

SUBORDINATED NOTE PURCHASE AGREEMENT

This SUBORDINATED NOTE PURCHASE AGREEMENT (this “Agreement”), dated as of the date it is electronically signed, is by and between Matchbox Food Group, LLC, a District of Columbia limited liability company (the “Company”), and the purchaser (the “Purchaser”). Capitalized terms used in this Agreement are defined in Section 11.1.

To induce Purchaser to purchase the Subordinated Note from the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. DESCRIPTION OF SUBORDINATED NOTE AND COMMITMENT

1.1 Description of Subordinated Note.

The Company has authorized the issuance and sale of its Subordinated Note, which shall mature seven years after the Closing Date, shall be sold at a minimum purchase price of \$5,000, and shall receive a 10.125% (computed on the basis of the actual number of days elapsed over a 365 day year) priority, cumulative, non-compound, quarterly interest distribution paid at the end of each calendar quarter to the Subordinated Note Owner on that date.

1.2 Commitment; Funding.

Subject to the terms and conditions hereof and on the basis of the representations and warranties hereinafter set forth, the Company agrees to issue and sell to Purchaser and Purchaser agrees to purchase from the Company, the Subordinated Note for the minimum principal amount of \$5,000 at a price of one hundred percent (100%) of such principal amount.

1.3 Use of Proceeds.

The proceeds from the sale and issuance of the Subordinated Note shall be used solely (A) to expand the Company’s restaurant concepts and the number of restaurants that the Company operates, (B) to fund improvements to and operations of the Company’s Business, (C) pay certain Company infrastructure costs, and (D) to pay fees, costs and expenses incurred in the execution and delivery of this Agreement and the Other Investor Agreements.

2. PAYMENT AND PREPAYMENT OF SUBORDINATED NOTE

2.1 Principal and Interest Payments.

(a) Subject to the Company’s continuing compliance with the covenants, terms and conditions agreed to between the Company and the Senior Lender with respect to the Senior Debt as set forth in the Senior Debt instruments and documents, as the same may be amended from time to time, and unless otherwise accelerated pursuant to the terms, hereof, but in any event subject to Section 9 hereof, principal and interest on the Subordinated Note shall be due and payable as follows:

(i) Principal on all Subordinated Notes issued by the Company pursuant to the Private Offering shall be due and payable on the Maturity Date unless the Company exercises an Optional Prepayment as defined in Section 2.2.

(ii) Interest shall be due and payable at the end of each fiscal quarter and on the Maturity Date. Notwithstanding any provision to the contrary in this Agreement or any of the Other Investor Agreements, the Company shall not be required to pay, and Purchaser shall not be permitted to contract for, take, reserve, charge or receive, any compensation which constitutes interest under applicable law in excess of the maximum amount of interest permitted by law. Payment of interest pursuant to this Section shall be made to each Holder in proportion to such Holder's respective Subordinated Note holdings.

(b) No redemption of the Subordinated Note or payments of any amounts of capital invested by Purchaser pursuant to this Agreement shall be made by the Company to the Purchaser other than as expressly provided for in this Section 2.1 and elsewhere in this Agreement.

2.2 Optional Prepayments.

(a) Subject to the Company's continuing compliance with the covenants, terms and conditions agreed to between the Company and the Senior Lender with respect to the Senior Debt as set forth in the Senior Debt instruments and documents, as the same may be amended from time to time, at the Company's option, upon notice given as provided below, the Company may, at the end of the third year a note is outstanding, and at each anniversary thereafter, elect to prepay all or part of the principal of the Subordinated Note (an "Optional Prepayment"), by payment to Purchaser of all or part of the outstanding principal, plus a prepayment premium amount equal to (i) 1% of the principal amount, multiplied by (ii) the whole number of years between the date of the Optional Prepayment and the Maturity Date.

(b) The Company shall give notice of any Optional Prepayment to Purchaser not less than thirty (30) days nor more than sixty (60) days before the date for prepayment, specifying in each such notice the date upon which prepayment is to be made, the principal amount of the Subordinated Note (together with accrued interest) to be prepaid on such date and the amount of any prepayment premium required by Section 2.2(a). Notice of prepayment having been so given, the applicable prepayment amount shall become due and payable on the specified prepayment date.

