate these Claims (as defined below), including any refiling, counterclaim, appeal, settlement, enforcement action, arbitration, or other action or process related to the thereto (collectively, the “Lawsuit”) in exchange for the Contingency Fee and reimbursement of Law Firm’s unpaid Claims Expenses (as defined below);

WHEREAS, the purpose of Seller’s entry into the Purchase Agreement and the related Letter of Instruction to Law Firm attached as **Exhibit A** (the “Letter of Instruction”) is to provide funding in an aggregate amount of up to \$5,000,000 (the “Offering”) before payment of fees and commissions incurred in connection with the Offering, to Seller for certain operating and other expenses related to the Lawsuit and the Offering;

WHEREAS, each of the Buyers wish to invest the Purchase Price to fund the Issuer’s business, facilitate the prosecution of Seller’s Claims and to participate in the Litigation Proceeds (as defined below) if the Claims are successful to receive the Investment Returns set forth on **Schedule I** attached hereto; and

WHEREAS, each of the Buyers acknowledges and agrees that its financing of the Purchase Price is nonrecourse and the rights to Litigation Proceeds purchased hereunder (i) shall be of no value if there are no Proceeds received from the Final Determination of the Lawsuit unless otherwise provided herein and further (ii) shall be of no value, or the value will be reduced, if Proceeds received from the Final Determination of the Lawsuit are insufficient to repay Buyers in full or at all subsequent to payment of Law Firm’s Contingency Fee and reimbursement of Law Firm’s unpaid Claims Expenses.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the Buyers and the Seller, intending to be legally bound, hereby agree as follows:

1. **Definitions.** The following capitalized terms shall have the following meanings:

“Avalanche” means the decentralized application platform accessible through <https://wallet.avax.network>.

“Avalanche Address” means a public C-Chain address on the Avalanche network.

“Award” means the total monetary amount owed to the Seller on account of or as a direct or indirect result of the Claims, whether by negotiation, arbitration, mediation, lawsuit, judgment, settlement, or otherwise. For the avoidance of doubt, “Award” includes both cash and the monetary value of non-cash assets at the time the Award is paid, and it excludes the value of injunctive, declaratory, or other non-monetary relief.

“Claims” means all claims (including commercial tort claims), suits, causes of action, and other rights of Seller arising out of, relating to or alleged in the Lawsuit or on which the Lawsuit is based.

“Claims Expenses” means the sum of all fees, costs and expenses (including and any other professional fees and expenses, whether for attorneys, advisors, experts, or witnesses; and procedural fees relating to court, arbitration, or other process, including filing and arbitrator fees; provided that the amounts in each case are approved by Law Firm) incurred or accrued by the Seller in prosecuting, defending and/or settling the Lawsuit.

“Claims Procedures” means procedures to be established and administered by Seller or its agent, which must be complied with prior to payment of the Investment Return to Avalanche address(es) holding ILO Tokens or Transferred ILO Tokens at the time the Investment Return is received. Seller or its agent will use commercially reasonable efforts to notify investors of their ability to claim their Investment Return by publishing the notice on reputable news outlets that focus on cryptocurrency, e.g., Coindesk (<https://coindesk.com>) or The Block (<https://theblockcrypto.com>), and will publish the instructions for these procedures at <https://www.republic.co/apothio>, no later fourteen (14) days after the Investment Return is deposited into the Proceeds Account.

“Closing Date” means the final closing date of the Offering as determined by Section 4(a)(6).

“Contingency Fee” means the following tiered contingency fee the Seller has agreed to pay the Law Firm in the event that there is a monetary recovery from the Lawsuit, which Contingency Fee, together with Law Firm’s unpaid Claims Expenses, will be payable before the Investment Return:

- 33.3% of any Litigation Proceeds received up to \$100 million;
- 30.0% of any Litigation Proceeds received in excess of \$100 million up to \$300 million;
- 25.0% of any Litigation Proceeds received in excess of \$300 million.

“Deposit Account” means the Law Firm’s trust account where the Purchase Price payable under the Purchase Agreements will be deposited.

“Entity” means any individual, partnership, corporation, limited liability company, association, estate, trust, business trust, governmental authority, fund, investment account, or other person or entity.

“Final Determination” means the final resolution of the Lawsuit, whether by settlement, the entry of a non-appealable final judgment against the Seller, or the enforcement of a final, non-appealable judgment in favor of the Seller.

