# SPECTRA EQUITY FUND, LLC

10,000 Limited Liability Company Units
$1,000 per Common A Unit
Minimum Purchase: 50 Units
Minimum offering Amount $500,000
Maximum Offering Amount: $10,000,000

Spectra Equity Fund, LLC, a Delaware limited liability company (the "Company"), has been formed for the principal purpose of (i) purchasing franchises from Ghost Kitchen America managed by Spectra Global Cuisine (SGC) (the "Asset"), (ii) participating in 50% of the net profit of the Company (collectively, the "Business"). The Company is offering for sale (the "Offering") up to 10,000 limited liability company units in the Company (the "Units") at a purchase price of $1,000 (the "Common Units A") upon the terms and conditions set forth in this Confidential Private Placement Memorandum, including the Exhibits, as may be amended, or supplemented (this "Memorandum"). The Company generally expects to receive annual from franchise operations and or franchise sales.. The purchasers of the Units will become the members of the Company (the "Members"). Ramir Legacion and Novie Median will act as the managers of the Company (the "Manager"). **This Memorandum should be read in its entirety before making an investment decision.**

The proceeds of the Offering (the "Offering Proceeds") are intended to capitalize the Company with funds to (i) fund certain Offering expenses, (ii) establish working capital reserves and (iii) when coupled with proceeds from loans, if applicable, purchase the franchise's from Ghost Kitchen (GK). The Units are being offered until the earliest of (i) the Maximum Offering Amount is sold, (ii) June 30, 2024 which date may be extended until December 31, 2024 in the sole discretion of the Company or (iii) a determination of the Company to terminate the Offering (the "Offering Termination Date"). The purchase price for the Units is payable in full with the delivery of the purchaser's Subscription Agreement, a form of which is attached as Exhibit A. All payments received on account of subscriptions (the "Subscription Payments") for Units prior to receipt and acceptance by the Company of Subscription Payments for $10,000,000 of capital subject to the satisfaction of certain conditions set forth in "Plan of Distribution ." If such conditions are not satisfied and the Minimum Offering Amount has not been sold by June 30, 2024, which date may be extended until December 31, 2024 in the sole discretion of the Company (the "Minimum Offering Termination Date"), the Offering will be terminated and all amounts held in the Escrow Account will be returned to the subscribers.

The principal objectives of the Company are to (i) preserve the Members' capital investment, (ii) realize income through the operations of Ghost Kitchen franchise's and (iii) make annual distributions to the Members beginning in the first full year after the investment. **There can be no assurance that any of these objectives will be achieved.**

**An investment in the Units is speculative and involves substantial risks** including, but not limited to, the Company being newly formed with no operating history; the Russia-Ukraine conflict; lack of liquidity; effects of the COVID-19 virus; the selling of franchises of GK, is a fairly new is a new type of business; limited proof of viability; limited redemption rights; operating and manufacturing risks; lack of diversity of investments; unknown demand for the Franchise; potential manufacturing and transportation delays; limited performance history of the Franchise; the Manager has no experience managing funds and limited capital; reliance on the Company to operate the Business; reliance on the Manager to manage the Company; government regulation; limitations on the protection of intellectual property; environmental and regulatory risks; competition; inflation, the existence of various conflicts of interest between the Manager and its Affiliates and the Company; and tax risks. See "Risk Factors" and "Conflicts of Interest."

The mailing address of the Company is 1 Park Plaza, Suite 600, Irvine Ca 92614 and the telephone number is (949) 447-5900.

**Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.**

**These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, pursuant to registration or exemption therefrom, and the LLC Agreement. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.**

| | Price to Investors | Selling Commissions and Expenses(1) | Proceeds to the Company(2) |
|---|---|---|---|
| Per Common A Unit(3) | $ 1,000 | $ 100 | $ 900 |
| Minimum Offering Amount(4) | $ 500,000 | $ 75,000 | $ 400,000 |
| Maximum Offering Amount | $ 10,000,000 | $ 1,150,000 | $ 8,850,000 |

This Memorandum is dated August 20, 2023

Offers and sales of Units will be made on an "all-or-none minimum, best efforts maximum" basis by broker-dealers (the "Selling Group Members") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). These Broker Dealers, members of FINRA, will receive selling commissions (the "Selling Commissions") in an amount up to 6% of the deemed price of the Units sold ($1,000 per Unit) by their Selling Group Members Spectra Global Cuisine management will hold a fee in an amount equal to 4% of the Total Sales, which may be reallow, in whole or in part, as a nonaccountable marketing and due diligence allowance and/or a wholesaler, consultants, placements , expenses reimbursement, allowances &/or other closing fees. The Broker-Dealer may sell Units as a Selling Group Member, thereby becoming entitled to Selling Commissions. The total aggregate amount of Selling Commissions, allowances, expense reimbursements and placement fees (the "Selling Commissions and Expenses") will not exceed 10% of the Total Sales. The Company will be responsible for paying all of the Selling Commissions and Expenses at closing. For purposes of calculating the Total Sales, each Unit, will be deemed to have a sales price of $1,000 and any discount provided to the purchaser of a Unit will be disregarded.

(2) Amounts shown are proceeds after deducting Selling Commissions and Expenses, but before deducting other expenses incurred in connection with the Offering and the organization of the Company (the "Organization and Offering Expenses"), including legal, accounting, printing and other costs and expenses directly related to the Offering. The Company anticipates that the Organization and Offering Expenses will be approximately $**150,000** if the Maximum Offering Amount is sold (approximately 5.00% of the Maximum Offering Amount), and approximately $**25,000** if the Minimum Offering Amount is sold (approximately 2.00% of the Minimum Offering Amount without financing).

(3) The minimum purchase is 50 Units, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units. The Company may accept purchases of Units net of the Selling Commissions otherwise payable from investors purchasing through a registered investment advisor, from the Manager or its Affiliates or as otherwise determined in the sole discretion of the Manager.

(4) Subscription Payments received prior to the receipt of the Minimum Offering Amount and the satisfaction of certain conditions will be held in the Escrow Account by the Escrow Agent. The Company may be capitalized and Subscription Payments released to the Company from the Escrow Account upon acceptance by the Company of subscriptions for the Minimum Offering Amount and the satisfaction of such conditions. Notwithstanding the foregoing, if the Company receives sufficient debt financing for the Franchise prior to the Minimum Offering Termination Date, the Minimum Offering Amount will be reduced from $10,000,000 of capital to $2,750,000 of capital. See "Plan of Distribution."

**The purchase of Units involves significant risks. This Memorandum should be read in its entirety and the discussion set forth under "Risk Factors" should be carefully considered. This Memorandum contains forward-looking statements that involve risks and uncertainties. This Memorandum contains Projections of Operations for the Business (the "Projections"). The Business', and therefore the Company's, anticipated performance, as described in this Memorandum, is based on the assumptions contained in the Projections attached hereto as Exhibit D. These assumptions may not be accurate. In addition, there can be no assurance that the Projections attached as Exhibit D will be accurate. The Business' and therefore the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risk Factors."**

**Risks of an investment in Units include, among others, the following:**

1. The Company is newly formed with no operating history and limited assets. See "Risk Factors – Risks Relating to the Formation and Internal Operation of the Company – New Venture."

2. Although certain principals of the Manager have experience in restaurant operations and franchise sales, the Manager has limited experience managing funds and purchasing Franchises from Ghost Kitchen America, Inc. See "Risk Factors – Risks Relating to the Formation and Internal Operation of the Company – No Experience of the Manager."

3. The Manager has limited net worth and limited financial resources to satisfy its obligations as the Manager. There can be no assurance that the Manager will have sufficient funds to meet its obligations to the Company or to otherwise financially support the Company. See "Risk Factors – Risks Relating to the Formation and Internal Operation of the Company – Limited Resources of the Manager."

4. The outbreak of the COVID-19 virus created considerable instability and disruption in the United States and world economies, including but not limited to fluctuations in oil demand and prices. The extent to which the Company's results of operations or its overall value will be affected by the COVID-19 virus and its variants will largely depend on future developments, which are highly uncertain and cannot be accurately predicted. The effects of the COVID-19 virus could materially and adversely affect the financial performance and the overall value of the Company, and investors could lose all or a substantial portion of their investment in the Company. See "Risk Factors – Operation Risks – Potential Effect of the COVID-19 Virus."

5. The Russian Federation recently invaded Ukraine resulting in significantly elevated geopolitical and military tensions. The United States, European Union member states and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, as well as various related parties. In addition, the Russian Federation has imposed retaliatory sanctions on oil that has increased the volatility of oil prices. As further geopolitical conflicts and economic sanctions continue to evolve, it is increasingly difficult to predict the impact and longevity of these events. Depending on direction and timing, the Russia-Ukraine conflict may significantly impact the Company and result in adverse changes to, among other things: (i) the price of oil, (ii) general economic and market conditions, (iii) supply chain constraints and (iv) interest rates. The foregoing could seriously and adversely affect the Company's business, results of operations, financial condition, cash flow and the return to Unit holders. See "Risk Factors – Operation Risks – Russia-Ukraine Conflict."

6. The Purchase of franchises of Ghost Kitchen America (GKA) expected to be deployed by SGC to sale franchises of SGC and Ghost Kitchen as well as buy and sell physical restaurants worldwide. In the event The SGC business plan does not materialize, it may have a material adverse effect on the Company's business, results of operations, financial condition, cash flow and the return to Unit holders. See "Risk Factors – Operation Risks – No Firm Contractual Commitment."

7. There are no limits on the number of franchises of GKA nor restaurants SGC can purchase and sell and there are no limits on the number of licenses SGC may issue for the intellectual property for the Brand. As a result, future restaurants and licensed franchises could compete with the Company and have an adverse effect on the Company. See "Risk Factors – Operation Risks – No Limit on Franchise and Licenses."