2.3 Direct Payment.

The Company will cause the payment of all pay all sums becoming due hereunder and on the Subordinated Note to the online account of Purchaser. All payments by the Company shall be made without defense, set-off or counterclaim.

2.4 Payments Payable on Business Days.

Payments of all amounts due hereunder or under the Subordinated Note shall be made on a Business Day. Any payment due on a day that is not a Business Day shall be made on the

immediately preceding Business Day, together with all interest (if any) accrued to and including such preceding Business Day.

3. REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to the Company as follows:

3.1 Authority.

The Purchaser has the legal right, power and authority to enter into, execute, deliver and perform its obligations under this Agreement, the Other Investor Agreements and the agreements, documents and instruments contemplated thereby to which the Purchaser is a party and Purchaser or its manager, partner, officer or agent executing and delivering this Agreement is authorized to do so. This Agreement, the Other Investor Agreements and the agreements, documents and instruments contemplated thereby to which the Purchaser is a party have been duly and validly executed and delivered and constitute legal, valid and binding obligations of Purchaser, enforceable in accordance with their respective terms.

3.2 Investor Status.

The Purchaser (i) is an “accredited investor,” as that term is defined in Regulation D under the Securities Act of 1933, as amended, and (ii) has such knowledge, skill, sophistication and experience in business and financial matters, based on actual participation, that it is capable of evaluating the merits and risks of the purchase of the Subordinated Note from the Company and the suitability thereof for Purchaser. Each Purchaser that is an entity was not formed for the specific purpose of purchasing the Subordinated Note represents and warrants that, to the best of such Purchaser’s knowledge (after due inquiry), each equity owner of such Purchaser is also an “accredited investor” within the meaning of Regulation D of the Securities Act of 1933, as amended.

3.3 Investment for Purchaser’s Own Account.

The Purchaser is acquiring the Subordinated Note for investment for its own account and not with a view to any distribution thereof in violation of applicable securities laws.

3.4 Restrictions on Notes.

The Purchaser agrees that the Subordinated Note will be (a) restricted from transfers and will not be offered, sold or transferred in the absence of registration or exemption under applicable securities laws and (b) subordinated to the Senior Debt on the terms and conditions set forth herein.

4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

To induce Purchaser to enter into this Agreement, the Company represents and warrants to Purchaser that, after giving effect to the transactions contemplated by this Agreement and the Other Investor Agreements:

4.1 Valid Existence and Authority.

The Company (a) is a limited liability duly organized, validly existing, and in good standing under the laws of the District of Columbia, (b) has all requisite power and authority to own its assets and carry on its business as now conducted; and (c) is qualified to do business in all jurisdictions in which the nature of its business makes such qualification necessary. The Company has the requisite power and authority to execute, deliver, and perform its obligations under this Agreement, the Other Investor Agreements and all other agreements to which it is, or in connection with the transactions contemplated hereby may become, a party.

4.2 Default.

The Company is not in default under any loan agreement, indenture, mortgage, security agreement, lease, franchise, permit, license or other agreement or obligation to which it is a party.

4.3 Authorization and Compliance with Laws and Material Agreements.

The execution, delivery and performance by the Company of this Agreement, the Other Investor Agreements and any other agreements to which it is or may in connection with the transactions contemplated hereby become a party, have been or prior to the consummation of such transactions will be duly authorized by all requisite action on the part of the Company and do not and will not violate its Articles of Organization or Operating Agreement or any law or any order of any court, governmental authority or arbitrator, and do not and will not upon the consummation of the transactions contemplated hereby conflict with, result in a breach of, or constitute a default under, or result in the imposition of any Lien upon any assets of the Company pursuant to the provisions of any loan agreement, indenture, mortgage, security agreement, franchise, permit, license or other instrument or agreement by which the Company is bound. The Company has obtained all required authorizations, approvals or consents of, and made all required filings or registrations with, any court, governmental authority or third Person that are necessary for the legally valid and enforceable execution, delivery or performance by the Company of this Agreement and the Other Investor Agreements. The Company is not in violation in any material respect of any term of its Articles of Organization or Operating Agreement, or any contract, agreement, judgment or decree and is in material compliance with all applicable laws, regulations and rules.

