

AGREEMENT NUMBER: \_\_\_\_\_

**SUBSCRIPTION AGREEMENT  
FOR  
PEOPLE'S COMMUNITY MARKET  
PREFERRED STOCK OFFERING**

This Subscription Agreement (this "**Agreement**") is made and entered into as of \_\_\_\_\_ (the "**Effective Date**") by and among People's Community Market, Inc., a California corporation (the "**Company**"), and You, the undersigned investor ("**Investor**").

1. Subscription. Investor hereby subscribes for and agrees to purchase shares ("**Shares**") of the Company's Series A Preferred Stock (the "**Preferred Stock**"), subject to the terms and conditions set forth in this Agreement.

In order to purchase Shares, Investor must:

- a. Complete this Agreement;
- b. Provide payment by check, money order, credit card or debit card for the full purchase price for the number of Shares subscribed. Payment must be provided within ten (10) business days from the date of execution of this agreement. Payment by credit card or debit card can be made at the Company's website. Payment by check or money order should be made payable to People's Community Market and mailed to the following address:

|            |   |
|------------|---|
| Company:   | People's Community Market                         |
| Address:   | 1814 Franklin St., Suite 800<br>Oakland, CA 94612 |
| Attention: | Brahm Ahmadi                                      |

2. Minimum Subscription Amount. The minimum subscription amount shall be as follows:

- a. For each person who qualifies as an "**Accredited Investor**"<sup>1</sup> (as that term is defined in the 1933 Securities Act), the minimum subscription amount shall be five thousand dollars (\$5,000);
- b. For each person who does not qualify as an Accredited Investor (i.e., an "**Unaccredited Investor**"), the minimum subscription amount shall be one thousand dollars (\$1,000).

---

<sup>1</sup> An Accredited investor generally is defined as (A) a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person; or (B) a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or (C) a trust, a charitable organization, corporation, or partnership with assets exceeding \$5 million. For a complete definition of "accredited investor" please see Rule 501 of Regulation D promulgated under the Securities Act of 1933.

3. Company's Right to Accept or Reject Subscriptions. The Company may accept or reject any subscription, in whole or in part. This means that the Company may sell to Investor a smaller number of Shares than Investor subscribes to purchase or may choose not to sell any Shares to Investor. If the Company accepts Investor's subscription, in whole or in part, this Agreement will constitute an irrevocable commitment by the Investor to purchase Shares of the Preferred Stock at two dollars (\$2.00) per share, and a copy of this Agreement will be executed by the Company and returned to Investor. If the Company rejects Investor's subscription in whole or in part, the Company will return the payment tendered for any unissued portion of the subscription.

4. Representations, Warranties, and Covenants of the Investor. Investor represents and warrants to, and covenants with, the Company that:

a. Acknowledgment. Investor acknowledges that Investor has received a copy of and has read the offering memorandum related to the offering of the Shares, including the Company's articles of incorporation currently in effect and all other exhibits thereto (the "**Offering Memorandum**"), and Investor fully understands the risks involved with an investment in the Company and fully understands the rights, preferences, and privileges associated with the Preferred Stock as described in the articles of incorporation.

b. California Resident. Investor represents that (i) if Investor is an individual, he or she resides in the state of California; and (ii) if the Investor is an entity, then the office in which its investment decision was made is located in the state of California.

c. Suitability. Investor represents that Investor meets the suitability requirements for the offering described in Section 15.2 of the Offering Memorandum.

d. Evaluate Risks. Investor has the requisite knowledge to assess the relative merits and risks of this investment, or has relied upon the advice of Investor's professional advisors with regard to an investment in the Company. Investor acknowledges that the Company has made available to it the opportunity to ask questions of and receive answers from the Company's officers and directors concerning the terms and conditions of this Agreement and the business and financial condition of the Company, and Investor has received to its satisfaction, such information about the business and financial condition of the Company and the terms and conditions of this Agreement as it has requested.

