

# Subscription Agreement for Prequel LLC

THE INTERESTS OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ANY SALE OF INTERESTS IS MADE IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION AND QUALIFICATION AS PROVIDED IN THE SECURITIES ACT AND APPLICABLE STATE LAW. THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAS ANY REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS SUBSCRIPTION AGREEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD, EXCEPT AS PERMITTED UNDER THIS AGREEMENT, THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION, QUALIFICATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE INTERESTS ARE SPECULATIVE SECURITIES AND INVOLVE A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS NOT WILLING AND ABLE TO RISK THE COMPLETE LOSS OF THEIR INVESTED CAPITAL MUST NOT CONSIDER PURCHASING THE INTERESTS.

## **Payment Transfer Information**

*Name: Eagle Bank, Escrow Agent, in reference to Prequel LLC*

*Account: 5310228956*

*Routing No.: 055003298*

# PREQUEL LLC

## SUBSCRIPTION AGREEMENT

**THIS SUBSCRIPTION AGREEMENT** (this “Agreement”) is entered into by and between **Prequel LLC**, a District of Columbia limited liability company (the “Company”), and **the undersigned** (the “Subscriber” or “you”) as of \_\_\_\_\_, 2015. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Company’s operating agreement (the “Operating Agreement”) which, together with the information contained on prequeldc.com/projects/prequel, this Agreement and DC Form EO1 form the basis of this investment opportunity (the “Investment Package”).

WHEREAS, the Subscriber wishes to subscribe for and purchase a membership interest in the Company as set out under the Subscriber’s signature on the signature page below (the “Interest”).

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **1. Subscription for Interest.**

1.1 Agreement to Sell and Purchase. Subscriber hereby agrees to purchase from the Company, and the Company hereby agrees to issue to the Subscriber the Interest, subject to the terms and conditions set forth in this Agreement.

1.2 Consideration. In consideration of the issuance of the Interest, Subscriber agrees to pay the Company the amount set out under the Subscriber’s signature on the signature page (the “Consideration”). The Subscriber understands that the Consideration is payable with the execution and submission of this Agreement, and accordingly, is submitting herewith to the Company the Consideration.

### **2. Closing.**

2.1 Closing Date. The purchase and sale of the Interest shall occur at a time, date, and place designated by the Company; provided, however, that in no event shall the Closing occur more than 180 days after the execution of this Agreement (“Closing”). If the Subscriber does not indicate an intention to rescind the investment prior to the Closing, the Company will assume that, upon Closing, the Subscriber still intends for the investment to be made.

2.2 Rejection of Subscription. At or before the Closing, the Company may, in its sole discretion and for any reason, elect not to accept the subscription of Subscriber, in whole or in part. If the Company rejects such subscription, the Company shall refund to Subscriber all funds submitted by Subscriber to the Company in connection with such rejected subscription. For the avoidance of doubt, the Subscriber will not receive any interest on funds submitted to the Company but subsequently refunded. The Subscriber may not revoke the Agreement, and the Subscriber may not cancel, terminate or revoke this Agreement, which shall be binding upon the

Subscriber, and the Subscriber's heirs, trustees, beneficiaries, executors, personal or legal administrators or representatives, successors, transferees and assigns and, in the case of an individual, shall survive his death or disability.

2.3 Default. If Subscriber fails to perform his obligations hereunder within five days after receipt of notice by the Company to Subscriber of such failure, the Company may, at its sole option: (a) if such failure occurs prior to the Closing, refuse to issue the Interest to Subscriber; or (b) if such failure occurs after the Closing, result in the reversion of all rights, title and interest in the Interest to the Company and a rescission of the transactions contemplated hereby.

2.4 Obligations of Subscriber. At the Closing, Subscriber shall execute such other documents as are deemed by the Company to be appropriate, advisable or necessary to consummate the transactions contemplated hereby and thereby.

### **3. Representation and Warranties of Subscriber.**

Subscriber hereby represents and warrants to the Company as follows:

3.1 Authority. If a natural person, the undersigned is 18 years of age or over and has the requisite power and authority to deliver this Agreement and to make an investment in the Company as herein contemplated. If a corporation, limited liability company, partnership, trust or other entity, the Subscriber is authorized, empowered and qualified to execute this Agreement and to make an investment in the Company as herein contemplated. This Agreement and the Operating Agreement are valid, binding and enforceable against the Subscriber in accordance with their respective terms and conditions.

3.2 No Conflicts. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, violate any terms of any material contractual restriction or commitment of any kind or character to which Subscriber is a party or by which Subscriber is bound.