“Holdback Period” means the period commencing as of the date the Litigation Proceeds are received in the Proceeds Account (the “Receipt of Proceeds”) up to and until the expiration of the Litigation Proceeds Claims Period, or, if earlier, such time as Seller’s obligations to the Buyers have been satisfied in full.

“ILO Tokens” mean digital blockchain security tokens representing the right to receive the payment of Investment Return that are issued by the Seller on the Avalanche blockchain in connection with the transactions contemplated by this Purchase Agreement, and the right to receive the Repayment in accordance with Section 5 hereof in the event the Lawsuit is dismissed at the MTD Milestone (as defined below).

“Indebtedness” means, without duplication, all items that constitute (a) indebtedness for borrowed money or the deferred purchase price of property (other than trade payables incurred in the ordinary course of business); (b) obligations arising under letter of credit facilities, bonds, notes or other instruments; (c) all liabilities secured by any encumbrance on any of Seller’s property (other than mechanics’, repairmen’s or other like non-consensual statutory encumbrances arising in the ordinary course of business with respect to obligations that are not past due); and/or (d) all guarantees or other liabilities with respect to any indebtedness of any other Entity.

“Investment Return” means the right to Litigation Proceeds set forth in **Schedule I**.

“IRC” means the Internal Revenue Code of 1986, as amended, and the regulations in effect thereunder.

“Litigation Proceeds” means the net cash Proceeds received by the Seller on account or as a direct or indirect result of the Claims, after the payment of the Contingency Fee and all Claims Expenses.

“Litigation Proceeds Claims Period” means the period commencing on the date of the Receipt of Proceeds and continuing until 5:00pm EST on the date that is the first anniversary thereafter.

“Lockup” means the prohibition on Transfer throughout the Lockup Period.

“Lockup Period” means the period commencing on the Closing Date of this Agreement and ending on the first anniversary of the Closing Date.

“MTD Milestone” means the entry of an order in the Lawsuit resolving one or more motions to dismiss against the Seller that has the effect of dismissing all claims against all defendants, with prejudice, *i.e.* without the ability to file an amended complaint.

“Proceeds” means (i) any and all value received to satisfy the Award, if the Award results from settlement or other negotiated agreement, and (ii) any and all value received to satisfy the Award, less any

state, federal, or international taxes owed on such value, if the Award is a judgment, order, or other determination by an independent party, such as a court or arbitrator.

“Proceeds Account” means the trust account established by the Law Firm and administered in accordance with the Letter of Instruction.

“Securities Act” means the Securities Act of 1933, as amended from time to time, or any successor legislation, and any regulations or rules promulgated thereunder.

“Transfer” or “Transferred” means, (A) means to give, sell (directly or indirectly) exchange, assign, transfer, pledge, hypothecate, bequeath, devise or otherwise dispose of or encumber, voluntarily or involuntarily, by operation of law or otherwise. When referring to an ILO Token, “Transfer” shall mean the Transfer of such ILO Token or this instrument, or the creation of a swap or other derivative with respect to, or transfer or disposition of, any ILO Token or any interest, right, claim, obligation or liability under this instrument or with respect to any ILO Token; or (B) the Buyer entering into or becoming subject to a contract, agreement or understanding, written or oral, contemplating or relating to any of the foregoing.

“Transferee” means a recipient of a Transfer of an ILO Token.

2. ***Transfer of Investment Return.*** In exchange for the Purchase Price paid by each Buyer, the Seller hereby transfers, conveys, sells and assigns to such Buyer the right to receive the Investment Return on such Purchase Price (hereinafter, the “Transferred Interest”) and each Buyer hereby accepts the transfer of the Transferred Interest from Seller, upon the terms set forth herein.

3. ***Payment of Purchase Price.*** With respect to each Buyer, the Purchase Price for the Transferred Interest shall be as set forth on the signature page hereto provided that the aggregate amount of ILO Tokens issuable to Buyers, exclusive of ILO Tokens issuable, including the payment of fees and commissions in connection with the Offering, shall not exceed 5,000,000.

