

FUNK HARBOR SPIRITS, INC., a DELAWARE CORPORATION
SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (THIS “AGREEMENT”) RELATES TO AN OFFERING OF SECURITIES IN TRANSACTIONS INTENDED TO BE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (“SECURITIES ACT”). THE SECURITIES ARE BEING OFFERED PURSUANT TO SECTION 4(A)(6) AND REGULATION CROWDFUNDING OF THE SECURITIES ACT. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY U.S. STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NO FEDERAL OR STATE SECURITIES ADMINISTRATOR HAS REVIEWED OR PASSED ON THE ACCURACY OR ADEQUACY OF THE OFFERING MATERIALS FOR THESE SECURITIES. THERE ARE SIGNIFICANT RESTRICTIONS ON THE TRANSFERABILITY OF THE SECURITIES DESCRIBED HEREIN AND NO RESALE MARKET MAY BE AVAILABLE AFTER RESTRICTIONS EXPIRE. THE PURCHASE OF THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN BEAR THE RISK OF THE LOSS OF THEIR ENTIRE INVESTMENT WITHOUT A CHANGE IN THEIR LIFESTYLE.

Funk Harbor Spirits, Inc. (the “Company”) is offering up to 1,000,000 shares of Class B Non-Voting Common Stock of the Company (the “Shares”). The Shares are being offered to eligible investors (each a “Subscriber” and collectively, “Subscribers”).

1. Background. Funk Harbor Spirits, Inc., a Delaware Corporation (“Company”) is conducting an offering (the “Offering”) under Section 4(a)(6) of the Securities Act of 1933, as amended (the "Securities Act") and Regulation Crowdfunding promulgated thereunder. This Offering is made pursuant to the Form C, as amended, filed by the Company with the SEC (the "Form C") and the Offering Statement, which is included therein (the "Offering Statement"). The Company is offering to both accredited and non-accredited investors up to \$1,000,000 of Class B Non-Voting at a price of \$1.00 per Share (the applicable purchase price paid by Subscriber being the "Purchase Price"). The minimum amount or target amount to be raised in the Offering is \$75,000 (the "Target Offering Amount") and the maximum amount to be raised in the offering is \$1,000,000.00 (the "Maximum Offering Amount"). If the Offering is oversubscribed beyond the Target Offering Amount, the Company will sell stock on a basis to be determined by the Company's management. The Company is offering the Shares to prospective investors through the Republic crowdfunding portal (the "Portal"). The Portal is registered with the Securities and Exchange Commission (the "SEC"), as a funding portal and is a funding portal member of the Financial Industry Regulatory Authority. The Company will pay the Portal a commission equal to the greater of (A) \$15,000.00 or (B) the amount determined pursuant to the following schedule: (1) 0% of any amounts raised up to

\$100,000.00, and (2) 6% of any amounts raised exceeding \$100,000.01 but not exceeding \$5,000,000.00 in a successful Offering. Investors should carefully review the Form C and the accompanying Offering Statement, which are available on the website of the Portal at www.republic.com.

- 2. Subscription.** Pursuant to and in accordance with the terms and conditions of this Agreement and the Form C and related Offering Statement, Subscriber hereby irrevocably subscribes for and agrees to purchase from the Company, and the Company, subject to its right in its sole discretion to accept or reject this subscription (in whole or in part), agrees to sell to Subscriber, the number of Shares set forth purchased by Subscriber in the manner specified in the Form C and the Offering Statement and as per the directions of the Portal through the Portal's website. Such subscription shall be deemed to be accepted by the Company only when this Agreement is countersigned on the Company's behalf. No investor may subscribe for Shares in the Offering after the offering campaign deadline as specified in the Offering Statement and on the Portal's website (the "Offering Deadline"). Subscriber has up to 48 hours before the campaign end date to cancel the purchase and get a full refund.
- 3. Closing.** The consummation of the purchase and sale of the Shares (the "Closing") is expected to take place at such date, time, and place as the Company may designate by notice to Subscriber, but no later than fourteen (14) days following the Offering Deadline (the "Closing Date"). The Closing is conditioned upon satisfaction of (1) the Company having received aggregate subscriptions for Shares of at least the Target Offering Amount prior to the Offering Deadline and (2) the Company having received and accepted into the escrow account established with the Portal and the escrow agent in cleared funds, subscriptions for Shares having an aggregate investment amount of at least the Target Offering Amount.
- 4. Termination of the Offering.** Subscriber understands that the Company may terminate the Offering at any time, and further understands that during, and following, the termination of the Offering, Company may undertake offerings of other securities, which may or may not be on terms more favorable to an investor than the terms of this Offering.
- 5. Subscriber's Representations, Warranties, and Covenants.** As a condition to Subscriber's purchase of the Subscribed Shares, Subscriber represents and warrants to, and covenants with, the Company, and acknowledges that the Company is relying thereon, that:

 - (a) Subscriber has full power and authority to execute and deliver this Agreement and to consummate the purchase of the Subscribed Shares. This Agreement has been duly and validly executed and delivered by Subscriber and constitutes a legal, valid, and binding obligation of Subscriber enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other similar laws affecting the rights and remedies of creditors generally.
 - (b) Subscriber understands and accepts that the purchase of the Shares involves various risks, including the risks outlined in the Form C, the accompanying Offering Statement, and in this Agreement. Subscriber can bear the economic risk of this

investment and can afford a complete loss thereof; Subscriber has sufficient liquid assets to pay the full purchase price for the Shares; and Subscriber has adequate means of providing for its current needs and possible contingencies and has no present need for liquidity of Subscriber's investment in the Company. Subscriber understands that no federal or state agency has passed upon the merits or risks of an investment in the Shares or made any finding or determination concerning the fairness or advisability of this investment.

- (c) Subscriber understands that the Shares have not been and will not be registered under the Securities Act or any applicable state securities laws, and that the sale contemplated hereby is being made in reliance on an exemption from registration under the Securities Act. The Shares cannot be sold, transferred, or otherwise disposed of by Subscriber unless they are subsequently registered under the Securities Act and applicable state securities laws, or an exemption from such registration is available at the time of the desired sale.
- (d) Subscriber acknowledges that at no time has it been expressly or implicitly represented, guaranteed or warranted to Subscriber by the Company or any other person that a percentage of profit and/or amount or type of gain or other consideration will be realized because of the purchase of the Shares. Subscriber is acquiring the Subscribed Shares solely for investment for Subscriber's own account and has no agreement, understanding, or arrangement to subdivide, sell, assign, transfer, or otherwise dispose of all or any part of such Shares to any other person. No other person has or will have a direct or indirect beneficial interest in the Shares, except as disclosed to the Company on an attachment hereto.
- (e) Including the amount set forth on the signature page hereto, in the past twelve-month period, Subscriber has not exceeded the investment limit as set forth in Rule 100(a)(2) of Regulation Crowdfunding.
- (f) Subscriber agrees that if it decides to offer, sell, or otherwise transfer or pledge all or any part of the Shares, it will not offer, sell, or otherwise transfer or pledge any of such Shares, directly or indirectly unless pursuant to an effective registration statement under the Securities Act or pursuant to the exemption from such registration (such as provided by Rule 144 under the Securities Act, if available) and in compliance with any applicable state and other securities laws.
- (g) Subscriber has received and reviewed a copy of the Form C and accompanying Offering Statement. With respect to information provided by the Company, Subscriber has relied solely on the information contained in the Form C and accompanying Offering Statement to make the decision to purchase the Shares. Subscriber confirms that it is not relying and will not rely on any communication (written or oral) of the Company, the Portal, or any of their respective affiliates, as investment advice or as a recommendation to purchase the Shares. It is understood that information and explanations related to the terms and conditions of the Shares provided in the Form C and accompanying Offering Statement or otherwise by the Company, the Portal or any of their respective affiliates shall not be considered investment advice or a recommendation to purchase the Shares, and that neither the Company, the Portal nor any of their respective affiliates is acting or has acted as an advisor to Subscriber in

deciding to invest in the Shares. Subscriber acknowledges that neither the Company, the Portal, nor any of their respective affiliates have made any representation regarding the proper characterization of the Shares for purposes of determining Subscriber's authority or suitability to invest in the Shares.