3.3 Representations. At no time has it been expressly or implicitly represented, guaranteed or warranted to the Subscriber that (i) a percentage of profit or other gain will be realized as a result of this investment or (ii) any cash distributions from the Company's operations will be made at all.

3.4 Risk of Loss. Subscriber is able to bear the substantial economic risks of an investment in the Company and to sustain a complete loss of such investment. Subscriber recognizes that the acquisition of the Interest involves a high degree of risk and has carefully read and acknowledged the risk factors enclosed in the Investment Package. Subscriber has adequate net worth and means of providing for his current needs and possible personal contingencies and has no need for liquidity in this investment. Subscriber's commitment to investments which are not readily marketable is not disproportionate to his net worth and his acquisition of the Interest will not cause his overall commitment to such investments to become excessive. The Subscriber is aware and understands that: (a) the Company has no financial or operating history, (b) no federal, state, local or foreign agency has passed upon the Interests or made any finding or determination as to the fairness of this investment, (c) the Subscriber is not

entitled to cancel, terminate or revoke this subscription or any of the powers conferred herein, and (d) any forecasts or predictions as to the Company's performance are based on estimates, assumptions and forecasts that the Company believes to be reasonable but that may prove to be materially incorrect, and no assurance is given that actual results will correspond with the results contemplated by the various forecasts.

3.5 Access. Subscriber acknowledges that the Company's Investment Package (including, without limitation, the Company's Operating Agreement) has been delivered to the Subscriber via email or through prequeldc.com, and the Subscriber has carefully read, reviewed and is familiar with the Investment Package. Counsel and accountants for Subscriber, and Subscriber himself, have had the opportunity to obtain any additional information necessary to verify the accuracy of the contents of the documents presented to them, and to confer with and to ask questions of, and receive answers from, representatives of the Company or persons authorized to act on its behalf concerning the terms and conditions of this investment and any additional information requested by Subscriber or his representatives. In evaluating the suitability of this investment in the Company, Subscriber has not relied upon any representations or other information (whether oral or written) other than this Agreement and the Investment Package.

3.6 DC Resident and status. The Subscriber is a resident of the District of Columbia and is not investing more than any applicable maximum investment limits under the District of Columbia-Only Securities Offerings Exemption, as set out in 26-B DCMR §§ 250 – 256. The Subscriber agrees to provide any additional documentation the Company may reasonably request, or as may be required by the securities administrators or regulators of any state or federal authority, to confirm that the Subscriber meets any applicable minimum financial suitability standards and has satisfied any applicable maximum investment limits.

3.7 Acceptance of Operating Agreement. Subscriber has received, and Subscriber accepts and adopts each and every provision of, the Operating Agreement and shall become a party to the Operating Agreement as a member of the Company simultaneously with the Subscriber's execution of this Agreement. When executed by the Company, the Operating Agreement shall be binding upon the Subscriber as at the date of the Operating Agreement.

3.8 Holding and selling the Securities. The Subscriber understands that the Interest (i) is not registered under the Securities Act or any state securities laws, (ii) is being offered and sold in reliance upon federal and state exemptions, and (iii) cannot be sold, assigned, transferred, pledged, mortgaged, hypothecated, collaterally assigned, gifted, donated, exchanged, or otherwise disposed of or encumbered unless such Interest is registered under the Securities Act and all applicable state securities laws or unless an exemption from such registration is available and consent of the Company is obtained in accordance with the Operating Agreement or the Interest is redeemed by the Company in accordance with the Operating Agreement. Pursuant to 17 CFR 230.147, re-sales of the Interests are permitted within nine (9) months of Closing, provided that (i) such re-sales are made only to residents of the District of Columbia (as verified by the Company) and (ii) consent of the Company is obtained in accordance with the Operating Agreement. The use of such exemptions is partly based upon the representations and warranties made by the Subscriber in this Agreement.

3.9 Intentionally left blank.

3.10 Investment Intent. The Interest is being acquired by Subscriber for the account of Subscriber, for investment purposes only, and not with a view to, or in connection with, any resale or distribution thereof. The Subscriber has no contract, undertaking, understanding, agreement or arrangement, formal or informal with any person or entity to sell, transfer or pledge to any person or entity all or any part of the Interest, any interest therein or any rights thereto, and Subscriber has no present plans to enter into any such contract, undertaking, agreement or arrangement.