8. The Units will be illiquid. The Company intends to continuously operate the Business for approximately 5 to 8 years after the Offering Termination Date. Investors should not invest in the Company if they have a need for liquidity in this investment. It is anticipated that the sale of the Franchise to SGC or its Affiliate or a third party will be the primary exit strategies. See "Risk Factors – Risks Relating to Offering and Lack of Liquidity – Illiquidity of the Units."

9. The purchasers of the Common A Units will acquire Units for a purchase price of $1,000 USD. See "Risk Factors – Risks Relating to Offering and Lack of Liquidity –

10. There can be no assurance that the Company will be able to sell the Franchises after the purchase. If the Company is unable to sell the Franchises of GKA, it could materially and adversely affect the financial performance and the overall value of the Company. See "Risk Factors – Operation Risks – No Guaranty of Sale."

11. No public market exists for the Units and it is highly unlikely that any such market will develop. The Units are not freely transferable as a result of substantial restrictions on the transfer of the Units under federal and state securities laws. Further, transfers of the Units are subject to certain limitations including, but not limited to, the prior consent of the Manager and limitations that may be imposed by lenders in the future. Units must be considered solely as long-term investments. See "Restrictions on Transferability."

12. There can be no assurance that the investors will realize any return on their purchase of the Units or that the investors will not lose their investments completely. See "Risk Factors – Risks Relating to Offering and Lack of Liquidity – Speculative Investment."

13. The Company will be subject to the many risks inherent in the Business. There can be no assurance that SGC will operate at the levels projected. The purchase of GKA Franchises is subject to various risks, many of which will be outside the control of the Company. Certain expenditures associated with purchasing, selling Franchises and selling the restaurants may increase over time. See "Risk Factors – Operation Risks."

14. The Company is exposed to liability in the event the Franchises and restaurants do not perform as expected.

15. The Company's prospective customers are concentrated in the restaurant franchise industry and its is regulated. As a result, the Company will be subject to the success of the restaurant industry. A decline in the restaurant industry or an increase in regulation may have a material adverse effect on the Company's customers, which would adversely affect the Company. See "Risk Factors – Operation Risks – Dependence on the restaurant Industry" and "Risk Factors – Operation Risks – Highly Regulated Customer."

16. Payments from the Company's customers for the lease and, if applicable, sale of the franchises will be dependent upon the state of the restaurant industry. As a result, payments to the Company may be reduced or delayed, or the Company may not receive payments, which could substantially and adversely affect the financial condition of the Company and the return on investment to investors. See "Risk Factors – Operation Risks –."

17. Climate change or legal, regulatory or market measures to address climate change may negatively affect operations or financial performance of the Business. See "Risk Factors – Operation Risks – Climate Change" and "Risk Factors – Operation Risks – Government Regulation."

18. The Business will depend on certain intellectual property. To the extent the intellectual property used by the Business is not protected, the Company's competition may develop an equivalent or superior product, or may develop an enhancement that will be patentable or otherwise protected from duplication by others. These events could have a material adverse effect on the Company's business, prospects, results of operations and financial condition. See "Risk Factors – Operation Risks – Intellectual Property."

19. The World economy is currently experiencing inflation, which could increase the costs to Franchise and operate the Company and adversely affect the Company. See "Risk Factors – Operation Risks – Inflation."

20. The Company's customers may be required to obtain permits to operate the Franchises in certain locations. The delay or inability of the Company's customers to operate the Franchise or restaurant could substantially and adversely affect the financial condition of the Company and the return on investment to investors. See "Risk Factors – Operation Risks – Lack of Permits."

21. The Company may need to obtain loans to acquire the Restaurants and may need to obtain additional loans to finance its internal operations as well as the operations of the Business. The Company has not obtained a commitment for any such financing. Thus, the terms of such financings are unknown. It may be difficult to obtain financing when needed and the terms and conditions under which any financing can be obtained are uncertain and could be unfavorable. See "Risk Factors – Financing Risks – Unknown Loan Terms."

22. The Company may obtain loans from SGC, an Affiliate. Any loan from SGC will bear interest at a rate equal to the lesser of (i) the cost to SGC for issuing such loan plus 2% or (ii) the maximum interest rate permitted by applicable law. Any such loan will provide for the payment of principal and any accrued but unpaid interest. The terms of such loans may not be on an arm's-length basis and will be subject to conflicts of interest. See "Conflicts of Interest."

23. Some of the loans obtained by the Company may have variable interest rates. As a result, the debt service payments on any such loan may increase and Franchise cost secured by such loan may not generate sufficient cash flow to pay the increasing debt service payments. See "Risk Factors – Financing Risks – Variable Interest Rates and Interest Only Loans."

24. Some of the loans obtained by the Company may be recourse loans to the Company, the Manager and/or certain Affiliates of the Manager. In the event that any Restaurants or franchises that is subject to a recourse loan fails to perform as expected, the Company may not have adequate cash to make payments due on the loan. If the

Company defaults on a recourse loan, in addition to seizing the applicable Asset, the lender may seek repayment of all or a portion of the loan amount from other assets of the Company, which would adversely affect the performance of the Company. See "Risk Factors – Financing Risks – Recourse Liability."

25. The Members will only have limited approval rights regarding the management and operation of the Company. Thus, most decisions regarding the management of the Company's affairs and the operation of the Business will be made exclusively by the Manager. See "Risk Factors – Risks Relating to the Formation and Internal Operation of the Company – Reliance on Management" and "Risk Factors – Risks Relating to the Formation and Internal Operation of the Company – Limited Approval Rights Regarding the Company."

26. No cash distributions are expected to be made to the Members until the Company generates income from the sale of Franchise's and or Restuaruants. – Risks Relating the Formation and Internal Operation of the Company – Limited Cash Distributions."

27. The Manager and its Affiliates will be subject to certain conflicts of interest in connection with the Offering. Principals of the Manager and the Company will allocate time between the Manager and the Company and their Affiliates. The Manager and its Affiliates and their principals will therefore have conflicts of interest in allocating management time, services and functions between the Manager and the Company and their Affiliates. In addition, the Franchise will be purchased from and leased to an Affiliate of the Company and the Manager. See "Conflicts of Interest."

28. The Company's only assets will be its interest in the Business. Thus, the Company will not be diversified as to the type of assets it owns. See "Risk Factors – Operation Risks – Lack of Diversification."

29. If the Company generates taxable income, such income will be considered unrelated business taxable income ("UBTI"). See "Risk Factors – Tax Risks – Unrelated Business Taxable Income."

30. The Manager and its Affiliates may subscribe for any number of Units for any reason deemed appropriate by the Manager; provided, however, that the Manager will not purchase more than 10% of the Units sold in the Offering. In addition, the Manager will not acquire any Units until the Minimum Offering Amount has been raised by the Company. The purchase of Units by the Manager or its Affiliates could create certain risks. See "Conflicts of Interest" and "Risk Factors – Risks Relating to Offering and Lack of Liquidity – Purchase of Units by the Manager or its Affiliates."

31. The Tax Cuts and Jobs Act of 2017 (the "TCJA") and the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act") include significant provisions that change the tax treatment of owning and operating a business. See "Risk Factors – Tax Risks – Changes in Federal Income Tax Law" and "Federal Income Tax Consequences."

**The purchase of Units is suitable only for Accredited Investors who have no need for liquidity in their investment. See "Who May Invest." You should carefully consider the following before investing:**

1. The contents of this Memorandum are not to be construed as legal or tax advice. Prospective investors should consult with their own counsel, accountant or business advisor as to legal, tax and related matters concerning their investment.

2. The Units may be offered and sold only to prospective investors who meet the Investor Suitability Requirements set forth under "Who May Invest" in this Memorandum.

3. No person has been authorized by the Company to make any representations or furnish any information with respect to the Company or the Units, other than the representations and information set forth in this Memorandum or other documents or information furnished by the Company upon request as described in this Memorandum. However, authorized representatives of the Company will, if such information is reasonably available, provide additional information that a prospective investor or its representative requests for the purpose of evaluating the merits and risks of the Offering.

4. Projected financial results prepared by the Company are contained in this Memorandum. Any projections, predictions and representations, written or oral, which do not conform to those contained in this Memorandum should be disregarded, and their use is a violation of the law. The Projections contained herein are based upon specified assumptions. If these assumptions are incorrect, the Projections likewise would be incorrect. No assurance can be given that the estimates, opinions or assumptions made herein will prove to be accurate. The assumptions set forth in the Projections should be closely reviewed.

5. The Units are being offered until the Offering Termination Date. Notwithstanding the foregoing, in no event will the number of Members holding Units exceed 1,950 as determined under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All Subscription Payments received from subscribing investors will be held in the Escrow Account, pending receipt and acceptance by the Company of the Minimum Offering Amount and satisfaction of certain conditions. The cash in the Escrow Account will be deposited in a non-interest-bearing account and held until the funds are released to the Company or the Offering is terminated. If the Minimum Offering Amount has not been subscribed prior to the Minimum Offering Termination Date or the conditions for release have not been satisfied, the cash in the Escrow Account tendered for the purchase of Units will be refunded in full to each applicable subscriber without deductions or charges. See "Plan of Distribution ."

6. This Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized. In addition, this Memorandum constitutes an offer only if the name of an offeree in the Company's or the Selling Group Member's records matches the copy number that appears in the appropriate space on the first page of this cover page and is an offer only to such offeree.

7. This Memorandum has been prepared solely for the benefit of persons interested in the proposed private placement of the Units offered hereby, and any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents, without the prior written consent of the Manager, is prohibited. By accepting delivery of this Memorandum, each prospective investor agrees to return this Memorandum and all documents furnished herewith to the Manager or its representatives upon request if such prospective investor does not purchase any Units or if the Offering is withdrawn or terminated.