4.4 Solvency.

After giving effect to the transactions contemplated by this Agreement and the Other Investor Agreements, the Company will be solvent, able to pay its debts as they mature, have capital sufficient to carry on its Business and all businesses in which it is engaged.

4.5 Enforceability.

This Agreement and the Other Investor Agreements, shall constitute legal, valid and binding obligations of the Company and shall be enforceable against the Company in accordance with their respective terms.

4.6 Securities Laws.

The Company has complied with or is exempt from the registration and/or qualification requirements of all federal securities laws (including, but not limited to, the Securities Act of 1933, as amended, and the rules and regulations thereunder, and the Securities Exchange Act of 1934, as amended, and the regulations thereunder) and any state securities or blue sky laws applicable to the issuance or sale of the Subordinated Note.

5. CLOSING DELIVERABLES

The parties' obligations hereunder shall be subject to (a) the performance by each party of its obligations hereunder which by the terms hereof are to be performed at or prior to delivery of the Subordinated Note in book entry form to the investor's online account, (b) Purchaser's delivery of the full purchase price for the Subordinated Note, and (c) the execution of the Subscription Agreement, by and between the Company and the Purchaser, on or prior to the Closing Date:

6. AFFIRMATIVE COVENANTS

The Company covenants and agrees that, from the date hereof and until all of the obligations due to Purchaser under the Subordinated Note and this Agreement have been finally and irrevocably paid in full in accordance with the terms hereof and thereof unless waived in writing by a majority in interest of all Holders of Subordinated Notes issued pursuant to the Private Offering:

6.1 Tax Statements.

The Company will furnish to Purchaser as soon as available, and in any event within sixty (60) days after December 31 of each year, IRS Form 1099 and all other reasonably required tax information applicable to the Purchaser.

6.2 Reports to Purchaser

The Company will make available to Purchaser, on an annual basis (a) unaudited financial statements, and (b) such investment information relative to the Company's Business as its management may deem useful or appropriate.

6.3 Performance of Contractual Obligations.

The Company will duly and punctually pay and/or perform its obligations under this Agreement and the Other Investor Agreements, subject to Section 9 hereof.

6.4 Preservation of Existence and Conduct of Business.

The Company will preserve and maintain its existence and all of its leases, privileges, franchises, qualifications and rights that are necessary or useful in the ordinary conduct of its business, and conduct its business as presently conducted in an orderly and efficient manner in accordance with good business practices.

7. NEGATIVE COVENANTS

The Company covenants and agrees that from the date hereof until all of the obligations due to Purchaser under the Subordinated Note and this Agreement have been finally and irrevocably paid in full in accordance with the terms hereof and thereof unless waived in writing by a majority in interest of all Holders of Subordinated Notes issued pursuant to the Private Offering that the Company shall not, without the approval of the Senior Lender, create, incur, issue, assume, guarantee or otherwise become liable for any Indebtedness other than the Senior Debt, the Subordinated Notes, the Convertible Notes or the CC Notes. The outstanding current and any future obligations of the Company to its officers and/or directors and any additional debt instruments (other than the Convertible Notes or the CC Notes) issued by the Company shall be subordinated to the Subordinated Notes in all material respects.

8. EVENTS OF DEFAULT

8.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an “Event of Default”:

- (a) The Company shall fail to pay, when due, any principal, interest or other sums payable under either the Subordinated Note or this Agreement;
- (b) The Company shall fail to perform or observe any agreement, covenant, term or condition contained in this Agreement or in the Subordinated Note; or
- (c) The Company shall become subject to an Event of Bankruptcy.

8.2 Remedies of Holders upon Occurrence of Event of Default.

When any Event of Default described in Section 8.1 above has occurred and is continuing, Holder may (in addition to any other right, power or remedy permitted to Holder by law) declare the entire principal, and all interest accrued then outstanding under the Subordinated Note, to be, and the same shall thereupon become, forthwith due and payable, without any presentment, demand, protest, notice of default, notice of intention to accelerate, notice of acceleration or other notice of any kind, all of which are hereby expressly waived, and in such event the Company shall forthwith pay to Holder an amount equal to one hundred percent (100%) of the amount thereof.