e. Investor Advised to Seek Representation. Investor understands that nothing in this Agreement or any other materials presented to Investor in connection with the purchase and sale of Shares constitutes legal, tax, or investment advice. The Company has advised Investor to consult with such legal, tax, and investment advisors as Investor, in its sole discretion, deems necessary or appropriate in connection with its purchase of Shares.

f. Limitations on Transfers. Investor will not, directly or indirectly, offer, sell, pledge, transfer, or otherwise dispose of (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of) any Shares except in compliance with this Agreement, the Company's articles of incorporation, any applicable state and federal securities laws, and the respective rules and regulations promulgated thereunder.

i. Investor acknowledges that the Shares will be imprinted with the following legends that prohibit their transfer except in accordance therewith:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS. WITHOUT LIMITING THE FOREGOING, DURING THE PERIOD IN WHICH SECURITIES THAT ARE PART

OF THE SAME ISSUE AS THE SHARES REPRESENTED BY THIS CERTIFICATE ARE BEING OFFERED AND SOLD BY THE ISSUER OF THE SHARES REPRESENTED BY THIS CERTIFICATE, AND FOR A PERIOD OF NINE MONTHS FROM THE DATE OF THE LAST SALE OF SUCH SECURITIES BY SUCH ISSUER, ALL RESALES OF THE SHARES REPRESENTED BY THIS CERTIFICATE, BY ANY PERSON, SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN THE STATE OF CALIFORNIA.”

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE SUBSCRIPTION AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS, AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

“IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFORE, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF THE DEPARTMENT OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER’S RULES.”

ii. Investor understands that, during the period in which the Company is offering and selling securities that are part of the same issue as the Shares and for a period of nine (9) months thereafter, all resales of the Shares, by Investor or any other person, shall be made only to persons resident within the state of California.

iii. No transfer of Shares may be made to a person or entity that is a competitor or potential competitor of the Company, without the express written consent of the Company, which the Company may refuse to provide in its sole discretion.

iv. Investor acknowledges that, to ensure compliance with the restrictions set forth herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records. In addition, the Company shall not be required (x) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (y) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so sold or transferred.

g. No Finder’s Fee. Each party represents that neither it nor any of its officers, directors, managers, partners, employees, representatives, or agents, either is, or will be obligated for any finder’s or broker’s fee or commission in connection with this transaction. Investor agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finders’ or broker’s fee (and any asserted liability as a result of the performance of services of any such finder or broker) for which Investor or any of its officers, directors, managers, partners, employees, agents, or representatives may be responsible.

h. Complete Information. All information provided by Investor to the Company in connection with the purchase of Shares is true, correct and complete as of the date set forth hereof, and if there should be any change in such information, Investor will immediately provide the Company with such information. Investor is not subject to backup withholding of interest or dividends by the Internal Revenue Service.

i. Authority; Binding Agreement. Investor represents and warrants to, and covenants with, the Company that (i) Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the

execution, delivery, and performance of this Agreement, and (ii) this Agreement constitutes a valid and binding obligation of Investor enforceable against the Investor in accordance with its terms, except as enforceability may be limited by applicable law.

j. Indemnity. Investor agrees to indemnify and hold harmless the Company and its officers and directors for any claims, judgments, or expenses incurred as a result of any misrepresentation made by Investor.

5. California Regulatory Statement. This Subscription is made pursuant to, and is subject to, the terms and conditions of the qualification approved by the Commissioner of the Department of Business Oversight of the State of California for People's Community Market, Inc. under date of January 30, 2016.

6. Company's Right of First Refusal for Transfers to Third Parties.

a. Notice of Proposed Transfer to the Company. In the event that Investor proposes to sell, transfer, gift, pledge, assign, distribute, encumber, or make any other disposition of the Shares or any interest therein to any third party other than through inheritance or through transfer to a controlled affiliate of Investor (the "**Transfer**"), then Investor shall first notify the Company in writing (the "**Transfer Notice**"), setting forth in reasonable detail the terms and conditions of the proposed Transfer of such Shares (which must be for cash or other consideration with readily ascertainable cash value) and the identity of the intended transferee and shall offer the Shares to the Company on the same terms and conditions.