8. Subscriptions may be accepted or rejected by the Company at any time within 30 days after the prospective investor delivers to the Company its Subscription Agreement. The Company may reject a prospective investor's Subscription Agreement for any reason. Subscription Agreements will be rejected for failure to conform to the requirements of the Offering or such other reasons as the Company may determine to be in the best interests of the Company. Subscription Agreements may not be revoked, canceled or terminated by the prospective investors, except as therein provided.

9. The Offering is made exclusively by this Memorandum. This Memorandum contains a summary of certain provisions of the LLC Agreement, but only the LLC Agreement contains complete information concerning the rights and obligations of the parties thereto. This Memorandum contains summaries of certain other documents, which summaries are believed to be accurate, but reference is hereby made to the actual documents for complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this investment and related documents and agreements will be made available to prospective investors or their advisors upon request to the Manager.

10. During the course of the Offering and prior to sale, prospective investors are invited to ask questions of and obtain additional information from the Manager concerning the terms and conditions of the Offering, the Company, the Manager and its Affiliates, the Units and any other relevant matters, including, but not limited to, additional information to verify the accuracy of the information set forth in this Memorandum. The Manager will provide such information to the extent it possesses it or can acquire it without unreasonable effort or expense.

11. The Units are being offered by the Company subject to (i) the prior sale of the Units, (ii) the receipt and acceptance by the Company of the relevant Subscription Agreement, (iii) the right of the Manager to reject any Subscription Agreement in whole or in part, (iv) the withdrawal, cancellation or modification of the Offering without notice to prospective investors and (v) certain other conditions.

12. Because the Units are not registered under the Securities Act or the securities laws of any state, investors must hold them indefinitely unless they are registered or qualified under the Securities Act and any applicable

state securities laws or unless an exemption from such registration and qualification is available. No public market exists for the Units, and it is highly unlikely that any such market will develop. The LLC Agreement also contains significant restrictions on the sale, transfer or other disposition of the Units by an investor.

13. The price per Unit has been arbitrarily determined and is not the result of an arm's length negotiation.

14. The fiduciary of a plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA") or subject to the Internal Revenue Code of 1986, as amended (the "Code") Section 4975 should consider the applicable limitations imposed by ERISA, Code Section 4975 and other federal, state, local or other rules and regulations that are similar to the provisions of ERISA and Code Section 4975. Among other things, the fiduciary should consider the following (to the extent applicable): (i) whether the investment is in accordance with the documents and instruments governing such plan, (ii) the definition of "plan assets" under ERISA and the impact thereof on the plan's investment in the Company, (iii) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA (or other applicable law), (iv) whether, under Section 404(a)(1)(B) of ERISA (or other applicable law), the investment is prudent, considering the nature of an investment in and the compensation structure of the Company and the fact that there is not expected to be a market created in which the Units can be sold or otherwise disposed of, (v) that the Company has no history of operations, (vi) whether the Company or any Affiliate is a "party-in-interest" (within the meaning of Section 3(14) of ERISA) or "disqualified person" (within the meaning of Code Section 4975) with respect to the plan, (vii) the need to annually value the Units and (viii) whether an investment in the Company will cause the plan to recognize UBTI. See "Federal Income Tax Consequences – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income" and "ERISA and Other Benefit Plan Considerations."

15. The Company will maintain a list of states where the Units may be offered and sold.

**The securities offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. In addition, certain disclosure requirements which would have been applicable if the Units were registered are not required to be met and neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval to the securities, the terms of the Offering or the accuracy or completeness of any offering materials. The Units are being sold only to persons who are Accredited Investors as defined under Regulation D under the Securities Act.**

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**In making an investment decision, prospective investors must rely on their own examination of the person or entity creating the securities and the terms of the Offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority.**

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**The Securities Act and the securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back their consideration paid. The Manager believes that the Offering described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually 1 year from discovery of facts constituting such violation. Should any investor institute such an action on the theory that the Offering conducted as described herein was required to be registered or qualified, the Manager will contend that the contents of this Memorandum constituted notice of the facts constituting such violation.**

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**No person has been authorized to give any information or make any representations other than those set forth in this Memorandum, and, if given or made, such information or representations must not be relied upon as having been given by the Company, the Manager or their Affiliates.**

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**This Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation.**

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**The Offering is being conducted pursuant to Rule 506(b) of Regulation D and is not being conducted pursuant to Rule 506(c) of Regulation D. As a result, no general advertising or general solicitation is permitted in connection with the sale of the Units. In the event that any such general advertising or general solicitation occurs, the Company may not be able to qualify for an exemption from registration under the Securities Act.**

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**Neither the information contained herein nor any prior, contemporaneous or subsequent communication should be construed by you as legal or tax advice. You should consult your own legal and tax advisors to ascertain the merits and risks of an investment in Units before investing.**

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**NOTICE TO FLORIDA RESIDENTS**

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. UNDER FLORIDA LAW, IF SECURITIES ARE SOLD TO FIVE OR MORE FLORIDA RESIDENTS, SUCH INVESTORS WILL HAVE A THREE DAY RIGHT OF RESCISSION. INVESTORS WHO HAVE EXECUTED A SUBSCRIPTION AGREEMENT MAY ELECT, WITHIN THREE BUSINESS DAYS AFTER THE FIRST TENDER OF CONSIDERATION THEREFORE, TO WITHDRAW THEIR SUBSCRIPTION AGREEMENT AND RECEIVE A FULL REFUND OF ANY MONEY PAID BY THEM. SUCH WITHDRAWAL WILL BE WITHOUT ANY LIABILITY TO ANY PERSON. TO ACCOMPLISH SUCH WITHDRAWAL, THE WITHDRAWING INVESTOR MUST (i) PROVIDE WRITTEN NOTICE TO THE COMPANY INDICATING THE INVESTOR'S DESIRE TO WITHDRAW AND (ii) NOT BE A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER. THE WRITTEN NOTICE MUST BE SENT AND POSTMARKED PRIOR TO THE END OF THE THIRD BUSINESS DAY AFTER THE FIRST TENDER OF CONSIDERATION FOR THE SECURITIES PURCHASED. NOTICE LETTERS SHOULD BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND TO EVIDENCE THE TIME WHEN IT IS MAILED. ANY ORAL REQUESTS FOR RESCISSION SHOULD BE ACCOMPANIED BY A REQUEST FOR WRITTEN CONFIRMATION FROM THE COMPANY THAT THE ORAL REQUEST WAS RECEIVED ON A TIMELY BASIS.

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**NOTICE TO PENNSYLVANIA RESIDENTS**

EACH SUBSCRIBER WHO IS A PENNSYLVANIA RESIDENT HAS THE RIGHT TO CANCEL AND WITHDRAW ITS SUBSCRIPTION AGREEMENT AND ITS PURCHASE OF SECURITIES THEREUNDER, UPON WRITTEN NOTICE TO THE COMPANY GIVEN WITHIN TWO BUSINESS DAYS FOLLOWING THE RECEIPT BY THE COMPANY OF ITS EXECUTED SUBSCRIPTION AGREEMENT. ANY LETTER OR

TELEGRAM NOTICE SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. IF YOU MAKE THE REQUEST ORALLY, YOU SHOULD ASK FOR WRITTEN CONFIRMATION FROM THE COMPANY THAT YOUR REQUEST HAS BEEN RECEIVED. UPON SUCH CANCELLATION OR WITHDRAWAL, THE SUBSCRIBER WILL HAVE NO OBLIGATION OR DUTY UNDER THE SUBSCRIPTION AGREEMENT TO THE COMPANY OR ANY OTHER PERSON AND WILL BE ENTITLED TO THE FULL RETURN OF ANY AMOUNT PAID BY IT, WITHOUT INTEREST. NEITHER THE PENNSYLVANIA SECURITIES COMMISSION NOR ANY OTHER AGENCY PASSED ON OR ENDORSED THE MERITS OF THE OFFERING, AND ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON.

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## WHO MAY INVEST

The offer and sale of the Units are being made in reliance on an exemption from the registration requirements of the Securities Act. Accordingly, distribution of this Memorandum has been strictly limited to prospective investors who meet the requirements and make the representations set forth below. The Company reserves the right to declare any prospective investor ineligible to purchase Units based on any information that may become known or available to the Company concerning the suitability of such prospective investor or for any other reason.

### Investor Suitability Requirements

The purchase of Units involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. This investment will be sold only to prospective investors who (i) purchase a minimum of 50 Units, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units and (ii) represent in writing that they meet the Investor Suitability Requirements (as defined below) established by the Manager and as may be required under federal or state law. Investors should be able to afford the loss of their entire investment.

As a prospective investor, you must represent in writing that you meet, among others, all of the following requirements (the "Investor Suitability Requirements"):

(a) You have received, read and fully understand this Memorandum. You are basing your decision to invest only on this Memorandum. You have not relied upon any representations made elsewhere or by any other person;

(b) You understand that an investment in the Units is speculative and involves substantial risks and you are fully cognizant of and understand all of the risks relating to a purchase of the Units including, but not limited to, those risks set forth under "Risk Factors" in this Memorandum;

(c) Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in the Units will not cause such overall commitment to become excessive;

(d) You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity in this investment;

(e) You can bear and are willing to accept the economic risk of losing your entire investment in the Units;

(f) You are acquiring the Units for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Units;

(g) You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of an investment in the Units and have the ability to protect your own interests in connection with such investment; and

(h) You are an Accredited Investor. An "Accredited Investor" is:

If a natural person (including most revocable grantor trusts), a person that:

(i) has an individual net worth, or joint net worth with his or her spouse or spousal equivalent, in excess of $1,000,000 exclusive of the value of his or her primary residence;

(ii) had an individual income in excess of $200,000, or joint income with his or her spouse or spousal equivalent in excess of $300,000, in each of the 2 most recent years and has a reasonable expectation of reaching the same income level in the current year;

(iii) holds, in good standing, 1 or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status and which the SEC has posted as qualifying; or

(iv) is a director, executive officer or general partner of the Company or the Manager.