8.3 Annulment of Acceleration.

The provisions of the foregoing Section 8.2 are subject to the condition that, if all or any part of the all of the obligations due to Holder under the Subordinated Note and this Agreement have been declared or have otherwise become immediately due and payable by reason of the occurrence of any Event of Default, Holder may, by written instrument delivered to the Company (an “Annulment Notice”), rescind and amend such declaration and the consequences thereof as to the Subordinated Note, provided that no such rescission and annulment shall extend to or affect any subsequent default or Event of Default or impair any right consequent thereto,

and shall not be deemed a waiver of the Event of Default giving rise to the acceleration unless specifically waived in writing by Holder.

9. SUBORDINATION

9.1 Notwithstanding any provision in this Agreement to the contrary, the Indebtedness evidenced by the Subordinated Note shall be subordinate in all respects to the liens, terms, covenants and conditions of all Senior Debt, and, to the extent of any conflict or inconsistency between the other terms of this Agreement, any Other Investment Agreements and this Section 9, the provisions of this Section 9 shall control. Purchaser's rights and remedies under this Agreement and the Subordinate Note shall be subordinate to the rights and remedies of the Senior Lender.

9.2 Until such time as all Senior Debt has been paid in full and cancelled, no principal payments or prepayments of any obligations evidenced by or arising under the Subordinated Note or this Agreement shall be payable or made without the prior written consent of the Senior Lender, which consent shall not be unreasonably withheld or delayed provided that no default has occurred and then continues under the Senior Debt and the Company is in compliance with all financial and other covenants in the Senior Loan Documents and such payment will not result in the Company being in breach of any covenants.

9.3 Until such time as all Senior Debt has been paid in full and cancelled, no interest or default interest payments or distributions owing on the Subordinated Note or this Agreement shall be payable or made unless the following conditions are met: (i) no default has occurred and then continues under the Senior Debt, (ii) the Company is in compliance with all financial and other covenants in the Senior Loan Documents and (iii) such payment will not result in the Company being in breach of such covenants.

9.4 Until such time as all Senior Debt has been paid in full and cancelled, the Purchaser and any person or entity claiming through Purchaser and any successor or assign shall be estopped from exercising any rights or remedies it may have under this Agreement or the Subordinated Note, including but not limited to, bringing legal action thereunder, commencing any enforcement action of any kind whatsoever against the Company or any of its assets or exercising any other rights or remedies thereunder, except that to the extent such rights and remedies are provided for in this Agreement and on the terms and conditions set forth in this Agreement: (i) Purchaser may accelerate the amounts due under the Subordinated Note (provided that any payments shall be subject to all of the conditions and provisions of this Section 9) and (ii) default interest may accrue and, subject to the conditions and provisions of Section 9.3 hereof, interest and default interest may be paid.

9.5 Any payment or distribution made in violation of this Section 9 will be received and held in trust for the Senior Lender, will be promptly remitted in kind to the Senior Lender, properly endorsed to the Senior Lender, to be applied to the principal, and/or interest on, and other amounts due under any of the Senior Debt Documents in accordance with the terms thereof in such order and in such manner as the Senior Lender shall determine in its discretion.

9.6 Purchaser and the Company each agree that Senior Lender is a third party beneficiary of the provisions of this Section 9 and Purchaser agrees that it will not challenge,

object to or in any respect inhibit or otherwise interfere with Senior Lender's enforcement of any of its rights or remedies in respect of this Section 9. Senior Lender shall have no liability to Purchaser with respect to, and Purchaser waives any claim or defense which Purchaser may now or hereafter have against Senior Lender arising from (i) any and all actions which Senior Lender takes or omits to take with respect to the implementation of the provisions of this Section 9.

9.7 Purchaser's rights and remedies under this Agreement and the Subordinated Note shall be subordinate to the rights and remedies of the Senior Lender. Purchaser's rights and remedies hereunder shall have a priority which is *pari passu* with the Convertible Notes and the CC Notes.

10. FORM OF SUBORDINATED NOTE; REGISTRATION, AND REPLACEMENT

10.1 Form of Subordinated Note.

The Subordinated Note initially delivered under this Agreement will be deposited into the investor's online investing account.