4. Issuance of ILO Tokens.

- a. Within 60 days of the Closing Date, Seller shall cause the purchased ILO Tokens to be sent to the Buyers at the respective Avalanche Address (“Buyer’s Avalanche Address”) set forth on the signature pages to this Purchase Agreement. Buyers will receive an ILO Token for every dollar of Purchase Price. For example, if the Purchase Price is \$100, the Buyer will receive 100 ILO Tokens.
- b. The ILO Tokens shall be subject to a prohibition on Transfer (the “Lockup”) throughout the Lockup Period, the Buyer shall not Transfer any of the ILO Tokens during the Lockup Period except to the extent such ILO Tokens have become unlocked pursuant to this Section 4(b). Notwithstanding the foregoing, the terms of the Lockup may be changed at the reasonable discretion of the Seller solely to comply with legal or regulatory requirements.
- c. The Buyer is solely responsible for implementing reasonable measures for securing any digital wallet, vault or other storage mechanism the Buyer uses to receive and hold the ILO Tokens, including, without limitation, any requisite private key(s) or other credentials necessary to access the storage mechanism(s).

If the Buyer's private key(s) or other access credentials are lost, the Buyer may lose access to the ILO Tokens. Notwithstanding any other provision of this Purchase Agreement, none of the Seller nor any of the Seller's agents or representatives shall be responsible or liable for any damages, losses, costs, penalties, fines or expenses arising out of or relating to (i) a Buyer's loss of access to Buyer's digital wallet, vault, or other storage mechanism the Buyer uses to receive and hold the ILO Tokens, (ii) a Buyer's or any Transferee's failure to implement reasonable measures to secure the digital wallet, vault or other storage mechanism such party uses to receive the ILO Tokens or the relevant access credentials; or (iii) the loss of or unauthorized use of any access credentials of a holder of ILO Tokens.

5. ***Payment of Investment Return.*** Seller agrees to pay each Buyer (or their respective Transferees) the Investment Return on the Transferred Interest set forth on **Schedule I** hereto ("Investment Return") in accordance with and subject to the limitations set forth herein, including without limitation, Section 5(a) below. The payment of the Investment Return shall be facilitated by the distribution and use of ILO Tokens and the Investment Return shall be paid on-chain, if and only if (i) any Litigation Proceeds are allocated and distributed and (ii) the Buyer or its Transferee follows the Claims Procedures, provided that, if the Lawsuit is dismissed at the MTD Milestone, the Law Firm shall refund the Buyers 80% (or their Transferee in the event a dismissal occurs after the Lockup) of their respective Purchase Price (the "Refund") as promptly as practicable thereafter and no Litigation Proceeds shall be payable.

- a. In the event there is a recovery of Litigation Proceeds such that the Buyers are entitled to the Investment Return, the Seller will direct Law Firm to pay the Investment Return to each Buyer's Avalanche Address. The form of payment will be a U.S. dollar stablecoin, such as USDC. In the event a Buyer has Transferred the ILO Tokens to another Avalanche address, the Investment Return will be payable to whichever Avalanche address(es) hold the Transferred ILO Tokens at the time of the Receipt of Proceeds; provided the holder of the Transferred ILO Tokens (each individually a "Transferee") complies with the Claims Procedures no later than 45 days after publication of the Claim Procedures. Failure to timely comply with the Claim Procedures may result in the loss of your right to receive the Investment Return and in any event, any and all rights to the Investment Return under this Purchase Agreement will be terminated and of no further force or effect as of the end of the Litigation Proceeds Claims Period. As promptly as practicable after the expiration of the Litigation Claims Period, any unclaimed proceeds remaining in the Proceeds Account shall be remitted to Seller by the Law Firm.

TRANSFEREES OF ILO TOKENS SHALL BE OBLIGATED TO REVIEW THE OFFERING PAGE TO APPRISE THEMSELVES OF THE (I) TERMS AND CONDITIONS OF THE OFFERING, (II) THE LIMITATIONS ON THE RIGHT TO PAYMENT HEREUNDER, AND (III) THE CLAIMS PROCEDURES FOR THE INVESTMENT RETURNS, AND ANY TRANSFEREE WILL BE RESPONSIBLE FOR COMPLIANCE WITH THE SAME.

- b. In the event payment is due pursuant to Section 5(a) prior to the issuance of the ILO Tokens pursuant to Section 4, Company shall make prompt issuance of the

ILO Tokens *provided* that if the Company fails to do so within thirty (30) days of an executed settlement agreement, dismissal of the Lawsuit, or recovery of Litigation Proceeds, as applicable, the Company will use commercially reasonable efforts to make these payments off-chain to holders of this instrument by establishing an online process for holders to submit claims for payment. Individuals will be able to submit claims for payment at <https://www.republic.co/apothio>.