If other than a natural person, 1 of the following:

(i) a corporation, an organization described in Code Section 501(c)(3), a Massachusetts or similar business trust, a partnership or a limited liability company, not formed for the specific purpose of acquiring Units, with total assets in excess of $5,000,000;

(ii) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring Units and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of an investment in a Unit;

(iii) a broker-dealer registered pursuant to section 15 of the Exchange Act;

(iv) an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") or a business development company as defined in section 2(a)(48) of the Investment Company Act;

(v) an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") or registered pursuant to the laws of a state;

(vi) an investment adviser relying on the exemption from registering with the SEC under section 203(l) or (m) of the Investment Advisers Act;

(vii) an insurance company as defined in section 2(a)(13) of the Securities Act of 1933, as amended (the "Securities Act");

(viii) a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

(ix) a private business development company as defined in section 202(a)(22) of the Investment Advisers Act;

(x) a bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

(xi) a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act;

(xii) an entity, of a type not listed above, not formed for the specific purpose of acquiring the Units, owning investments in excess of $5,000,000;

(xiii) a "family office" as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act (a) with assets under management in excess of $5,000,000, (b) that is not formed for the specific purpose of acquiring the securities offered and (c) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment;

(xiv) a "family client" as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements under "family office" above and whose prospective investment in the issuer is directed by such family office as required pursuant to clause (c) in such definition;

(xv) an entity in which all of the equity owners are Accredited Investors;

(xvi) any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

(xvii) an employee benefit plan within the meaning of ERISA, if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; or

(xviii) a grantor revocable trust where the grantors meet the qualifications under “If a natural person” above.

In addition, the SEC has issued certain no action letters and interpretations in which it deemed certain trusts to be Accredited Investors, such as trusts where the trustee is a bank as defined in section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of the first sentence of this paragraph (h). However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

For purposes of determining the “net worth” of a natural person, net worth means the excess of total assets at fair market value over total liabilities, except that the value of the principal residence owned by a natural person will be excluded for purposes of determining such natural person’s net worth. In addition, for purposes of this definition, the related amount of indebtedness secured by the primary residence up to the primary residence’s fair market value may be excluded, except in the event such indebtedness increased in the 60 days preceding the purchase of the Units and was unrelated to the acquisition of the primary residence, then the amount of the increase must be included as a liability in the net worth calculation. Moreover, indebtedness secured by the primary residence in excess of the fair market value of such residence should be considered a liability and deducted from the natural person’s net worth.

For purposes of determining the joint “net worth” of natural persons, joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard described herein does not require that the securities be purchased jointly.

A “spousal equivalent” means a cohabitant occupying a relationship generally equivalent to that of a spouse.

For purposes of determining “investments” for (xii) above, investments is defined in rule 2a51-1(b) under the Investment Company Act.

For purposes of determining whether a natural person is an Accredited Investor, the SEC has posted the following qualifying professional certifications as of the date of this Memorandum: holders in good standing of FINRA Series 7, Series 65, and Series 82 licenses.

The Company will not accept any charitable remainder trust as an investor in the Units.

**Discretion of the Company**

The Investor Suitability Requirements stated above represent minimum suitability requirements, as established by the Company, for investors. Accordingly, the satisfaction of the Investor Suitability Requirements by a prospective investor will not necessarily mean that the Units are a suitable investment for such prospective investor, or that the Company will accept the prospective investor as a subscriber of Units. Furthermore, the Company may modify such requirements in its sole discretion, and any such modification may raise the suitability requirements for investors.

The written representations made by a prospective investor will be reviewed to determine the suitability of each prospective investor. The Company has the right to refuse a subscription for Units for any reason, including, but not limited to, if it believes that a prospective investor does not meet the applicable Investor Suitability Requirements, or the Units otherwise constitute an unsuitable investment for such prospective investor.

## SUMMARY OF THE OFFERING

The following material is intended to provide selected limited information about the Company, the Business and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum.

Prospective investors are urged to read this entire Memorandum before investing in the Units. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Business' actual results and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risk Factors."

**Securities Offered:** The Company is offering up to 10,000 limited liability company units A (the "Units"). The A Units will not be evidenced by certificates. The purchase price is $1,000 per Unit (the "Common A Units"). The minimum purchase is 50 Units, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units. See "Description of Limited Liability Company Units" and "Summary of the LLC Agreement."

**Company Objectives:** The principal objectives of the Company will be to (i) preserve the Members' capital investment, (ii) realize income through the purchase and revenues of Franchises and restaurants by GKA managed by SGC and (iii) make annual distributions to the Members beginning in the first full year after the date of the investment. **There can be no assurance that any of these objectives will be achieved**. See "Risk Factors."

**Organization:** The Company was formed on 14th of August, 2023.

**Business – Description:** The Company intends to use the Offering Proceeds to (i) purchase franchises from GKA managed by SGC a Wyoming LLC (the "Asset"), (ii) receive franchise income from franchise profit and restaurants sold by SGC (collectively, the "Business"). See "Company Business Plan" and "Description of the Industry."

**Business – Acquisition of Franchise:** The Company will purchase franchises from GKA pursuant to a franchise agreement (the "Purchase Agreement").

The Franchise Agreement is set forth on Exhibit E See "Summary of the Franchise Agreement."

**Business – Profit Sharing from Sales of Franchise and Restaurants:** The Company intends to purchase franchises of GKA and receive profits that are paid on an annual basis to the Company from SGC, the Franchise manager. The Franchise Management Agreement will include the following fees to SGC from the Franchise Management Agreement:

1- SGC will be paid 5% of gross revenues from each Franchise a management fee, paid monthly to SGC from the Franchise.
2- 50% of the Net Profit will be paid to SGC from the Franchise on an annual basis.

The franchises are expected to be deployed by the purchasers of GKA franchises in the United States.

**Franchise Description – Description:** Franchises are of Ghost Kitchen America that will be located throughout the United States that may also have a ONE Kitchen brand concept. GKA has distribution rights to sell franchises in Walmart's as well as many other locations.

**Manager:** Ramir Legacion is the Manager of the Company. See "The Manager and Its Affiliates."

**Experience of the Manager:** Although certain the Managers have experience in the restaurant industry, the Manager has limited experience managing funds and purchasing franchises See "Risk Factors – Risks Relating to the Formation and Internal Operation of the Company – Limited Experience of the Manager" and "Prior Performance of the Manager and Its Affiliates."

**Members:** The Members of the Company will be the purchasers of the Units offered hereby. Each Member's liability will be limited to the amount of such Member's initial Capital Contribution to the Company $1,000 per Common A Units and including, in some instances, portions returned to such Member, plus undistributed profits. Units are transferable only upon the satisfaction of certain requirements. Ramir Legacion became the Initial Member in order to form the Company. See "Summary of the LLC Agreement."

**Term of the Company:** The LLC Agreement provides that the existence of the Company will continue until December 31, 2099, unless sooner terminated in accordance with its terms. However, the Company will have a projected operating life of approximately 8 to 10 years. See the LLC Agreement which is attached hereto as Exhibit B.

**Compensation to the Manager and its Affiliates:** The Manager and its Affiliates are entitled to receive substantial fees, compensation and distributions as follows:

(1) The Manager will be entitled to a management fee (the "Management Fee") up to $100,000 per year beginning after the receipt and acceptance by the Company of the Minimum Offering Amount, paid monthly.

(See "Compensation to the Manager and its Affiliates."

**Investor Suitability Requirements:** The Offering is strictly limited to persons who meet the Investor Suitability Requirements including the minimum financial requirements as to income and net worth, among other requirements set forth under "Who May Invest."

**Use of Proceeds:** The Offering of 10,000 Units as set forth in this Memorandum is being made to capitalize the Company with funds to (i) fund certain Offering

expenses, (ii) establish working capital reserves and (iii) when coupled with proceeds from loans, if applicable, purchase Franchises from GKA. See "Estimated Use of Proceeds."

**Subscription Agreement:** Each investor will be required to execute a Subscription Agreement in the form attached hereto as Exhibit A. Subscriptions may be accepted or rejected by the Company at any time within 30 days after the Company receives an investor's Subscription Agreement. Any Subscription Agreement not accepted within 30 days of receipt will be deemed rejected. Prospective investors may not revoke, cancel or terminate their Subscription Agreement, except as provided therein.

**Minimum Purchase:** A minimum purchase of 50 Units will be required, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units. See "Plan of Distribution – Capitalization."

**Distributions:** The principal objectives of the Company include the intent to make quarterly Distributions to the Members, which may be funded from Offering Proceeds in the Manager's discretion. The Company intends to begin making Distributions to the Members beginning in the first full year after the investment is made. Distributions to any Member who has not held its Units for an entire quarter will be calculated based on the number of days in the quarter such Units are held by the Member. **There can be no assurance that this objective will be achieved.**

**Distributions of Cash From Operations:** Profits From Fund Operations will be distributed in the following order of priority:

(1) First, up to 75% to the Members;

(2) Second, up to 25% the fund, the Manager has the right to reinvest on behalf of the fund.

**Tax Distributions to the Manager:** Notwithstanding the above, the Company may, at the option of the Manager, make Distributions to the Manager prior to distributing Net Capital Contributions to the Members to the extent such Distributions are needed to pay any income taxes associated with allocations of Net Income to the Manager. Any such Distribution will reduce subsequent Distributions to be made to the Manager.

**Tax Distribution Clawback:** Notwithstanding the above, upon the sale, exchange or other disposition of the last franchise or the Company, the Manager will contribute to the Company prior tax Distributions it received from the Company to the extent that all Distributions the Manager received from the Company, determined on a cumulative basis, exceed the amount that would have been distributed to the Manager if all Distributions had been made without regard to the tax Distributions. Any excess amounts contributed by the Manager will be distributed in accordance with the provisions set forth under "Distributions of Cash From Operations" above.

