

*Not Registered*

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SUBSCRIPTION AGREEMENT

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**XTAGGED, INC.**

THIS SUBSCRIPTION AGREEMENT, entered into as of the 22 day of February, 2008 by and between GAB, LLC, a Utah limited liability company (the "Subscriber"), and XTagged, Inc., a Wyoming corporation (the "Company").

**WITNESSETH:**

WHEREAS the Subscriber, through its members and managers, has heretofore expended time, money and effort in incorporating this Company and is desirous of becoming a shareholder of the Company and agrees to be legally bound hereby; and

WHEREAS the Company desires to sell, and the Subscriber is willing to accept and receive certain shares of the Company equal to ten percent (10%) of the Company (the "Securities"), upon the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the terms and mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge; the parties hereby agree as follows:

1. **Subscription.** The Subscriber does subscribe for and agrees to purchase the Securities, which equal ten percent (10%) of the Company.
2. **Purchase Price.** The Company acknowledges a total purchase price of fifty thousand dollars (\$50,000.00) for the Securities. The Subscriber has heretofore tendered and the Company, through Andres Esquivel, has received twenty thousand dollars (\$20,000.00) in cash and cash equivalents and herewith tenders payment of thirty thousand dollars (\$30,000.00). This transaction shall be completed upon the execution hereof by both parties and the delivery of good funds to the Company.
3. **Stock Certificate.** The Company shall promptly issue to the Subscriber, upon execution hereof by both parties and the delivery of good funds to the Company, a stock certificate representing the Securities purchased by Subscriber.
4. **Acknowledgments.** To induce the Company to accept this subscription, the Subscriber hereby acknowledges that:
  - 4.1 **Business Records.** The Company has made available to it for inspection its financial statements and other financial, corporate and business information and records. The Subscriber is acquiring the Securities without being furnished any sales literature or prospectus other than the Business Records.
  - 4.2 **Familiarity with Company.** The Subscriber is familiar with the business, history and operations of, the Company, and is aware that an investment in the Company is highly speculative and subject to substantial risk.
  - 4.3 **Investment Purpose.** Subscriber is acquiring the shares solely for Subscriber's own account for investment purposes and not with a view to resale or distribution of all or any part thereof. Subscriber has no present arrangement, understanding or agreement for transferring or disposing of all or any part of the shares.
  - 4.4 **Risk of Investment.** Subscriber is able to bear the economic risk inherent in its investment. Subscriber has adequate means of providing for Subscriber's current needs and possible personal contingencies and has no need for liquidity of this investment. The undersigned's commitment to illiquid investments is reasonable in relation to the Subscriber's net worth.
  - 4.5 **Broker.** No broker or finder has acted for the undersigned in connection with the purchase of the Securities and no broker or finder is entitled to any broker's or finder's fees or other commissions in connection therewith based on agreements between the undersigned and any broker or finder.
  - 4.6 **Securities Not Registered.** The Securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities or "blue sky" laws, and are being offered and sold to the Subscriber pursuant to exemptions from the registration requirements of the Securities Act and applicable state securities and blue sky laws, and:

- (i) the Subscriber may not sell, pledge, transfer or otherwise dispose of the Shares except (a) pursuant to an effective registration statement covering the Shares under the Securities Act and relevant state securities and blue sky laws or (b) upon delivery of a legal opinion that represents and such representation is acceptable to the Company that, with respect to a proposed transfer of the Securities, an exemption exists and registration is not required under the Securities Act or under the securities or blue sky laws of any state;
  - (ii) the Company will make a notation upon its records and will place a restrictive legend upon the certificate or certificates representing the Securities so that transfers of the Securities will not be effected without compliance with such restrictions on transferability and resale;
  - (iii) the Subscriber may have to bear the economic risk of its investment in the Company for an indefinite period of time;
  - (iv) there is not currently any market for the Company's Securities, and no assurance has been given and no representations have been made that there will ever be a market for the resale of the Securities;
  - (v) no representations, promises or agreements have been made to the Subscriber concerning the marketability or value of the Securities or that any of the Securities will be registered under the Securities Act or any state securities or blue sky laws at any time in the future or will otherwise be qualified for sale under applicable securities laws; and
  - (vi) the Company does not currently intend to make available to the public information concerning itself so as to permit the Subscriber to use Rule 144 under the Securities Act for the sale or transfer of the Securities.
- 4.7 **Exclusion of Representations, Etc.** No representations, warranties, promises or agreements have been made to the Subscriber with respect to either of the following:
- (i) the approximate or exact length of time that the Subscriber will be required to remain as owner of the Securities; or
  - (ii) the percentage of profit or the amount or type of consideration (including dividends), profit or loss (including tax write-offs or tax benefits) that the Subscriber will realize, if any, as a result of my investment in the Securities.
- 4.8 **Not a Tax Shelter.** The Company is not intended to be a tax shelter and it is unlikely that there will be any material tax benefits available to the Subscriber by virtue of the business, operations or financial results of the Company.
- 4.9 **No State Review or Approval.** No federal or state agency has reviewed or made any finding or determination as to the fairness for investment or any recommendation or endorsement of the Securities.
5. **Bankruptcy, Liquidation, Sale, etc.** This Agreement and the Subscriber's obligation to purchase the Securities hereunder shall automatically terminate in the event that the Company (a) makes an assignment for the benefit of its creditors, (b) files a voluntary petition in bankruptcy or any answer or petition seeking any reorganization, arrangement, composition or other insolvency relief under the present Federal, state or other insolvency statute, law or regulation, suffers an adjudication as a bankrupt, (c) has any proceeding commenced against it under any such act or statute, law or regulation, which proceeding shall remain unstayed for a period of ninety (90) days after the commencement thereof, (d) has a receiver, trustee or liquidator appointed in respect of all or any part of its assets; or (e) at the Subscriber's option, upon the adoption by the Company's board of directors or shareholders of a resolution to liquidate the assets of the Company, to sell all or substantially all of the Company's assets or stock, or to merge with another entity.
6. **Miscellaneous.**
- 6.1 **Captions.** The captions used herein are for ease of reference only and shall not define or limit the provisions hereof
  - 6.2 **Survival.** This Agreement shall survive the purchase of the shares by the undersigned.
  - 6.2 **Governing Law.** This Subscription Agreement shall be construed in accordance with, and governed by the substantive laws of, the State of Utah, without reference to principles governing choice or conflicts of laws.

- 6.3 **Assignments.** This Subscription Agreement shall be binding upon and shall inure to the benefit of each of the parties and their respective legal representatives, successors, agents, heirs and assigns. Neither this Subscription Agreement nor any benefits or obligations hereunder may be assigned or delegated by Subscriber.
- 6.4 **Disputes.** In the event of a dispute between the parties arising under this Agreement, the party prevailing in such dispute shall be entitled to collect such party's costs from the other party, including without limitation court costs and reasonable attorneys' fees.
- 6.5 **Entire Agreement.** This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter contained herein, and there are no covenants, terms or conditions, express or implied, other than as set forth or referred to herein. This Subscription Agreement supersedes all prior agreements between the parties relating to all or part of the matters covered by herein. No representations, oral or written, modifying or contradicting the terms of this Subscription Agreement have been made except as contained herein. This Subscription Agreement may not be amended, modified or canceled except by written agreement signed by both parties.

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

COMPANY:  
XTAGGED, INC.

SUBSCRIBER:  
GAB, LLC

By: *[Signature]*  
Andres Esquivel  
Its: President

By: *[Signature]*  
Gene Allen Brady  
Its: Member/Manager

By: *[Signature]*  
Georgia J. Brady  
Its: Member/Manager

STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

On February 22, 2008, personally appeared before me **Andres Esquivel, Gene Allen Brady, and Georgia J. Brady**, who each being duly sworn said and duly acknowledged to me that each is an authorized agent for their respective company, that each has read and knows the contents of the foregoing instrument, that the contents thereof are true and accurate based upon his/her personal knowledge, information and belief, that each has appropriate authority to sign the foregoing instrument, and that each acknowledged to me that he/she executed the same.



*[Signature]*  
Notary Public  
Residing in: SALT Lake County