b. Company Right to Purchase Shares. Within thirty (30) days after receipt of the Transfer Notice from Investor, the Company (or its assignee(s)) may elect to purchase some or all of the Shares offered in the Transfer Notice, at the price and on the terms specified in the Transfer Notice. Such right to purchase shall be exercised by written notice from the Company delivered or mailed to the Investor, which notice shall specify the number of shares elected to be purchased.

c. Company's Assignees. The Company may assign this Right of First Refusal to any of its Investors and/or shareholders, at its discretion.

d. Non-Compliance. Any Transfer by an Investor without strict compliance with the terms, provisions, and conditions of this Section 6 and the other terms, provisions, and conditions of this Agreement, shall be null and void and of no force and effect.

7. Annual Store Credit. For so long as Investor holds all shares of Preferred Stock originally purchased by Investor prior to the end of the seventh (7<sup>th</sup>) full year of business operations of the Company (the "Redemption Start Date"), for any calendar year in which the Company conducts business operations, Investor shall receive a store credit from the Company equal to one percent (1%) of the aggregate purchase price paid by Investor for such shares of Preferred Stock; provided, however, that any portion of such store credit that is not used in such calendar year shall be forfeited. For clarity, if Investor, whether through sale, transfer, redemption or other transaction, no longer holds all shares of Preferred Stock originally purchased by Investor prior to the Redemption Start Date, then Investor shall have no further rights to receive or use such store credit.

8. General Provisions.

a. Notice. Any notice or demand which either party may or must give to the other under this Agreement shall be made in writing and shall be either hand delivered or sent via email, facsimile, or U.S. certified mail to the following addresses:

If to the Company:

People's Community Market  
1814 Franklin St. Suite 800  
Oakland, CA 94612  
Phone Number: (510) 995-7498  
Email: info@peoplescommunitymarket.com

If to Investor:

The name and address provided  
by Investor on the signature  
page of this Agreement

b. Modification. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and Investor.

c. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

d. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

e. Electronic Signatures. Investor may tender to the Company this Agreement by electronic means such as by email or facsimile. If Investor submits this Agreement to the Company electronically, Investor agrees that Investor's digital signature or other form of electronic acknowledgement, consent or acceptance (as the case may be), constitutes Investor's signature, acceptance and agreement of the terms of this Agreement and such digital signature, consent or acceptance shall be given the same force and effect as a signature affixed by hand.

f. Severability. If a court or an arbitrator of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

g. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the purchase and sale of Shares by Investor from the Company, and supersedes all prior and contemporaneous understandings or agreements of the parties.

*[Signature Page to Follow]*

**In Witness Whereof**, the parties hereto have executed this **Subscription Agreement for People's Community Market Preferred Stock Offering** as of the date first written above.

By signing and submitting this Agreement Investor agrees to purchase \_\_\_\_\_ Shares at two dollars (\$2.00) per Share according to the terms set forth herein.

**TOTAL PAYMENT AMOUNT:** \_\_\_\_\_

**TITLE:** Title to the Shares shall be registered as follows (list all full names if to include your spouse):

Exact Name(s): \_\_\_\_\_

Investor Type: \_\_\_\_\_

**The INVESTOR:**

*(One name, signature and social security number for a married couple)*

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

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Telephone: \_\_\_\_\_

Title: \_\_\_\_\_

*If signing for an entity*

Fax: \_\_\_\_\_

Social Security Number or Taxpayer ID Number: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_

Date of Birth: \_\_\_\_\_

**CERTIFICATION:**

Under penalties of perjury, Investor certifies that: (1) the taxpayer ID number or social security number shown above is the correct taxpayer identification number issued to Investor; and (2) Investor is not subject to backup withholding because: (a) Investor is exempt from backup withholding, or (b) Investor has not been notified by the Internal Revenue Service (IRS) that Investor is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Investor that it is no longer subject to backup withholding; and (3) Investor is a U.S. citizen or other U.S. person.

**THE COMPANY: PEOPLE'S COMMUNITY MARKET, INC.**

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

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Email: \_\_\_\_\_