10.2 Subordinated Note Register.

The Company shall cause the books and records of ownership of the Subordinated Notes to be maintained.

10.3 Withdrawals

Except as provided in this Agreement, the Purchaser may not request redemption of the Subordinated Note or demand any return of capital from the Company.

11. INTERPRETATION OF AGREEMENT

11.1 Certain Terms Defined.

(a) Terms used in this Agreement and not defined shall have the meanings ascribed thereto below.

Agreement. This term means this Subordinated Note Purchase Agreement, including all amendments, modifications and supplements thereto.

Annulment Notice. This term is defined in Section 8.3 hereof.

Business. This term means the financing, management and operation of the Company's restaurant, bar and other activities.

Business Day. This term means each day of the week except Saturdays, Sundays, and days on which banking institutions are authorized by law to close in the District of Columbia.

Cash Flow Units. This term means certain Membership Interests in the Company which are subordinate to the Senior Debt, the Subordinated Notes, the Convertible Notes and the CC Notes, and Senior to the Value Growth Units.

CC Note. This term means a term promissory note in the principal amount of not less than \$2,000,000, subordinated to the Senior Debt, *pari passu* to the Convertible Notes and the Subordinated Notes, and receives a 6% cumulative, quarterly interest distribution paid each March 31, June 30, September 30 and December 31, until the earlier of (i) conversion to Value Growth Units or a Subordinated Note; or (ii) 7 years from the date of issue.

Closing. This term means the consummation of the transactions contemplated by this Agreement and the Other Investor Agreements, in accordance with the terms thereof or with such amendments or waivers thereto.

Closing Date. This term means the dates on which the purchase price for the Subordinated Note has been paid by the Purchaser and which shall be no later than March 31, 2016.

Convertible Notes. This term means certain promissory notes, subordinated only to the Company's Senior Debt and *pari passu* with the CC Notes and Subordinated Notes, which receive a 5% cumulative, quarterly interest distribution paid generally each March 31, June 30, September 30 and December 31 until the earlier of (i) conversion to Value Growth Units or a Subordinated Note; or (ii) 7 years from the date of issue..

Company. This term is defined in the Preamble of this Agreement

Default. This term means the occurrence of any condition or event which, with the passage of time or giving of notice or both, would constitute an Event of Default.

Distributable Cash Flow. This term means the amount of Cash Flow (hereinafter defined) which is distributable consistent with the financial and operating requirements of the Company's Business, to be determined on an annual basis by management in its sole discretion. For purposes of this definition, "Cash Flow" means the total of all cash generated from all sources including operating revenues, other income or gains, and returns of capital in each case received in cash for the account of the Company less the total of all cash expenditures (including payments of interest with respect to the Senior Debt and the Subordinated Notes) by or on behalf of the Company in managing the Company and its Business.

Event of Bankruptcy. This term means any of (a) the filing by a Person of a voluntary petition in bankruptcy under any provision of any bankruptcy law or a petition to take advantage of any insolvency act, (b) the admission in writing by a Person of its inability to pay its debts generally as they become due, (c) the appointment of a receiver or receivers for all or a material part of a Person's assets with the consent of such Person, (d) the filing of any bankruptcy, arrangement or reorganization petition by or, with the consent of a Person, against such Person under any provision of any bankruptcy law, (e) a receiver, liquidator or trustee of a Person or a substantial part of its assets shall be appointed pursuant to the Federal Bankruptcy Code by the order of a court of competent jurisdiction which shall not be dismissed or stayed within thirty (30) days, or (f) an involuntary petition to reorganize or liquidate a Person pursuant to the Federal Bankruptcy Code shall be filed against such Person and shall not be dismissed or stayed within 30 days.

Event of Default. This term is defined in Section 8.1 hereof.

Fiscal Year. This term means the Company's Fiscal Year of January 1 through December 31.