6. ***Representations and Agreements by Seller.*** The Seller represents, warrants, agrees and covenants to the Buyers that:

- a. This Agreement constitutes a legal, valid and binding agreement of the Seller enforceable against it in accordance with its terms.
- b. Seller is the sole and beneficial owner of, and has good title to, the claims and all rights to Litigation Proceeds.
- c. The Seller covenants and agrees to cooperate in the prosecution of the Claims. Specifically, the Seller will cause its managers, officers, executives, and employees to promptly and fully assist the Law Firm as reasonably necessary to conduct and conclude the Lawsuit. For the avoidance of doubt, such assistance includes all actions any plaintiff may reasonably expect undertaking such as submitting to examination; verifying statements under oath; and appearing at any proceedings. The examples in the preceding sentence are illustrative and do not limit the Seller's duty to cooperate in any way.
- d. The Seller shall use its best efforts to preserve the rights of the Buyer's hereunder, including their rights to Litigation Proceeds and agrees during the term of this Purchase Agreement to use reasonable efforts to refrain from knowingly (i) engaging in any acts or omissions that would have a materially adverse impact on the Lawsuit, the Claim, or an ILO Token holder's rights to the Investment Return or (ii) granting any person or Entity a future interest in the Claim, Lawsuit or Litigation Proceeds that is senior or pari passu to the claims of the Buyers to Litigation Proceeds under the Purchase Agreements; **BUYER ACKNOWLEDGES THAT SELLER HAS SIGNIFICANT OUTSTANDING DEBT AND OBLIGATIONS ALREADY IN EXISTENCE, SOME OF WHICH THAT MAY BE MATURED OR IN DEFAULT, AS AT THE TIME OF THE ENTRY INTO THIS PURCHASE AGREEMENT AND IT IS THE INTENTION OF THE PARTIES TO TREAT THE TRANSACTIONS HEREUNDER AS A TRUE SALE, DIVESTING SELLER OF ITS PROPERTY INTEREST IN THAT PORTION OF THE LITIGATION PROCEEDS THAT CONSTITUTE THE AGGREGATE INVESTMENT RETURNS PAYABLE TO THE BUYERS HEREUNDER.**
- e. The Seller will refrain from making any attempts to revoke or cause to be revoked Letter of Instruction and will assist the Law Firm as may be necessary or desired to ensure that each ILO Token holder receives their Investment Return within 45 days of Law Firm's receipt of Litigation Proceeds in the Deposit Account, or if the

ILO Tokens have been transferred, within 45 days of completing Claims Procedures in a manner satisfactory to the Seller. In the event the Investment Return is not sent to a holder of ILO Tokens who is entitled to such payment on or before the 45-day periods described above, the Buyer shall be entitled to interest at a rate of 10% per annum, compounded monthly commencing as of the first business day following the expiration of such 45-day period until paid.

- f. The Seller is a limited liability company in good standing under the laws of the state of its formation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.
- g. The execution, delivery and performance by the Seller of this instrument is within the power of the Seller and has been duly authorized by all necessary actions on the part of the Seller. This instrument constitutes a legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To the knowledge of the Seller, it is not in violation of (i) its current charter or bylaws or applicable constituent documents; (ii) any material statute, rule or regulation applicable to the Seller; or (iii) any material indenture or contract to which the Seller is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Seller.
- h. The performance and consummation of the transactions contemplated by this instrument do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Seller; (ii) result in the acceleration of any material indenture or contract to which the Seller is a party or by which it is bound; or (iii) result in the creation or imposition of any lien upon any property, asset or revenue of the Seller or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Seller, its business or operations.
- i. No consents or approvals are required in connection with the performance of this instrument, other than any qualifications or filings under applicable securities laws and approvals of Seller that have been received as of the date hereof.
- j. As of the date hereof, there are no bankruptcy proceedings outstanding or written notice of potential proceedings against Seller. In the event the Seller commences, or has commenced against it, any case or other proceeding pursuant to any bankruptcy, insolvency or similar law, Seller shall use reasonable efforts to cause the Investment Return to be described as an asset of Buyer in any oral or written communications, including any document filed in connection therewith.
- k. All filed and unsealed pleadings in the Lawsuit accessible are accessible through the federal courts' PACER service (<https://pacer.uscourts.gov/>). PACER is a fee-based service, but the filings can also be found on Courtlistener's RECAP database (<https://courtlistener.com/docket/17064590/apothio-llc-v-kern-county>).