- (h) Subscriber is familiar with the business and financial condition and operations of the Company, all as generally described in the Form C and accompanying Offering Statement. Subscriber has had access to such information concerning the Company and the Shares as it deems necessary to enable it to make an informed investment decision concerning the purchase of the Shares.
- (i) Subscriber understands and acknowledges that the Company is not obligated to file and has no present intention of filing with the Securities and Exchange Commission (the "SEC") or with any state securities administrator any registration statement in respect of resales of the Shares.
- (j) Subscriber understands that neither the SEC nor any other federal, state, or non-U.S. agency has recommended, approved, or endorsed the purchase of the Shares as an investment or passed on the accuracy or adequacy of the information set forth in any documents used in connection with the Offering. Subscriber has relied on its own examination of the terms of the Offering, including the merits and risks involved, and has reviewed the merits and risks of the purchase of Shares with tax, legal, and investment counsel to the extent deemed advisable by Subscriber.
- (k) Subscriber confirms that the Company has not (i) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Shares or (ii) made any representation to Subscriber regarding the legality of an investment in the Shares under applicable legal investment or similar laws or regulations. In deciding to purchase the Shares, Subscriber is not relying on the advice or recommendations of the Company and Subscriber has made its own independent decision, alone or in consultation with its investment advisors, that the investment in the Shares is suitable and appropriate for Subscriber.
- (l) Subscriber has such knowledge, skill and experience in business, financial and investment matters that Subscriber is capable of evaluating the merits and risks of an investment in the Shares. With the assistance of Subscriber's own professional advisors, to the extent that Subscriber has deemed appropriate, Subscriber has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Shares and the consequences of this Agreement. Subscriber has considered the suitability of the Shares as an investment in light of its own circumstances and financial condition and Subscriber is able to bear the risks associated with an investment in the Shares and its authority to invest in the Shares.
- (m) Subscriber is acquiring the Shares solely for the Subscriber's beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Shares. Subscriber understands that the Shares have not been registered under the Securities Act or any state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of Subscriber and of the other representations made by Subscriber in this

Agreement. Subscriber understands that the Company is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

- (n) Subscriber understands that the Shares are restricted from transfer for a period of time under applicable federal securities laws and that the Securities Act and the rules of the SEC provide in substance that Subscriber may dispose of the Shares only pursuant to an effective registration statement under the Securities Act, an exemption therefrom or as further described in Section 227.501 of Regulation Crowdfunding, after which certain state restrictions may apply. Subscriber understands that the Company has no obligation or intention to register any of the Shares, or to take action so as to permit sales pursuant to the Securities Act. Even if and when the Shares become freely transferable, a secondary market in the Shares may not develop. Consequently, Subscriber understands that Subscriber must bear the economic risks of the investment in the Shares for an indefinite period of time.
- (o) Subscriber agrees that Subscriber will not sell, assign, pledge, give, transfer or otherwise dispose of the Shares or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to Section 227.501 of Regulation Crowdfunding.
- (p) Subscriber acknowledges that the Company has the right in its sole and absolute discretion to abandon this Offering at any time prior to the completion of the Offering. This Agreement shall thereafter have no force or effect and the Company shall return any previously paid subscription price of the Shares, without interest thereon, to Subscriber.
- (q) Subscriber understands that, unless Subscriber notifies the Company in writing to the contrary at or before the Closing, each of Subscriber's foregoing representations and warranties contained in this Agreement will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by Subscriber

6. High Risk Investment. SUBSCRIBER UNDERSTANDS THAT AN INVESTMENT IN THE SHARES INVOLVES A HIGH DEGREE OF RISK. Subscriber acknowledges that

(a) any projections, forecasts or estimates as may have been provided to Subscriber are purely speculative and cannot be relied upon to indicate actual results that may be obtained through this investment; any such projections, forecasts and estimates are based upon assumptions which are subject to change and which are beyond the control of the Company or its management; (b) the tax effects which may be expected by this investment are not susceptible to absolute prediction, and new developments and rules of the Internal Revenue Service (the "IRS"), audit adjustment, court decisions or legislative changes may have an adverse effect on one or more of the tax consequences of this investment; and (c) Subscriber has been advised to consult with his own advisor regarding legal matters and tax consequences involving this investment.