GAAP. This term means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question; provided that the Company may not change the use or application of any material accounting method, practice or principle without the prior written consent of the Holders, which consent may require that an adjustment be made to certain of the covenants set forth herein. Accounting principles are applied on a consistent basis when the accounting principles observed in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

Holder. This term means, when used in reference to the Subordinated Notes issued pursuant to the Private Offering, the Person (including Purchaser) or Persons who, at the time of determination, is the lawful owner as the Purchaser or as permitted successor purchaser, assignee, or transferee pursuant to Section 12.2 of this Agreement of all or a portion of the Subordinated Note. Unless otherwise provided in this Agreement, in each instance that the Holders are required to request or consent in concert to an action, the Holders will be deemed to have requested or consented to such action if the Holders of a majority in interest of the securities issued pursuant to the Private Offering so request or consent.

Indebtedness. This term means for any Person: (a) all indebtedness, whether or not represented by bonds, debentures, notes, securities, or other evidences of indebtedness, for the repayment of money borrowed, (b) all indebtedness representing deferred payment of the purchase price of property or assets, (c) all indebtedness under any lease which, in conformity with GAAP, is required to be capitalized for balance sheet purposes and leases of property or assets made as a part of any sale and lease-back transaction if required to be capitalized, (d) all indebtedness under guaranties, endorsements, assumptions, or other contractual obligations, including any letters of credit, or the obligations in respect of, or to purchase or otherwise acquire, indebtedness of others, (e) all indebtedness secured by a Lien existing on property owned, subject to such Lien, whether or not the indebtedness secured thereby shall have been assumed by the owner thereof, (f) trade accounts payable more than ninety (90) days past due excluding trade accounts payable in an aggregate principal amount at any time outstanding of \$25,000 which are being contested in good faith, (g) all amendments, renewals, extensions, modifications and refundings of any indebtedness or obligations referred to in clauses (a), (c), (d) or (e), excluding trade accounts payable in the ordinary course of business.

Lien. This term means any lien, mortgage, security interest, tax lien, pledge, encumbrance, financing statement, or conditional sale or title retention agreement, or any other interest in property designed to secure the repayment of Indebtedness or any other obligation, whether arising by agreement, operation of law, or otherwise.

Maturity Date. This term means the earliest to occur of (a) seven years after the Closing Date, (b) the date on which the Subordinated Note is accelerated pursuant to Article VIII hereof, or (c) the date on which all obligations due under the Subordinated Note and this Agreement are paid in full.

Membership Interest. This term means, as to any Person, its interest of such Person authorized from time to time, and any other options, interests, participations, or other equivalents (however designated) of or in such Person, whether voting or nonvoting, including, without limitation, options, warrants, convertible notes or debentures, membership purchase rights, and all agreements, instruments, documents, and securities convertible, exercisable, or exchangeable, in whole or in part, into any one or more of the foregoing.

Other Investor Agreements. This term means the Subordinated Note, the Subscription Agreement and all other agreements, instruments and documents (including, without limitation, notes, guarantees, powers of attorney, consents, assignments, contracts, notices, subordination agreements and all other written matter), and all renewals, modifications and extensions thereof, whether heretofore, now or hereafter executed by or on behalf of the Company, any guarantor or any other Person and delivered to and for the benefit of Purchaser or any Person participating with Purchaser in the Subordinated Note with respect to this Agreement or any of the transactions contemplated by this Agreement and/or the Private Offering.

Person. This term means any individual, sole proprietorship, corporation, business trust, unincorporated organization, association, limited liability company, partnership, joint venture, governmental authority (whether a national, federal, state, county, municipality or otherwise, and shall include without limitation any instrumentality, division, agency, body or department thereof), or other entity.

Private Offering. This term means the private offering pursuant to which the Company is borrowing funds ("Debt Capital") from investors in an aggregate amount of up to \$10,500,000, and, to obtain the Debt Capital, is issuing up to 2,100 Subordinated Notes for the minimum purchase price of \$5,000 each to investors pursuant to the terms of this Agreement.

Purchaser. This term means the Person described in the recitals hereto as the purchaser of the Subordinated Note.

Senior Debt. This term means all current and future obligations to the Senior Lender of the Company, all current and future obligations to the Senior Lender of the Company's current and future obligations to the Senior Lender of the Company's current and future subsidiaries, affiliates and related entities, and all obligations to the Senior Lender Guaranteed by the Company.

Senior Debt Documents. This term means all documents and instruments evidencing, guarantying, securing, implementing and/or modifying any Senior Debt.