7. **Representations by Buyers.** Each Buyer, jointly but not severally, represents to the Seller as follows:

- a. The Buyer has full legal capacity, power and authority to execute and deliver this instrument and to perform its obligations hereunder. This instrument constitutes a valid and binding obligation of the Buyer, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.
- b. The Buyer acknowledges, and is entering into this instrument in compliance with, the investment limitations set forth in Rule 100(a)(2) of Regulation CF, promulgated under Section 4(a)(6)(B) of the Securities Act.
- c. In deciding to purchase this instrument, the Buyer is not relying on the advice or recommendations of the Seller or of Republic.co and the Buyer has made its own independent decision that the purchase of this instrument is suitable and appropriate for the Buyer. The Buyer understands that no federal or state agency has passed upon the merits or risks in this instrument or made any finding or determination concerning the fairness or advisability of this purchase.
- d. The Buyer understands that the Law Firm's claim to the Contingency Fee and reimbursement of Claims Expenses is senior to, and payable in advance of, the payment of Litigation Proceeds and the Buyer receiving any portion of the Investment Return.
- e. The Buyer understands and acknowledges that this Agreement does not transfer to the Buyer control over the Lawsuit, any right to require the Seller continue the Lawsuit or to pursue the Claims, or any approval or veto rights over any proposed settlement. Seller shall at all times remain wholly in control of the Lawsuit and resolution thereof.
- f. The Buyer is paying the Purchase Price consideration for the Investment Return on a non-recourse basis. In the event a Final Determination fails to result in a recovery of Litigation Proceeds, Seller shall have no further obligations hereunder, including to make any payment to Buyer for any portion of the Purchase Price. In the event Litigation Proceeds are insufficient to pay Buyers in full, including after the payment of Claims Expenses, after the payment of Buyer's pro rata, prorated portion of the Investment Returns, Seller shall have no further obligations hereunder.
- g. The Buyer understands that the information disclosed in connection with litigation financing is complex, nuanced, and oftentimes more detailed than the information disclosed in connection with prospective investments in most asset classes, such as investments in corporate entities that disclose financial statements and discuss their business models in public disclosures.

Depending on the time of investment, hundreds of pages of documentation from the plaintiff, defendant, and the court may be available on the public docket. Investors should carefully review such documentation prior to investing, and investors should understand who is writing each such document when reviewing them. For example, documents drafted by plaintiffs and defendants are primarily written from a position of advocacy. Lawyers write these documents with the goal of zealously advocating for their respective clients rather than informing a potential investor.

Standards employed by the court at different stages of litigation do not represent a fair indication as to whether a plaintiff will ultimately be successful on the merits of a claim if litigated through trial. A court uses different criteria to determine whether a claim survives a motion to dismiss, a motion for summary judgment, or similar motions made under applicable state law, as compared to how a court will rule or instruct a jury at trial. The varying nature of these standards should be understood by investors.

The Buyer understands that these are only a few of the many complexities of the American legal system and with investing in litigations, in general, and does not cover all such risks and complexities therein.

- h. The Buyer understands that the amount of damages claimed in the Lawsuit may be aggressively contested by the parties and the Buyer represents that there may be significant variance in the amount of damages claimed by a party and the amount of damages ultimately awarded by a court or jury. Moreover, the Lawsuit may settle for amounts significantly lower than the amounts claimed and the Buyer understands that he or she should factor that in when assessing this Agreement.
- i. The Buyer understands that, as part of this investment, they must provide the Buyer's Avalanche Address. The Buyer understands that the Seller is in no way responsible for the Buyer providing an accurate Avalanche Address nor is the Seller responsible if the Buyer loses access to the Buyer's Avalanche Address.
- j. The Buyer understands that no public market now exists for any of the securities issued by the Seller, and that the Seller has made no assurances that a public market will ever exist for this instrument and any assets used to satisfy the obligations hereunder.
- k. If the Buyer is not a United States person (as defined by Section 7701(a)(30) of the IRC), the Buyer hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any offer or sale of this instrument, including (a) the legal requirements within its jurisdiction for the purchase of this instrument; (b) any foreign exchange restrictions applicable to such purchase; (c) any governmental or other consents that may need to be obtained; and (d) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, conversion, redemption, sale, or transfer of this instrument. The Buyer acknowledges that the Seller has taken no action in foreign jurisdictions with respect to this instrument.