**Allocation of Net Income:** Subject to certain limitations, Net Income will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Loss previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority;

(2) Thereafter, 100% to the Members in proportion to their outstanding Units.

**Allocation of Net Loss:** Subject to certain limitations, Net Loss will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Income previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority; and

(2) Thereafter, 100% to the Members in proportion to their Units, provided that Net Loss will not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year.

**Repurchase of Units:** The LLC Agreement provides that under certain circumstances the Company may, in the sole discretion of the Manager and upon the request of a Member, repurchase the Units held by such Member at the following purchase price:

(1) Beginning 1 year after the closing of the closing and lasting till the end of month 60 post closing, the Manager has the First Right of Refusal (FRR) to purchase the units from the member at a price of $1000 per unit. Member must give a notice to the Manager in writing and the Manager has 30 days to exercise the FRR. If not exercised by Manager, Member can sell the Units to other 3rd parties pending Management approval of new purchaser.

(2) Beginning 5 years after the Offering Termination Date the purchaser may sell the Units to 3rd parties pending Manager approval of new purchaser.;

Notwithstanding the above, the Company shall not purchase more than 10% in the aggregate of the total Units of the Company per annum reduced by other transfers that do not qualify for the safe harbor under Treasury Regulation Section 1.7704-1(e).

**Transfers:** The Company will limit transfers of Units to transfers of not more than 2% of the total Units per year other than transfers for the following: (i) transfers as a result of death or incompetency, (ii) transfers between family members, (iii) transfers pursuant to the Company's repurchase plan (which will permit repurchases of up to 10% of the Units per year other than private transfers under Treasury Regulations Section 1.7704-1(e)), (iv) other transfers that qualify as "private transfers" as set forth in Treasury Regulations Section 1.7704-1(e) or (v) other transfers that will not result in the Company being treated as a publicly traded partnership as determined by the Manager in its sole discretion.

**Defined Terms:** Terms having their first letter capitalized in this Memorandum and not defined herein are defined in the LLC Agreement.

## RISK FACTORS

**The purchase of Units is speculative and involves a high degree of risk. Prospective investors should read this entire Memorandum and review the Projections, and the assumptions contained herein before making an investment. Prospective investors should be able to afford the loss of all or a substantial part of their investment. It is impossible to accurately predict the results to an investor of an investment in the Company because of the recent formation of the Company and general uncertainties in the restaurant industry. Prospective investors should consider carefully the following risks, and should consult with their own legal, tax and financial advisors with respect thereto.**

**This Memorandum contains forward-looking statements that involve risks and uncertainties. These statements are only predictions and are not guarantees. Actual events and results of operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "could," "intend," "anticipate," "plan," "estimate," "believe," "potential" or the negative of such terms or other comparable terminology. The forward-looking statements included herein are based upon the Manager's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Although the Manager believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those described below. Any assumptions underlying forward-looking statements could be inaccurate. Prospective purchasers of Units are cautioned not to place undue reliance on any forward-looking statements contained herein. The actual results of the Business, and therefore the Company, may differ significantly from the results discussed in the forward-looking statements.**

### Risks Relating to the Formation and Internal Operation of the Company

**New Venture**. The Company is newly formed with no history of operations and limited assets. The Company is subject to the risks involved with any speculative new venture. No assurance can be given that the Company will be profitable.

**No Financial Statements of the Manager**. This Memorandum does not contain financial statements of the Manager.

**Limited Experience of the Manager**. Although the Managers have experience in the restaurant franchise industry, the Managers have limited experience managing funds and purchasing, franchises from GKA.

**Limited Resources of the Manager**. The Manager has limited net worth and limited financial resources to satisfy its obligations as the Manager. A financial reversal for the Manager could adversely affect the ability of the Manager to manage the Company. There can be no assurance that the Manager will have sufficient funds to meet its obligations to the Company or to otherwise financially support the Company. The Manager has no obligation to advance, invest or loan money to the Company.

**Reliance on Management**. All decisions regarding the management of the Company's affairs will be made exclusively by the Manager and not by the Members. Accordingly, investors should not purchase Units unless they are willing to entrust all aspects of management to the Manager. The Manager will be relying extensively on the experience, relationships and expertise of the Manager's team of professionals, and it may not be possible to replace certain key persons should 1 or more of them cease to be involved with the Manager. Prospective investors must carefully evaluate the personal experience and business performance of the principals of the Manager. The Manager may retain independent contractors to provide services to the Company relating to the Business. Such contractors have no fiduciary duty to the Members and may not perform as expected. See "The Manager and Its Affiliates."

**Use of Proceeds to Pay Organization and Offering Expenses**. A portion of the Offering Proceeds will be used to pay the Selling Commissions and Expenses and the Organization and Offering Expenses. Thus, the gross amount of the Offering Proceeds will not be available for investment in the Business. See "Estimated Use of Proceeds."

**Lack of Members' Control Over the Company's Policies**. The purchase, financing, management, leasing and sale policies of the Company and its policies with respect to certain other activities, including its distributions and

operating policies, will be determined by the Manager. The Members must rely entirely on the Manager to determine the policies of the Company and conduct and manage the affairs of the Company.

**Conflicts of Interest**. The principals of the Manager and its Affiliates are employed independently of the Company and may engage in other activities. The Manager and its Affiliates are engaged in other activities and intend to continue to engage in such activities in the future. Principals of the Manager and the Company will allocate time between the Manager and the Company and their Affiliates. The Manager and its Affiliates and their principals will therefore have conflicts of interest in allocating management time, services and functions between various existing enterprises and future enterprises the Manager and its Affiliates and their principals may organize, as well as other business ventures in which the Manager, its Affiliates and their principals may be or may become involved. The Manager and its Affiliates, however, believe that they will have sufficient staff, consultants, independent contractors and business managers to perform adequately their responsibilities to the Company. See "Conflicts of Interest."

**Unknown Business Results**. The Company is expected to purchase membership Units of SGC. There can be no assurance that the Company will be able to achieve and maintain the projected results of the Business. Thus, the Members may not achieve the return rates assumed in the Projections.

**Standard of Care**. The LLC Agreement provides that the Manager will have no fiduciary responsibilities to the Members or the Company. As a result, other than the implied duty of good faith and fair dealing required pursuant to the Delaware Limited Liability Company Act, the Manager will have no other duties to the Members or the Company.

**Limited Approval Rights Regarding the Company**. The Members will only have limited approval rights regarding the management and operation of the Company. Thus, most decisions regarding the management of the Company's affairs will be made exclusively by the Manager.

**Limited Cash Distributions**. No cash distributions are expected to be made to the Members until the first full year after the first franchise is placed into fully operational commercial service. There can be no assurance that the Members will receive a return on their investment.

**Receipt of Compensation Regardless of Profitability**. The Manager and its Affiliates may receive certain compensation, payments and reimbursements, and in certain instances, regardless of whether the Company operates at a profit or a loss. See "Compensation to the Manager and its Affiliates."

**Loss on Dissolution and Termination**. In the event of a dissolution or termination of the Company, the proceeds realized from the liquidation of the assets of the Company will be distributed among the Members, but only after payment of all loans and other obligations of the Company. The ability of a Member to recover all or any portion of such Member's investment in the Company under such circumstances will, accordingly, depend on the amount of net proceeds realized from such liquidation and the amount of the claims to be satisfied therefrom. There can be no assurance that the Company will recognize gains in the event of liquidation.

**Liability of Members**. In general, Members of the Company may be liable for the return of a distribution to the extent that the Member knew at the time of the distribution that after such distribution, the remaining assets of the Company would be insufficient to pay the then outstanding liabilities of the Company (exclusive of liabilities to Members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specified property of the limited liability company). Otherwise, Members are generally not liable for the debts and obligations of the Company beyond the amount of the capital contributions they have made or are required to make under the LLC Agreement.

**Limitation of Liability/Indemnification of the Manager**. The Manager, its owners, Affiliates, officers, directors, partners, managers, employees, agents, assigns, principals and trustees and any officers of the Company will not be liable, and will be indemnified and held harmless by the Company, for errors of judgment or other acts or omissions not constituting fraud, gross negligence or willful misconduct as a result of certain indemnification provisions in the LLC Agreement. A successful claim for such indemnification would deplete the Company's assets by the amount paid. See "Summary of the LLC Agreement."

**Members Will Be Bound by Decision of Majority Vote**. Subject to certain limitations, Members holding a majority of Units may vote to, among other things, amend the LLC Agreement. Members who do not vote with the majority in interest of the Members nonetheless will be bound by the majority vote.

**Potential Data Security Breaches**. The Company will collect and retain certain personal information provided by its employees and investors. The Company will implement certain protocols designed to protect the confidentiality of this information and periodically review and improve its security measures, except when disclosure is required by law or regulation, is requested by a regulator or is required by a stock exchange listing securities of the Company or its Affiliate; however, these protocols may not prevent unauthorized access to this information. Technology and safeguards in this area are consistently changing and there can be no assurance that the Company will be able to maintain sufficient protocols to protect confidential information. Any breach of the Company's data security measures and disbursement of this information may result in legal liability and costs (including damages and penalties), as well as damage to the Company's reputation, that could materially and adversely affect the Company, including its business and financial performance.

**Loss of Uninsured Bank Deposits.** The Company's cash will likely be held in bank depository accounts. While the FDIC insures deposits up to $250,000 per depositor per insured institution in most cases, the Company may have deposits at financial institutions in excess of the FDIC limits. The failure of any financial institution in which the Company has funds on deposit in excess of the applicable FDIC limits may result in the Company's loss of such excess amounts, which would adversely impact the Company's performance.

**Risks upon Disposition of the Business**. In connection with the disposition of the Franchise, the Company may be required to make representations about the Franchise which are typical of those made in connection with the sale of Franchise. The Company may also be required to indemnify the purchasers of the Franchise to the extent that any such representations are later found to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which may or may not be fully reserved for from the disposition proceeds.