3.11 Reliance on Representations. Subscriber understands that no federal or state agency has passed on or made any recommendation or endorsement of the Interests. Subscriber further understands that the Company, in offering the Interests for sale to Subscriber, is relying on the truth and accuracy of the representations, declarations, information and warranties made by Subscriber herein and in the investor suitability questionnaire completed, executed and delivered by Subscriber to the Company contemporaneously herewith.

3.12 No Registration. Subscriber acknowledges that, because the Interests have not been registered under the Act of 1933 (the "Securities Act"), and because the Company has no obligation to affect such registration, Subscriber shall continue to bear the economic risk of his investment in the Interest for an indefinite period. Subscriber also understands that the Company has not been registered under the United States Investment Company Act of 1940, as amended or the Securities Exchange Act of 1934 as amended, or any other federal or state law. In addition, the Subscriber understands that the Manager is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended.

3.13 Restrictions on Transfer. Subscriber agrees that he will not sell or otherwise transfer the Interest other than in accordance with the terms and conditions of the Operating Agreement. It is understood that the Interest cannot be liquidated easily, that no public or other market exists for the Interest. Subscriber is aware that, because the Interest has not been registered under the Securities Act or applicable state securities laws, any resale inconsistent with the Securities Act or applicable state securities laws may create liability on Subscriber's part or the part of the Company, and agrees not to assign, sell, pledge, transfer or otherwise dispose of the Interest unless it is registered under the Securities Act and applicable state securities laws, or an opinion of counsel satisfactory to the Company is given to the Company that such registration is not required.

3.14 Sophistication. Subscriber possesses a sufficient degree of sophistication, knowledge, and experience in financial and business matters such that he is capable of evaluating the merits and risks of acquiring the Interest and the purchase of the Interest by the Subscriber is consistent with the general investment objectives of the Subscriber.

3.15 No Oral Representations. No person representing the Company or purporting to do so has made any oral representation or warranty to Subscriber which is inconsistent with the information provided in writing to him. Subscriber agrees that he has not relied and shall not rely on any such representation or warranty in connection with any decision to acquire the Interest.

3.16 Anti Money Laundering. The Company and the Manager’s intent is to comply with all applicable federal, state and local laws designed to combat money laundering and similar illegal activities, including the provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “PATRIOT Act”). Capitalized terms in this section 3.16 not otherwise defined in this Agreement shall have the meaning set out in the PATRIOT Act. Subscriber hereby represents, covenants, and agrees that, to the best of Subscriber’s knowledge based on reasonable investigation:

(a) None of the Subscriber’s funds tendered for the Purchase Price, nor any future capital contributions to the Company, whether payable in cash or otherwise (collectively, “Capital Contributions”), shall be derived from money laundering or similar activities deemed illegal under federal laws and regulations.

(b) To the extent within the Subscriber’s control, none of the Subscriber’s Capital Contributions to the Company will cause the Company or any of its personnel to be in violation of federal anti-money laundering laws, including without limitation the Bank Secrecy Act (31 U.S.C. 5311 et seq.), the United States Money Laundering Control Act of 1986 or the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, and any regulations promulgated thereunder.

(c) When requested by the Company, the Subscriber will provide any and all additional information, and the Subscriber understands and agrees that the Company may release confidential information about the Subscriber and, if applicable, any underlying beneficial owner or Related Person to U.S. regulators and law enforcement authorities, deemed reasonably necessary to ensure compliance with all applicable laws and regulations concerning money laundering and similar activities. The Company reserves the right to request any information as is necessary to verify the identity of the Subscriber and the source of any Capital Contributions. In the event of delay or failure by the Subscriber to produce any information required for verification purposes, the subscription by the Subscriber may be refused.

(d) Neither the Subscriber, nor any person or entity controlled by, controlling or under common control with the Subscriber, any of the Subscriber’s beneficial owners, any person for whom the Subscriber is acting as agent or nominee in connection with the Purchase nor, in the case of an Subscriber which is an entity, any Related Person is:

(i) a Prohibited Investor;

(ii) a Senior Foreign Political Figure, any member of a Senior Foreign Political Figure’s “immediate family,” which includes the figure’s parents, siblings, spouse, children and in-laws, or any Close Associate of a Senior Foreign Political Figure, or a person or entity resident in, or organized or chartered under, the laws of a Non-Cooperative Jurisdiction;

(iii) a person or entity resident in, or organized or chartered under, the laws of a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the PATRIOT Act as warranting special measures due to money laundering concerns; or

(iv) a person or entity who gives Subscriber reason to believe that its funds originate from, or will be or have been routed through, an account maintained at a Foreign Shell Bank, an “offshore bank,” or a bank organized or chartered under the laws of a Non-Cooperative Jurisdiction.