1. The Buyer understands that this instrument is being offered in a regulation crowdfunding offering with other Purchase Agreements, and all participants in the aforementioned offering, together, “Buyers,” will have the same rights and obligations.

8. **Arbitration, Law & Jurisdiction.** Except as it relates to the F.A.A., the Investment Documents, and any related claims, shall be governed by and construed in accordance with the laws of the State of New York, without regard to any conflict of laws provisions thereof. Any dispute, claim, or controversy arising out of, or relating to, the Investment Documents, or the breach, termination, enforcement, interpretation or validity thereof, including this provision to arbitrate, shall be settled by binding arbitration in the Judicial Arbitration and Mediation Service (“JAMS”) office in New York, New York. The arbitration shall be conducted pursuant to the F.A.A. and the JAMS Commercial Arbitration Rules in effect at the time of the arbitration. The tribunal shall consist of one arbitrator that the Parties will seek to agree on within fourteen (14) days of the request for arbitration and if no such agreement is reached JAMS shall appoint such arbitrator within seven (7) days thereafter. Each Party shall pay its own expenses in such arbitration, including attorneys’ fees. An arbitration award may be confirmed in any jurisdiction in which a party is subject to personal jurisdiction or otherwise possesses assets. Nothing in this provision shall prevent either Party from obtaining preliminary injunctive relief in court if necessary to prevent irreparable harm pending the conclusion of any arbitration in accordance with this Section 8; for such actions, the Parties hereby consent to the exclusive jurisdiction of any state or federal court located within the County and State of New York and agree that all such actions shall be litigated in such courts waiving any defense of forum non conveniens and any right to jury trial. An arbitration award may be confirmed in any jurisdiction in which a party is subject to personal jurisdiction or otherwise possesses assets.

9. **Successors and Assigns.** Seller shall not assign any of its rights or obligations under the Investment Documents or the Litigation Proceeds. Buyer may assign or otherwise transfer all or any of its rights and obligations under the Purchase Agreement; provided that no such assignment shall be made to any defendant in the Lawsuit or to another Person which would materially and adversely affect the Claims. Subject to the foregoing, this Purchase Agreement shall be binding and inure to the benefit of Seller and Buyer and their respective heirs, executors, personal representatives, administrators, successors and permitted assigns.

10. **Conduct of the Litigation.** Buyer shall not provide legal advice of any kind to Seller. All legal services that might prove necessary shall be the sole responsibility of the Law Firm or other attorney(s) retained and authorized by Seller to represent Seller. Buyer further acknowledges that it shall issue no instructions of any kind to Law Firm or to any other attorneys retained and authorized by the Seller or otherwise exercise any influence or control over the Law Firm or such attorneys with respect to the representation of the Seller or the conduct of the Lawsuit. By virtue of entering into this Purchase Agreement, Buyer does not become a party to the Lawsuit or become a client of the Law Firm. Seller retains the unrestricted right to settle the Lawsuit at any time in good faith without the approval of the Buyers.

11. **Relationship between Seller and Buyer; Income Tax Treatment.** The relationship of the Parties shall be that of seller and buyer, and neither Party shall be considered or act as an agent of or have any fiduciary duties to the other Party. The Purchase Agreement not intended to create a joint venture, partnership or association between the Parties. The Parties intend that the transactions set forth in this Purchase Agreement shall be treated for income tax purposes as a prepaid forward contract and not as indebtedness, and each Party agrees to report these transactions on its income tax returns in a manner consistent with such intention and to pay any applicable taxes in a similar fashion. This Purchase Agreement

creates rights and obligations on the part of each of the Parties. The Parties intend that any rights or obligations created as a consequence of this Purchase Agreement shall terminate (within the meaning of Section 1234A of the IRC) upon Buyer's receipt of the full Investment Return pursuant to this Purchase Agreement. To the maximum extent permitted by law, the payment of the Investment Return shall be treated as the disposition of any assets created or transferred to Buyer as a result of this Purchase Agreement.