**Operation Risks**

**No Operating History**. The Company is newly formed and has no operating history. Therefore, the operating performance of the Business has not yet been proven. The Company may encounter risks and difficulties such as failing to perform as expected, having higher than expected operating costs, having lower than expected revenues or suffering Franchise breakdowns, failures or operational errors, or impaired assets if lessees or purchasers do not pay their obligations. The Company may be less successful in achieving consistent operating levels capable of generating cash flows from operations as compared to companies with operating histories. In addition, the Company may be less equipped to identify and address operating risks and hazards in the Business than those companies with operating histories.

**No Guaranteed Cash Flow**. There can be no assurance that cash flow or profits will be generated by the Business. It is not anticipated that the Business will generate any cash flow until the first full quarter after the first Franchise is placed into fully operational commercial service. There can be no assurance that this will occur.

**Potential Effect of the COVID-19 Virus**. The outbreak of the COVID-19 virus has created considerable instability and disruption in the United States and world economies. The extent to which the Company's results of operations or its overall value will be affected by the COVID-19 virus will largely depend on future developments, which are highly uncertain and cannot be accurately predicted, including vaccination rates and virus mutations. As a result of shutdowns, quarantines or actual viral health issues, the restaurant industry may experience reduced production, reduced demand or suppressed pricing for a prolonged period of time and lessees may be unable to make their lease payments. The Company may also be unable to obtain financing for the acquisition of new Franchise on satisfactory terms, or at all. The occurrence of any of the foregoing events or any other related matters could materially and adversely affect the financial performance and the overall value of the Company, and investors could lose all or a substantial portion of their investment in the Company.

**Russia-Ukraine Conflict**. The Russian Federation recently invaded Ukraine resulting in significantly elevated geopolitical and military tensions. The United States, European Union member states and other countries have imposed economic sanctions on the Russian Federation as well as various related parties. In addition, the Russian Federation has imposed retaliatory sanctions on oil that has increased the volatility of oil prices. As further geopolitical conflicts and economic sanctions continue to evolve, it is increasingly difficult to predict the impact and longevity of these events. Depending on direction and timing, the Russia-Ukraine conflict may significantly impact the Company and result in adverse changes to, among other things: (i) the price of oil, (ii) general economic and market conditions, (iii) supply chain constraints and (iv) interest rates. The foregoing could seriously and adversely affect the Company's business, results of operations, financial condition, cash flow and the return to Unit holders.

**No Guaranty of Sale**. There can be no assurance that the Company will be able to sell the Franchise. If the Company is unable to sell the Franchise, it could materially and adversely affect the financial performance and the overall value of the Company.

**Manufacturing Delays**. SGC may be unable to purchase Franchises in the amount of time anticipated due to manufacturing delays. Completion of production may be delayed or prevented by factors such as adverse weather, strikes, energy shortages, labor shortages, shortages or increased costs of materials, inflation, environmental conditions, legal matters and other unknown contingencies. If the manufacturing apparatus of the Business suffer major damage or are destroyed by fire, abnormal wear, flooding, incorrect operation or otherwise, the manufacturer may be unable to replace or repair such apparatus in a timely manner or at a reasonable cost, which would impact the Company's ability to acquire the Franchise. Any significant downtime of the Franchise construction could impair the Company's ability to supply the Franchise to customers and materially and adversely affect the Company's results of operations. In addition, changes in the Franchise plans and specifications, delays due to compliance with governmental requirements or impositions of fees or other delays could increase production costs beyond those budgeted. If any cost overruns exceed the funds budgeted for operations, the Business would be negatively impacted.

**No Limit on Franchises and Licenses**. There are no limits on the number of units of franchises SGC and its Affiliates may deploy, sell or lease and there are no limits on the number of licenses SGC may issue for the intellectual property. As a result, future Franchises and licensed technology could compete with the Company and have an adverse effect on the Company.

**Lack of Permits**. The Company's customers may be required to obtain permits to operate the Franchises. In addition, the Company or its customers may be required to pay various types of permit and approval fees to the applicable governmental and quasi-governmental agencies. The issuance of permits is dependent on the applicable government agencies and is not in the control of the Company or its customers. There can be no assurance that the necessary permits will be obtained. The exact amount of the permit and approval fees is not currently known and is subject to change at the discretion of the various agencies. The inability to obtain a necessary permit, or the fees associated with permits or approvals, could result in the failure of the Company's customer to operate the Franchise. The delay or inability of the Company's customers to operate the Franchise could substantially and adversely affect the financial condition of the Company and the return to the Members.

**Government Regulation**. Current and future government laws, regulations and other legal requirements may increase the costs of doing business for the Company's customers or restrict the Company's operations. Laws, regulations and other legal requirements, such as those relating to the protection of the environment and natural resources, health, business and tax may have an effect on the Company's customers' cost of operation, as well as the cost of operation of the Company. Such governmental regulation may result in delays, cause the Company's customers to incur substantial compliance and other costs or restrict the Company's Business, which could have an adverse effect on the Company's business and results of operations.

**Uncertain Demand**. The Company does not have sales history and is unable to determine with any degree of certainty the amount of prospective customers to purchase each Franchise. If the market does not find a need, use or desire for the Franchise, the Company's business, cash flows and results of operations will be materially and adversely affected.

**Limited Number of Customers**. The Company will depend on a limited number of customers for a significant portion of the Company's revenues. The Company may also sell the Franchise to unaffiliated third parties. The loss of all or a portion of the revenues attributable to SGC or its Affiliate, or the inability for the Company to expand its customer base for the sale of the Franchise, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

**Limited Type of Customer**. The Company's target market is restaurant franchisees. Therefore, demand for the Franchises will be limited to a specific customer base and highly correlated to the restaurant industry.

**Highly Regulated Customer**. The Company's prospective customers are subject to extensive governmental laws, regulations and other legal requirements, including those related to protection of health and the environment. Any future governmental laws, regulations and other legal requirements may have a material adverse effect on the Company's customer base and impair the Company's ability to sell the Franchise, which could have a material adverse effect on the Company's business, cash flows and results of operations.

**Customer Breach of Contract**. If the Company's customers do not enter into, extend or honor contracts with the Company, the Company's profitability could be adversely affected. The Company's ability to receive payment for the Franchise depends on the continued solvency and creditworthiness of prospective customers. If any of the Company's customers' creditworthiness suffers, the Company may bear an increased risk with respect to payment defaults. If customers refuse to accept the Franchise or refuse make payments for which they have a contractual obligation, the Company's revenues could be adversely affected. In addition, if a substantial portion of the Company's contracts are modified or terminated and the Company is unable to replace the contracts (or if new contracts are priced at lower levels), the Company's results of operations will be adversely affected.

**Uncertain Contractual Terms**. The Company intends to enter into agreements for the sale of the Franchise in the future, and may enter into lease agreements with unaffiliated third parties. The terms of such agreements are unknown. If the Company is unable to enter into such contracts on desirable terms, it may adversely affect the Company's business, cash flows and results of operations.

**Affiliate Purchase**. The Company will acquire Franchises from an Affiliate of the Manager without obtaining a third-party appraisal. Accordingly, the purchase agreement for such Franchise and the terms of such transactions will not be negotiated on a third-party, arm's length basis and may not be on market terms.

**Affiliate as Seller**. SGC or its Affiliate may sell the Franchise to the Company, which is intended to be at arm's length and on market terms and will be based on a third-party appraisal. However, the terms will be set by the Manager and SGC or its Affiliate. While the Company may also sell the Franchises to unaffiliated third parties, the ability of the Company to gain new customers is unknown. In the event SGC or its Affiliate undergoes financial difficulty or the Company is unable to attract new customers, the Company's business, cash flows and results of operations may be adversely affected.

**Reimbursement to Manager**. The Manager will perform, or cause its affiliates to perform, centralized corporate, general and administrative services for the Company; and in exchange the Company will reimburse the Manager for the overhead and expenses incurred in providing such services. As a result, the Manager will be reimbursed and receive fees for its services to the Company, which could adversely affect the return to Members.

**Uncertain Economic Conditions.** The United States, and the world economies are subject to fluctuation and it is unclear how stable the on land fish farming industry will be in the future. As a result, there can be no assurance that the Business will achieve anticipated cash flow levels. Further, recent world events evolving out of trade disputes), increased terrorist activities and political and military action, among other events, have created an air of uncertainty concerning the stability of the United States economy and the restaurant industry. Historically, such events have resulted in disturbances in financial markets, and it is impossible to determine the likelihood of future events. Any negative change in the general economic conditions in the United States or the restaurant industry could adversely affect the financial condition and operating results of the Business.

**Third-Party Contractors**. The Company outsources certain aspects of the Business to third-party contractors. The Company is subject to the risks associated with such contractors' ability to successfully provide the necessary services to meet the needs of the Business. If the contractors are unable to adequately provide the contracted services, and the Company is unable to find alternative service providers in a timely manner, the Company's ability to operate the Business may be disrupted, which may adversely affect the Company's business, financial condition, results of operations and cash flows.

**Lack of Diversification**. The Company will operate a single business and the Franchise will be the Company's sole type Asset. The Company may have a disadvantage competing with companies that offer different types of products. Further, the Franchise will be subject to greater risk of a change in value than companies with a more diversified product portfolio. In addition, the Franchise is limited to 1 industry, which will make the Company more susceptible to geographical, political and environmental risks that could substantially and adversely affect the Company. A reduction in the demand for the Franchise or adverse change in the restaurant industry would have a material adverse effect upon the Company's business, cash flow and results of operations.

**Uninsured Losses**. The Company intends to obtain certain insurance coverage against liability for personal injury, death and property damage. There can be no assurance that insurance obtained by the Company will be sufficient to cover any such liabilities. The Company may not be insured or fully insured against the losses or liabilities

that could arise from a casualty in the Business operations, including, but not limited to, the ale of the Franchises. In addition, there can be no assurance that particular risks that are currently insurable will continue to be insurable on an economical basis or that the current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Company may incur a significant liability. Liability in such cases may be unlimited but Members will not be personally liable.