(e) The Subscriber hereby agrees to immediately notify the Company if the Subscriber knows, or has reason to suspect that any of the representations in this Section have become incorrect or if there is any change in the information affecting these representations and covenants.

(f) The Subscriber agrees that, if at any time it is discovered that any of the foregoing anti-money laundering representations are incorrect, or if otherwise required by applicable laws or regulations, the Company may undertake appropriate actions, and the Subscriber agrees to cooperate with such actions, to ensure compliance with such laws or regulations, including, but not limited to segregation and/or redemption of the Subscriber's interest in the Company.

3.17 Employee Benefit Plans. The Subscriber represents and warrants that no part of the funds used by the Subscriber to acquire the Interest constitutes assets of any "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or other "benefit plan investor" (as defined in U.S. Department of Labor Regulation Section 2510.3-101 *et seq.*, as amended), or assets allocated to any insurance company separate account or general account in which any such employee benefit plan or benefit plan investor (or related trust) has any interest, and (b) the Company did not act as a "fiduciary" within the meaning of Section 3(21) of ERISA with respect to the purchase of the Interests by the Subscriber.

3.18 Independent advice. The Subscriber has secured the advice of its legal counsel, accountants or other financial advisors with respect to an investment in the Company and the terms of the Investment Package, including the Operating Agreement and this Agreement.

3.19 Execution on Behalf of Certain Entities. If this Agreement is executed on behalf of a partnership, trust, corporation or other entity, the undersigned has been duly authorized to execute and deliver this Agreement and all other documents and instruments (if any) executed and delivered on behalf of such entity in connection with this subscription for the Interest.

3.20 Indemnification. Subscriber acknowledges that Subscriber understands the meaning and legal consequences of the representations and warranties contained in this Agreement, and hereby agrees to indemnify and hold harmless the Company and any affiliate of the Company, and the officers, members, managers, associates, agents and employees of the Company and their affiliates, and any professional advisers to any of the above parties, from and against any and all loss, damage or liability (including costs and reasonable attorneys' fees) due to or arising out of (i) a breach of any representation, warranty or acknowledgement of Subscriber, (ii) failure to fulfill any obligation of Subscriber, whether contained in this Agreement or in any other document completed as part of the sale of the Interest to Subscriber, (iii) Subscriber's wrongful acts, omissions and presentations or (iv) arising out of the sale or distribution by Subscriber of any securities in violation of the Securities Act or any applicable state securities laws. Notwithstanding any of the representations, warranties, acknowledgements or agreements made herein by Subscriber, Subscriber does not hereby or in any other manner waive any rights granted to him under federal or state securities laws.

3.21 Subject to Operating Agreement. The Interest subscribed for herein shall at all times be subject to the terms of the Operating Agreement.

3.22 Confidentiality. Subscriber hereby agrees, on behalf of himself and his designated representative, if any, to keep confidential at all times any nonpublic information which such persons may acquire concerning the Company pursuant to this Agreement or otherwise (including information contained in the Operating Agreement). Nothing in this Section 3.22 shall be construed to impose a confidentiality obligation on such persons in connection with (a) any information already possessed by such persons which such persons acquired from sources other than the Company, or (b) any matter which is at the date of this Agreement, or thereafter becomes, public knowledge through no act or failure to act by the undersigned or designated representatives of Subscriber.

3.23 Survival. The foregoing representations and warranties of Subscriber shall survive the Closing. Subscriber represents and warrants that the representations, warranties and acknowledgements set forth above are true and accurate as of the date hereof and as of the Closing. If in any respect such representations and warranties shall not be true prior to the Closing, the undersigned will give prompt written notice of such fact to the Company.

#### 4. **Representations and Warranties of the Company.**

The Company hereby represents and warrants to the Subscriber as follows:

4.1 Company Status. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the District of Columbia, having full power and authority to own its properties and to carry on its business as conducted.

4.2 Authority. The Company has the requisite power and authority to deliver this Agreement, perform its obligations herein and consummate the transactions contemplated hereby. The Company will, if the Subscription is accepted, by the time of closing, have duly executed and delivered this Agreement and obtained the necessary authorization to execute and deliver this Agreement and to perform its obligations herein and to consummate the transactions contemplated hereby. This Agreement, assuming the due execution and delivery hereof by the Subscriber, is a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

4.3 Interests. The Interest to be issued to the Subscriber pursuant to this Agreement, when issued and delivered in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and non-assessable.