Senior Lender. This term means Eagle Bancorp, Inc. and its controlled affiliates and any successor primary institutional lender to the Company.

Subordinated Note. This term means a term promissory note for the minimum purchase amount of \$5,000 issued to Purchaser pursuant to this Agreement, together with all renewals, modifications, extensions, substitutions and replacements thereof.

Subordinated Note Purchase Agreement. This term includes this Agreement between the Company and the Purchaser and all documents evidencing indebtedness thereunder or otherwise related to this Agreement, as the same may be amended from time to time, and any refinancing, refunding, or replacements of the indebtedness under this Agreement.

Value Growth Units. This term means Membership Interest in the Company, subordinated to the Senior Debt, the CC Notes, the Subordinated Notes, the Convertible Notes, and the Cash Flow Units.

(b) Terms which are defined in other Sections of this Agreement shall have the meanings specified therein. All other terms contained in this Agreement shall have, when the context so indicates, the meanings provided for by the Uniform Commercial Code as adopted and in force in the District of Columbia, as from time to time in effect.

12. MISCELLANEOUS

12.1 Notices.

Except as otherwise expressly provided herein, all communications provided for hereunder shall be in electronic format through the Purchaser's or any other Holder's online investing account if to Purchaser, or to the Company, addressed to the Company at such address as the Company may designate. Notices shall be deemed to have been validly served, given or delivered, and "the date of such notice" or words of similar effect shall mean the date that such message is electronically transmitted.

12.2 Assignment; Sale of Interest.

Neither the Purchaser nor any subsequent Holder may sell, assign or transfer this Agreement, the Subordinated Note or any of the Other Investor Agreements or any portion thereof, including, without limitation, the Purchaser's or Holder's rights, title, interests, remedies, powers and/or duties hereunder or thereunder, as the case may be, without the express written consent of the Company, which consent may be granted or withheld in Management's sole discretion.

12.3 Successors and Assigns.

This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

12.4 Headings.

The headings of the sections and subsections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

12.5 Counterparts.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart or reproduction thereof permitted by Section 12.1.

12.6 Reliance on and Survival Provisions.

All covenants, representations and warranties made by the Company herein and in any certificates delivered pursuant hereto, whether or not in connection with the Closing, (a) shall be deemed to be material and to have been relied upon by Purchaser, notwithstanding any investigation heretofore or hereafter made by Purchaser or on Purchaser's behalf, and (b) shall survive the delivery of this Agreement and the Subordinated Note until all obligations of the Company under this Agreement shall have been satisfied.

12.7 Integration and Severability.

This Agreement and the Other Agreements embody the entire agreement and understanding between Purchaser and the Company, and supersedes all prior agreements and understandings relating to the subject matter hereof. In case any one or more of the provisions contained in this Agreement or in any Subordinated Note, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein, and any other application thereof, shall not in any way be affected or impaired thereby.

12.8 Governing Law.

This Agreement is entered into within and shall be governed by and construed under the laws of the District of Columbia, is made and to be performed entirely in the District of Columbia, without giving effect to conflict of laws principles.

12.9 Security.

The Subordinated Note is unsecured, subordinated to the Senior Debt and pari passu with the Convertible Notes and the CC Notes.

12.10 WAIVERS; MODIFICATION.

NO PROVISION OF THIS AGREEMENT MAY BE WAIVED, CHANGED OR MODIFIED, OR THE DISCHARGE THEREOF ACKNOWLEDGED, ORALLY, BUT ONLY BY AN AGREEMENT IN WRITING SIGNED BY THE PARTY AGAINST WHOM THE ENFORCEMENT OF ANY WAIVER, CHANGE, MODIFICATION OR DISCHARGE IS SOUGHT.

12.11 WAIVER OF JURY TRIAL.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE COMPANY AND PURCHASER HEREBY IRREVOCABLY AND EXPRESSLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE SUBORDINATED NOTE OR ANY OF THE OTHER AGREEMENTS OR OTHER DOCUMENTS ENTERED INTO IN CONNECTION THEREWITH OR THE TRANSACTIONS CONTEMPLATED THEREBY

OR THE ACTIONS OF PURCHASER IN THE NEGOTIATION, ADMINISTRATION, OR ENFORCEMENT THEREOF.