**Litigation Risks**. Litigation costs and the outcome of litigation could have a material adverse effect on the Company's business. From time to time, the Company may be subject to litigation claims through the ordinary course of its business operations regarding, but not limited to regulatory matters, environmental matters, personal injury, casualty losses and others. Litigation to defend the Company against claims by third parties, or to enforce any rights the Company may have against third parties, may be necessary, which could result in substantial costs and diversion of the Company's resources, causing a material adverse effect on its business, financial condition and results of operations.

**Intellectual Property**. The Business will depend on certain intellectual property rights. To the extent the intellectual property used by the Business is not protected, the Company's competition may develop an equivalent or superior product or may develop an enhancement that will be patentable or otherwise protected from duplication by others. These events could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

**Inflation**. The World economy is currently experiencing inflation, which could increase the costs of the Franchise and operate the Company and adversely affect the Company.

**Competition**. The Business may have competitors that sell products similar to the Franchise. Certain of these competitors may have greater resources than the Company and could make it difficult to sell the Franchise. Increased competition or loss of the Company's competitive position could adversely affect the selling of, or prices for, the Franchise, which could impair the Company's profitability.

**Transportation Logistics**. The availability and reliability of transportation and fluctuation in transportation costs could negatively impact the Business. Transportation logistics play an important role in the operations of the Franchise and the restaurant industry generally. Delays and interruptions of transportation services because of accidents, failure to complete construction of infrastructure, infrastructure damage, lack of capacity, weather-related problems, governmental regulation, terrorism, strikes, lock-outs, third-party actions or other events could impair the operations of the Company's customers and may also directly impair the ability of the Company to deliver the Franchise to its customers, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows and the return to the Members.

**Climate Change**. Climate change, or legal, regulatory or market measures to address climate change, may negatively affect operations or financial performance of the Business. There has been much public discussion related to concerns that carbon dioxide and other emissions in the atmosphere may have an adverse impact on global temperatures (e.g., global warming), weather patterns and the frequency and severity of extreme weather and natural disasters. Adverse weather, measures enacted to address climate change and other environmental factors beyond the Company's control may negatively affect the success of the Business and demand for the Franchise.

**Zoning**. The land on which the Company and its customers operate must comply with applicable zoning regulations. Any unknown or future violations could limit the operations of the Company or its customers and negatively affect the Business.

**Landowners Restricting Business**. Landowners of land on which the Franchise could be deployed are stakeholders who can often have different objectives from the community as a whole. Landowners may apply restrictions on fish farming that could negatively affect the Business and the Company.

**Union Activities**. While none of the Company's or its Affiliates' employees are currently members of unions, the Company or its Affiliates may become adversely effected by union activities. The Company and its Affiliates are not subject to any collective bargaining or union agreement; however, it is possible that future employees may join or seek recognition to form a labor union or may be required to become a labor agreement signatory. If some or all of the employees of the Company or its Affiliates become unionized, it could adversely affect productivity, increase labor costs and increase the risk of work stoppages. If a work stoppage were to occur, it could interfere with

the Business operations and have a material adverse effect on the Company's business, financial condition, results of operations and cash flows and the returns to Unit holders.

**Financing Risks**

**Leverage**. The Company intends to finance the acquisition of the Restaurants with proceeds from loans obtained from third-party lenders or SGC. Thus, the Franchise will likely be leveraged. The Company anticipates that the aggregate loan-to-cost ratio for all of the Franchise acquired will be approximately 50% and up to 80%; provided, however, the Company may obtain financing that is less than or exceeds such loan-to-value ratio in its sole discretion. The Company has not obtained a commitment for any loans. Therefore, the amount and terms of any future loans are uncertain and will be negotiated by the Manager. No assurance can be given that future cash flow will be sufficient to make the debt service payments on any loans and to cover all operating expenses. If the Franchise's' revenues are insufficient to pay debt service and operating costs, the Company may be required to seek additional working capital. There can be no assurance that such additional funds will be available. In the event additional funds are not available, the lenders may seize the Assets and the Members could lose their investment. In addition, the degree to which the Company is leveraged could have an adverse impact on the Company, including (i) increased vulnerability to adverse general economic and market conditions, (ii) impaired ability to expand and to respond to increased competition, (iii) impaired ability to obtain additional financing for future working capital, capital expenditures, general corporate or other purposes and (iv) requiring that a significant portion of cash provided by operating activities be used for the payment of debt obligations, thereby reducing funds available for operations.

**Cash Sweep**. The loan documents are anticipated to include the right of the lender to require a cash sweep for all cash flow of the Franchise after an event of default has occurred under the loan related to such Franchise, including if the Franchise fails to meet certain debt service coverage ratios or other financial covenants (which include certain assumptions regarding expenses due, whether or not actually due). During a cash sweep period of such loan, the related lender will have the right to collect all income from such related Franchise and will likely only be required to pay operating expenses that are approved for payment by the lender in its sole discretion. As a result, the Company may not have any cash to pay for any expenses not approved by the lender which may include any Company obligations, operating expenses, state franchise taxes and other items. If the lender imposes a cash sweep, the Company may be required to refinance the related loan or to sell the related Franchise.

**Availability of Financing and Market Conditions**. Market fluctuations in loans may affect the availability and cost of loans needed for the Franchise. There can be no assurance that the Company will be able to obtain the required financing to acquire the Franchise. Restrictions on the availability of Franchise financing or high interest rates on Franchise loans may also adversely affect the ability of the Company to sell the Franchise. Current interest rates are rising and, as a result, it is possible that the interest rates available for future loans and refinancings will be higher than the current interest rates for such loans, which may have a material and adverse impact on the Franchise and the Company.

**No Loan Commitments**. While the Company anticipates that it will obtain financing to acquire the Franchise, the Company has not obtained any financing commitments for the acquisition of the Franchise. In the event that the Company is unable to obtain financing for the acquisition of the Franchise, the Company may not be able to acquire any Franchise. In such case, the return to the Members could be reduced.

**Unknown Loan Terms**. The terms of the loans to be obtained or assumed by the Company to acquire the Franchise will vary and the exact terms are unknown. It is anticipated that the loans may not allow for prepayment until shortly before maturity and that any prepayment may require the payment of a yield maintenance penalty. Consequently, the Company may not be able to take advantage of favorable changes in interest rates.

**Balloon Payments**. It is anticipated that the loans obtained to acquire the Franchise may have short terms and may require the Company to make balloon payments on the maturity dates of the loans. If the Company is unable to make a balloon payment or to refinance a loan for any reason or at reasonable cost, the ownership of the Franchiser could be jeopardized.

**Variable Interest Rates and Interest Only Loans**. It is anticipated that loans obtained by the Company may have variable interest rates. In the event that the interest rate on any loan increases significantly, the Company may not have sufficient funds to pay the required interest payments. In such event, the continued ownership of the applicable Franchise may be threatened. In addition, it is anticipated that some of the loans will only require interest payments. Thus, balloon payments of principal will be due upon maturity. In the event that the Franchise has not

been sold or refinanced before such balloon payment is due, the continued ownership of the applicable Franchise by the Company will be threatened.

**Carve-Outs to Nonrecourse Liability**. It is possible that lenders may require the Manager and the Company to be personally liable for certain carve-outs. It is also anticipated that the Company will be liable for certain springing recourse events. In circumstances where personal liability attaches, the lender could proceed against the Company's assets. It is possible that the Manager, its Affiliates and/or the Company could each be responsible for all of the nonrecourse carve-outs or springing recourse events. Members, however, will not be personally liable for any nonrecourse carve-outs or springing recourse events.

**Recourse Liability**. Although the Company anticipates that any loan it obtains to acquire the Franchise will be nonrecourse, the Manager has the discretion to obtain recourse loans. In the event the Company obtains a recourse loan and the related Franchise fails to perform as expected, the Company may not have adequate cash to make payments due on the loan. If the Company defaults on a recourse loan, in addition to seizing the related Franchise, the lender may seek repayment from other assets of the Company, which would adversely affect the performance of the Company.

**Restrictions on Transfers**. It is anticipated that the loans for the Franchise will restrict the ability of the Company to sell its interests in the Franchise. The lenders may also impose restrictions upon the transferability of the Units. Upon violation of the restrictions on transfer or encumbrance in the loan documents, the lender will have the right to declare the entire amount of the loan, including principal, interest, prepayment premiums and other charges, to be immediately due and payable. If a lender declares a loan to be immediately due and payable, the Company will have the obligation to immediately pay the loan in full, including applicable prepayment charges. If replacement financing is not found or the loan is not immediately paid in full, the lender may invoke its other remedies under the loan, which may include seizure of the Franchise that would cause the Company to lose its entire interest in the applicable Franchise.

**Volatility of Credit Markets**. Currently, there is higher than normal volatility in the credit markets, which may lead to a higher cost of financing and less access to debt. The Company intends to use leverage to acquire the Franchise. Credit volatility may make it more difficult for the Company to obtain financing to acquire the Franchise. As a result, it may be more difficult for the Company to acquire the Franchise. If the Company is not able to acquire the Franchise as anticipated, the projected returns to the Members would be reduced.

**Events of Default**. It is anticipated that certain actions by the Company will cause an event of default under the loan documents. Generally it is anticipated that the following items will cause a default under a loan: the failure to make the required payments under the loans, the failure to pay taxes, the failure to maintain insurance, the bankruptcy of the Company or the transfer of an interest in the Franchise without lender's consent. Additional events of default may be applicable for some or all of the loans. Should the Company default under a loan for any reason, the lender may declare a default under the applicable loan, which could result in seizure by the lender on the applicable Franchise and the loss of all or substantial portion of the investment made by the Company.