12. *Miscellaneous*

- a. This Purchase Agreement may be amended, waived or modified only upon the written consent of the Seller and the Buyers who are holders of a majority, in the aggregate, of the amount of Purchase Price paid to the Seller outstanding at the time of such amendment, waiver or modification.
- b. Each Buyer hereby agrees that, if any amendment, waiver or modification of this Purchase Agreement is (A) approved by the written consents required for such amendment, waiver or modification under the preceding clause "(a)" (i.e., approved by the written consent of the Seller and the holders of a majority of the amount of Purchase Price paid), each Buyer shall promptly (and in any event within thirty days of the Seller's written request (accompanied by the relevant written consent of other Buyers)) execute and deliver to the Seller such amendment or a written agreement setting forth such waiver or modification.
- c. Each Buyer hereby constitutes and appoints as the proxies of such Buyer, and hereby grants a power of attorney to: (A) the Law Firm, and (B) the directors and officers of the Seller, and each of them, with full power and substitution, to execute any amendment, modification or waiver the Buyer is required to execute pursuant to the preceding clause "(a)(i)" and fails to deliver within the period of time required by the preceding clause "(a)(i)". Each of the proxy and power of attorney granted in this clause "(a)(i)" is being given in consideration of the agreements and covenants of the parties in connection with the transactions contemplated by this instrument and, as such, each is coupled with an interest, secures the proprietary interest of such donee and the performance of obligations owed to such donee and shall be irrevocable until this instrument terminates pursuant to its terms or is amended to remove or terminate the proxy and power of attorney. Each Buyer hereby revokes any and all previous proxies or powers of attorney with respect to the matters contemplated herein that may conflict or be inconsistent with the foregoing provisions and shall not hereafter, until this instrument terminates pursuant to its terms or is amended to remove or terminate the proxy and power of attorney, grant, or purport to grant, any other proxy or power of attorney which may conflict or be inconsistent with the foregoing provisions.
- d. Upon the Final Determination, if no Litigation Proceeds are payable in connection therewith or the expiry of the Holdback Period, this Purchase Agreement shall automatically terminate and be of no further force or effect.
- e. Seller shall not be liable or responsible to the Buyers, nor be deemed to have defaulted under or breached this Purchase Agreement, in each case, for any failure or delay in fulfilling or performing Section 4(a), 5, or 6(f) of this Purchase

Agreement, if and to the extent that such failure or delay is caused by, or results from, acts beyond the affected party's reasonable control, including, without limitation: (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, or other civil unrest; (d) applicable law or regulations; (e) action by any Governmental Authority; or (f) technological changes or malfunctions (including changes imposed by platforms or networks on which applications related to the ILO Tokens and the Avalanche network would be made available).

- f. Seller hereby acknowledges and consents to all terms set forth in this Agreement and hereby waives its right to raise any objection thereto and consents to the substitution of Seller by Buyers for all purposes with respect to the Transferred Interest, including, without limitation, for distribution purposes with respect to the Transferred Interests. In connection herewith, Seller will execute and deliver to Buyers an assignment of the Transferred Interest substantially in the form attached hereto as Exhibit B.

- g. In the event any one or more of the terms or provisions of this instrument is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the terms or provisions of this instrument operate or would prospectively operate to invalidate this instrument, then such term(s) or provision(s) only will be deemed null and void and will not affect any other term or provision of this instrument and the remaining terms and provisions of this instrument will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

(Signature page follows)

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed and delivered.

APOTHIO, LLC

By: /s/ Trent Jones

Name: Trent Jones

Title: CEO

Address: 74 S Bellerive Dr., Peru IN 46970

Email: drtjones@comcast.net

BUYER

By: [/s/Investor signature]

Name: [Investor name]

Purchase Price [\$US investment amounts]

Buyer's Avalanche
Address: _____

Email:

SCHEDULE I

The “Investment Return” shall mean:

- **200% (2x)** of the Purchase Price if a recovery occurs between **0 and 12 months** from the Closing Date. For example, if the Purchase Price is **\$100 (i.e. 100 ILO Tokens)**, the Buyer shall be entitled to receive **\$200 (or \$200 in USD, or digital equivalent, such as USDC)**.
- **250% (2.5x)** of the Purchase Price if a recovery occurs between **12 and 24 months** from the Closing Date. For example, if the Purchase Price is **\$100 (i.e. 100 ILO Tokens)**, the Buyer shall be entitled to receive **\$250 (or \$250 in USD, or digital equivalent, such as USDC)**.
- **300% (3x)** of the Purchase Price if a recovery occurs between **24 and 36 months** from the Closing Date. For example, if the Purchase Price is **\$100 (i.e. 100 ILO Tokens)**, the Buyer shall be entitled to receive **\$300 (or \$300 in USD, or digital equivalent, such as USDC)**.
- **350% (3.5x)** of the Purchase Price if a recovery occurs at any point after **36 months** from the Closing Date. For example, if the Purchase Price is **\$100 (i.e. 100 ILO Tokens)**, the Buyer shall be entitled to receive **\$350 (or \$350 in USD, or digital equivalent, such as USDC)**.