4.4 Accuracy of information. All information provided by the Company to the Subscriber in connection with the purchase of the Interest is complete and accurate in all material respects.



## 5. General.

5.1 Governing Law. This Agreement will be construed in accordance with and governed by the laws of the District of Columbia, without giving effect to the conflict of law principles of the District of Columbia.

5.2 Successors and Assigns. Except as otherwise expressly provided in this Agreement, this Agreement will be binding on, and will inure to the benefit of, the successors and permitted assigns of the parties to this Agreement. Nothing in this Agreement is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights or obligations under or by reason of this Agreement, except as expressly provided in this Agreement.

5.3 Notifications. All notices and communications to be given or otherwise made to either the Company or the Subscriber shall be deemed to be sufficient if sent by electronic mail to such address as set forth for the Subscriber at the records of the Company. You shall send all notices or other communications required to be given hereunder to the Company via email at prequel@equityeats.com. Any such notice or communication shall be deemed to have been delivered and received on the first business day following that on which the electronic mail has been sent (assuming that there is no error in delivery). As used in this Section, “business day” shall mean any day other than a day on which banking institutions in the District of Columbia are legally closed for business. The Subscriber hereby agrees that the Company may deliver by electronic mail all notices, financial statements, tax reports, valuations, reports, reviews, analyses or other materials, and all other documents, information and communications concerning the affairs of the Company and its investments including (without limitation) information about the Interest.

5.4 Severability. In the event that any provision of this Agreement is held to be unenforceable under applicable law, this Agreement will continue in full force and effect without such provision and will be enforceable in accordance with its terms.

5.5 Construction. The titles of the sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless the context of this Agreement clearly requires otherwise: (a) references to the plural include the singular, the singular the plural, and the part the whole, (b) references to one gender include all genders, (c) “or” has the inclusive meaning frequently identified with the phrase “and/or,” (d) “including” has the inclusive meaning frequently identified with the phrase “including but not limited to” or “including without limitation,” and (e) references to “hereunder,” “herein” or “hereof” relate to this Agreement as a whole. Any reference in this Agreement to any statute, rule, regulation or agreement, including this Agreement, shall be deemed to include such statute, rule, regulation or agreement as it may be modified, varied, amended or supplemented from time to time.

5.6 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements and understanding other than this Agreement relating to the subject matter hereof.

5.7 Amendment and Waiver. This Agreement may be amended only by a written agreement executed by the parties hereto. No provision of this Agreement may be waived except by a written document executed by the party entitled to the benefits of the provision. No waiver of a provision will be deemed to be or will constitute a waiver of any other provision of this Agreement. A waiver will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver.

5.8 Breach of Confidentiality. The parties hereto hereby agree and acknowledge that a breach of Section 3.22 of this Agreement would result in severe and irreparable injury to the other party, which injury could not be adequately compensated by an award of money damages, and the parties therefore agree and acknowledge that they shall be entitled to injunctive relief in the event of any breach of any material term, condition or provision of Section 3.22 of this Agreement, or to enjoin or prevent such a breach, including without limitation an action for specific performance hereof, and the parties hereby irrevocably consent to the issuance of any such injunction. The parties further agree that no bond or surety shall be required in connection therewith.

5.9 Counterparts; Electronic Delivery. This Agreement, and any other documents or instruments contemplated hereunder or entered into pursuant hereto, may be executed in two or more counterparts, each of which shall be deemed an original, and all of which, when assembled, shall constitute one and the same document. The signature of any party to any counterpart of this Agreement or such other instrument shall be deemed a signature to, and may be appended to, any other counterpart hereof (or thereof). Delivery of an executed counterpart of this Agreement (or any such other instrument) may be delivered electronically, including by facsimile transmission and/or by e-mail delivery of a .PDF scan of such counterpart, and the same shall constitute good and valid execution and delivery for all purposes.

*[The remainder of this page has been intentionally left blank.]*

IN WITNESS WHEREOF, the undersigned have executed this Subscription Agreement as of the date first written above.

COMPANY: Prequel LLC

By its Manager, EquityEats, Inc.



By:  
Name: Andrew Harris  
Title: Officer

SUBSCRIBER:

\_\_\_\_\_  
Name:

Address:

Amount of membership Interest: \_\_\_\_\_

(this shall be \$100, \$300, \$500, \$1,000, \$2,500, \$5,000, \$10,000, \$25,00, \$50,000, \$100,000 or \$200,000)