7. Indemnification. Subscriber hereby agrees to defend, indemnify, and hold harmless the Company and any of its officers, directors, employees, agents, and/or control persons who

was or is a party or is threatened to be made a party to any threatened, pending, or completed suit, action, or proceeding, whether civil or criminal, administrative or investigative, to the fullest extent permitted by law, by reason of or arising from any actual or alleged misrepresentation or misstatement of facts or omission to represent or state facts made by Subscriber to the Company including, without limitation, any such misrepresentation, misstatement, or omission contained in this Agreement, against any losses, damages, liabilities and expenses for which the Company, and any of its officers, directors, employees, agents, and/or control persons has not otherwise been reimbursed (including without limitation attorney's fees, judgments, fines and amounts paid in settlement or incurred in a securities or other action in which no judgment in favor of Subscriber is rendered) actually and reasonably incurred by such person or entity in connection with such action, suit, or proceeding.

8. Company Representations.

- (a) Company is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted. Company has all requisite legal and corporate power to issue and sell the Shares to Subscriber pursuant to this Agreement.
- (b) This Agreement, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.
- (c) The Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement and the Form C, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer arising under this Agreement, the Articles of Incorporation, or under applicable state and federal securities laws and liens or encumbrances created by or imposed by a subscriber.
- (d) The execution, delivery and performance of and compliance with this Agreement and the issuance of the Shares will not result in any violation of, or conflict with, or constitute a default under, the Company's Articles of Incorporation, as amended, and will not result in any violation of, or conflict with, or constitute a default under, any agreements to which the Company is a party or by which it is bound, or any statute, rule or regulation, or any decree of any court or governmental agency or body having jurisdiction over the Company, except for such violations, conflicts, or defaults which would not individually or in the aggregate, have a material adverse effect on the business, assets, properties, financial condition or results of operations of the Company.

- 9. Market Standoff.** If so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any underwritten or Regulation A+ offering of securities of the Company under the Securities Act, Subscriber (including any successor or assign) shall not sell or otherwise transfer any Shares or other securities of the Company during the 30-day period preceding and the 270-day period following the effective date of a registration or offering statement of the Company filed under the Securities Act for such public offering or Regulation A+ offering or underwriting (or such shorter period as may be requested by the Managing Underwriter and agreed to by the Company) (the "Market Standoff Period"). The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.
- 10. Closing Conditions.** In addition to the Company's right to accept or reject this subscription (in whole or in part) in its sole discretion, the obligations of the Company to issue and sell the Shares to Subscriber under this Agreement are subject to the representations and warranties of Subscriber in Section 5 of this Agreement being true and correct as of the Closing in all respects with the same effect as if made on the Closing Date.
- 11. Custodian.** The Company and Subscriber authorize Bitgo Trust Company, Inc. and its successors and assigns (the "Custodian"), as the custodian for the benefit of Subscriber, to hold the Securities and any securities that may be issued upon conversion thereof, if applicable, in registered form in its name or the name of its nominees for the benefit of Subscriber and Subscriber's permitted assigns. Subscriber acknowledges and agrees that upon any acceptance of this Subscription Agreement, the Company shall issue and deliver the Securities to the Custodian, who shall solely hold such securities for the benefit of Subscriber and shall be a "protected purchaser" of such Securities within the meaning of Section 8-303 of the Delaware Uniform Commercial Code, which shall be in book entry uncertificated form, and that Subscriber shall hold and acquire only a "securities entitlement" within the meaning of Section 8-501 of the Delaware Uniform Commercial Code in the Securities equal to the ratio of Subscriber's purchase amount to the aggregate purchase amounts of the Securities in the Offering. The Company and Subscriber acknowledge and agree that the Custodian may assign any and all of its agreements with Subscriber, delegate its duties thereunder, and transfer Subscriber's Securities to any of its affiliates or to its successors and assigns, whether by merger, consolidation, or otherwise, in each case, without the consent of Subscriber or Company. Subscriber acknowledges and agrees that Subscriber may not assign or transfer any of its rights or obligations under such agreements without the Custodian's prior written consent, and any attempted transfer or assignment in violation hereof shall be null and void.
- 12. Waiver of Informaton Rights.** Subscriber hereby acknowledges and agrees that, except for such information as required to be delivered to Subscriber by the Company pursuant to any other agreement by and between the Company and Subscriber, Subscriber has no right to receive any information from the Company by virtue of such Subscriber's purchase of the Securities, ownership of the Securities, or as a result of the Subscriber being a holder of record of stock of the Company. Without limiting the foregoing, to the fullest extent permitted by law, Subscriber hereby waives Subscriber's inspection rights under Section 220 of the Delaware General Corporation Law and all such similar information and/or inspection