In the event that the Litigation Proceeds are not sufficient to pay the Investment Return in full, Buyer shall be entitled to its pro rata portion of the Investment Return. By way of illustration, in the following example, the Litigation Proceeds are not sufficient to pay the Investment Return in full. This means that while Buyers are entitled to 300% returns, only 200% will be payable by Seller to Buyers after the payment of Litigation Proceeds and Claims Expenses.

For example, if

- \$5 million was invested pursuant to the Investment Documents in the Offering;
- The Buyer’s Purchase Price is \$1,000;
- The Litigation settles for under \$100 million;
- The Litigation Proceeds are \$18 million;
- The Claims Expenses are \$1 million; and
- The recovery happens 25 months after the Closing Date;

Then

- The Contingency Fee shall be ~\$6 million (*i.e.* ~33% of \$18 million).
- The Claims Expenses shall be \$1 million.
- Buyer’s entitlement to Litigation Proceeds is *pari passu* with the other buyers in the Offering and Buyer shall receive a pro rated payment out of the remaining \$11 million (*i.e.* 200% return shall be payable on each buyer’s Purchase Price as opposed to 300%).
- Therefore, Buyer shall be entitled to \$2,000 in USD, or digital equivalent such as USDC, in full satisfaction of Seller’s obligations hereunder.

EXHIBIT A

LETTER OF INSTRUCTION TO LAW FIRM

[insert date]

Roche Freedman LLP
99 Park Avenue, Suite 1910
New York, NY 10016

Re: Letter of Instruction

Ladies and/or Gentleman:

Apothio LLC (“Seller”) hereby advises Roche Freedman LLP (“Law Firm”) that Seller has simultaneously entered into those certain Claim Participation Agreements dated as of even date herewith with the buyers party thereto (collectively, the “Buyers”) in substantially the form attached hereto as Exhibit A (the “Purchase Agreement”). Capitalized terms used in this letter shall have the meanings given to them in the Purchase Agreement. This letter constitutes Seller’s Letter of Instruction to Law Firm. This Letter of Instruction is irrevocable, and may not be changed or revoked.

Seller hereby directs Law Firm that all Litigation Proceeds shall be made payable to or wire transferred into the Proceeds Account. Law Firm shall maintain the Proceeds Account for the benefit of the Buyers reserve an amount equal to the Investment Return payable to the Buyers together with a reserve for any fees and expenses in relation thereto until the expiry of the Holdback Period, as set forth in the Purchase Agreement. Law Firm shall and shall refrain from distributing such funds during the Holdback Period, but shall distribute the balance of the account to the Seller as promptly as possible upon the expiry thereof.

[insert Apothio signature]

EXHIBIT B

ASSIGNMENT OF TRANSFERRED INTEREST

For value received, the adequacy and sufficiency of which are hereby acknowledged, **Apothio LLC** (“Seller”) hereby unconditionally and irrevocably sells, transfers and assigns to the Purchasers under that certain Claim Participation Agreement dated as of even date herewith (the “CPA”) all of its right, title and interest in and to the Transferred Interest, arising under or in connection with its Claims. Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the CPA.

Seller hereby acknowledges and consents to all of the terms set forth in the CPA and hereby waives its right to raise any objections thereto. Seller acknowledges and understands, and hereby stipulates, that an order of the court may be entered without further notice to Seller transferring to Buyers the foregoing Transferred Interest and recognizing the Buyers as the sole owners and holders of the Transferred Interest. Seller further agrees that all further notices relating to the Transferred Interest, and all payments or distributions of money or property in respect of Transferred Interest, shall be delivered or made to the Buyers.

IN WITNESS WHEREOF, THIS ASSIGNMENT IS EXECUTED THIS DAY OF _____
2021.

[insert Apothio signature]

Agreed and Acknowledged:

[insert Roche Freedman signature]