rights that may be provided under the law of any jurisdiction, or any federal, state or foreign regulation, that are, or may become, applicable to the Company, the Company's capital stock or the Securities (the "Inspection Rights"). Subscriber hereby covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights.

- 13. No Revocation; Binding Effect.** The obligations of Subscriber hereunder are irrevocable. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their heirs, executors, administrators, successors, and permitted assigns. If Subscriber comprises more than one person, the obligations of such persons shall be joint and several.
- 14. Integration.** This Agreement contains the entire agreement and understanding among the parties hereto regarding the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written.
- 15. Assignment.** Except as specifically provided in this Agreement, the rights herein contained shall not be assignable to any person without the prior written consent of the Company.
- 16. Notices.** All notices under this Agreement shall be in writing. Notices may be served by certified or registered mail, postage paid with return receipt requested; by private courier, prepaid; by facsimile or other reliable form of electronic communication (including electronic mail); or personally. Mailed notices shall be deemed delivered five (5) days after mailing, properly addressed. Couriered notices shall be deemed delivered on the date that the courier warrants that delivery will occur. Facsimile or other electronic communication notices shall be deemed delivered when receipt is either confirmed by confirming transmission equipment or acknowledged by the addressee or its office. Personal delivery shall be effective when accomplished. Notices to the Company shall be directed to its registered agent. Notices to Subscriber shall be directed to the address, e-mail, or telecommunications number on file with the Company or the Portal.
- 17. Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and wholly performed within Delaware by persons domiciled in Delaware without reference to rules governing conflicts of laws.
- 18. Counterparts; Facsimile.** This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission, electronic signature, or email shall be as effective as delivery of a manually signed counterpart thereof.
- 19. Amendments and Waivers.** This Agreement may be modified or amended, and the observance of any term may be waived (either generally or in a particular instance, and either

retroactively or prospectively), only with the prior written consent of the Company and Subscriber.

20. Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner so that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

21. Tokenization and Fractionalization. The Company has the right, but not the obligation, to mint and distribute to, or for the benefit of, Subscriber one or more types of digital tokens (“**Tokens**”) on a blockchain network, which may serve as a digital representation of, securities entitlement or economic arrangement to, the Securities or as a technological means of providing a transfer instruction to the Company or an entitlement order to a securities intermediary holding the Securities or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Capital Stock on behalf of others. Tokens, if issued, may embody certain rights, preferences, privileges, and restrictions of the respective Securities to which they relate or may provide the means to give such instructions or entitlement orders. All securities issued under this instrument, whether in the form of Tokens or otherwise, may be issued in whole or fractional parts, in the Company’s sole discretion.

22. Further Actions. Subject to the terms and conditions of this Agreement, each of the parties agrees to use all commercially reasonable efforts to take, or cause to be taken, all action necessary, proper, or advisable to consummate and make effective the transactions contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Subscriber has executed this Agreement dated effective as of the date written below:

Date: _____

Name (full legal name of Subscriber): _____

Number of Subscribed Shares: _____

Price Per Share: \$ 1.00 _____

Aggregate Purchase Price \$ _____

SUBSCRIBER SIGNATURE:

(signature)

COMPANY'S ACCEPTANCE

ACCEPTED by Company as of the date written below:

Funk Harbor Spirits, Inc.

By: _____

Name: _____

Title: _____