**Risks Relating to Offering and Lack of Liquidity**

**Limited Transferability of the Units**. Each investor will be required to represent that such investor is acquiring the Units for investment and not with a view to distribution or resale, that such investor understands the Units are not freely transferable and, in any event, that such investor must bear the economic risk of investment in the Company for an indefinite period of time because the Units have not been registered under the Securities Act or certain applicable state securities laws, and that the Units cannot be sold unless they are subsequently registered or an exemption from such registration is available and unless such investor complies with the other applicable provisions of the LLC Agreement. There will be no market for the Units and a Member cannot expect to be able to liquidate its investment in case of an emergency. Further, the sale of Units may have adverse federal income tax consequences. The transfer of a Member's Units requires the prior written consent of the Manager. Further, no transfer will be allowed unless the Manager determines that the transfer will not cause the Company to be "publicly traded." There are no specified circumstances relating to the granting or withholding of the required prior written consent of the Manager, although the Manager will exercise reasonable discretion in determining whether to grant or withhold its consent as to any particular request for a transfer. Lenders may impose additional restrictions on the transferability of the Units.

**Speculative Investment**. An investment in the Units must be considered highly speculative. No assurance can be given that the Members will realize any return on their purchase of Units or that the Members will not lose their entire investment. For this reason, prospective investors should carefully read this Memorandum and should consult with their own attorneys or business advisors.

**Illiquidity of the Units**. The Units will be illiquid. The Company intends to continuously operate the Business for approximately 5 to 8 years after the Offering Termination Date. Investors should not invest in the Company if they have a need for liquidity in this investment. It is anticipated that the sale of the Franchise to SGC or its Affiliate or a third party will be the primary exit strategies.

**Determination of Unit Price**. The purchase price of the Units has been determined primarily by the capital needs of the Company and bears no relationship to any established criteria of value such as book value or earnings per Unit, or any combination thereof. Further, the price of the Units is not based on past earnings of the Company, nor does that price necessarily reflect current market value for the Company and the Business. No valuation or appraisal of the Company's potential business has been prepared.

**Limited Redemption Rights**. The ability of Members to request the redemption of their Units for cash from the Company is limited as to timing, amount and the discretion of the Company. See "Summary of the LLC Agreement – Repurchases of Units."

**Offering Not Registered with the SEC or State Securities Authorities**. The Offering will not be registered with the SEC under the Securities Act or the securities commission of any state. The Units are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to investors meeting the suitability requirements set forth herein.

**Private Offering – Lack of Agency Review**. The Offering is a nonpublic offering and is not registered under federal or state securities laws. As a result, prospective investors will not have the benefit of review of this Memorandum by the SEC or any state securities commission. The terms and conditions of the Offering may not comply with the guidelines and regulations established for programs with operations similar to the Business that are required to be registered and qualified with the SEC or any state securities commission.

**Private Offering Exemption – Compliance with Requirements**. The Units are being offered and sold in reliance upon a private offering exemption from registration provided in the Securities Act. If the Company should fail to comply with the requirements of such exemption, the Members would have the right to rescind their purchase of their Units if they so desired. It is possible that 1 or more Members seeking rescission would succeed. This might also occur under applicable state securities laws and regulations in states where the Units will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Members were successful in seeking rescission, the Company and the Manager would face severe financial demands that would adversely affect the Company as a whole and, thus, the investment in the Company by the remaining Members.

**Prohibition on Bad Actors**. The Offering is intended to be made in compliance with Rule 506(b) of Regulation D promulgated under the Securities Act. The SEC has recently changed the requirements of Regulation D offerings to include a prohibition on the participation of certain "bad actors." The Company will obtain representations from the Manager and its principals, the Managing Broker-Dealer and the Selling Group Members that the applicable party is not a "bad actor" as that term is defined in Rule 506(d) of Regulation D. In the event that a statutory "bad actor" participates in the Offering, the Company may lose its exemption from registration of the Units. Pursuant to Rule 506(e) of Regulation D, certain events that would otherwise have designated an Offering participant as a "bad actor" but which occurred prior to the effective date of Rule 506(d), are required to be disclosed to all prospective investors. In order to comply with the requirements of Rule 506(e) of Regulation D, the Company is required to inform prospective investors of state sanctions on current or prospective Selling Group Members.

There may be additional state sanctions against Selling Group Members in the future regarding which the Company will be required to inform prospective investors.

**Forward-Looking Statements and Projections**. Any Projections or forward-looking statements included in this Memorandum and all other materials or documents supplied by the Manager should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts upon which such forward-looking statements or the Projections are based are subject to variations that may arise as future events actually occur. The Projections included are based on assumptions made by

the Manager regarding future events. There can be no assurance that actual events will correspond with these assumptions. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results anticipated or discussed in the forward-looking statements. Prospective investors are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Company or an investment in the Units.

**Private Offering Exemption – Limited Information**. Because the Offering is a nonpublic offering and the Units are only being sold to Accredited Investors, certain information that would be required if the Offering were not so limited has not been included in this Memorandum, including, but not limited to, financial statements and prior performance tables. Thus, prospective investors will not have this information available to review when deciding whether to purchase Units.

**No General Solicitation**. The Offering is being conducted in reliance on the exemption from registration provided in Rule 506(b) of Regulation D promulgated under the Securities Act and is not being conducted pursuant to Rule 506(c) of Regulation D. As such, a failure to comply with the Rule 506(b) requirements could result in the loss of the exemption from registration.

**Purchase of Units by the Manager or its Affiliates**. The Manager and its Affiliates may subscribe for any number of Units in the Offering for any reason deemed appropriate by the Manager; provided, however, that the Manager will not purchase more than 10% of the Units sold in the Offering. In addition, the Manager will not acquire any Units until the Minimum Offering Amount has been raised by the Company. The Manager and its Affiliates will not acquire any Units with a view to resell or distribute such Units. Upon the acquisition of Units, the Manager or its Affiliates will have the same rights as other Members in respect of the Units owned by it, including the right to vote on all matters subject to the vote of Members. Should the Manager acquire a Unit, the percentage interest of the Manager in the profits, gains, losses, deductions and credits of the Company will increase as against a corresponding reduction in the interest of the other Members. Any purchase of Units by the Manager and/or its Affiliates will be on the same terms and conditions as are available to all investors except that the Manager and its Affiliates will be able to purchase Units net of Selling Commissions. The purchase of Units by the Manager or its Affiliates could create certain risks, including, but not limited to, the following: (i) the Manager or its Affiliates would obtain voting power as Members, (ii) the Manager or its Affiliates may have an interest in disposing of the Company's interest in the Business at an earlier date than the other Members so as to recover its investment in the Units made by it or its Affiliates, (iii) substantial purchases of Units by the Manager or its Affiliates may limit the Manager's ability to fulfill any financial obligations that it may have to or on behalf of the Company and (iv) the acquisition of Units by the Manager and/or its Affiliates will mean that the total Units acquired will not have been provided by disinterested investors after an assessment of the merits and risks of the Offering. See "Conflicts of Interest."

**Estimates, Opinions and Assumptions**. No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate. Any such estimates, opinions or assumptions should be considered speculative and are qualified in their entirety by the information and risks disclosed in this Memorandum. The assumptions and facts upon which any estimates or opinions herein are based are subject to variations that may arise as future events actually occur. There can be no assurance that actual events will correspond with the assumptions. Prospective investors are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Company.

**No Representation of Members**. Under the LLC Agreement, each of the Members acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members in any respect.

**Investment by Tax-Exempt Purchasers**. The fiduciary of a plan subject to ERISA or Code Section 4975 should consider the applicable limitations imposed by ERISA, Code Section 4975 and other federal, state, local or other rules and regulations that are similar to the provisions of ERISA and Code Section 4975. Among other things, the fiduciary should consider the following (to the extent applicable): (i) whether the investment is in accordance with the documents and instruments governing such plan, (ii) the definition of "plan assets" under ERISA and the impact thereof on the plan's investment in the Company, (iii) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA (or other applicable law), (iv) whether, under Section 404(a)(1)(B) of ERISA (or other applicable law), the investment is prudent, considering the nature of an investment in and the compensation

structure of the Company and the fact that there is not expected to be a market created in which the Units can be sold or otherwise disposed of, (v) that the Company has no history of operations, (vi) whether the Company or any Affiliate is a "party-in-interest" (within the meaning of Section 3(14) of ERISA) or "disqualified person" (within the meaning of Code Section 4975) with respect to the plan, (vii) the need to annually value the Units and (viii) whether an investment in the Company will cause the plan to recognize UBTI. See "Federal Income Tax Consequences – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income" and "ERISA and Other Benefit Plan Considerations."

**Subsequent Investors May be Able to Review Company's Performance**. Investors who invest in the later stages of the Offering will have a greater opportunity to review information regarding the Business that will not be available to early investors. Early investors will not have an opportunity to review any operations of the Franchise. In this regard, later investors may have an advantage in initially deciding whether to invest in the Company.

**Exemption from Investment Company Act of 1940**. The Company may accept 100 or more Unit holders. The Investment Company Act requires that any issuer that is beneficially owned by 100 or more persons and that owns certain securities be registered as required under the Investment Company Act. The Manager believes that, because the Company will be operating the Business directly or through wholly-owned subsidiaries, the operation of the Business through wholly-owned subsidiaries will not be deemed to be securities for purposes of the Investment Company Act. As a result, the Company will not be required to register under the Investment Company Act requirements. In the event the Company is required to register under the Investment Company Act, the returns to the Members will likely be significantly reduced.

**Compensation of Selling Group Members**. Selling Group Members are compensated based on the number of Units they sell. As a result, Selling Group Members have an incentive to sell a significant amount of Units to 1 or more investors.

**Lack of Firm Commitment Underwriting**. The Company is offering the Units on an "all-or-none minimum, best efforts maximum" basis through the Managing Broker-Dealer and the Selling Group Members. It is possible that the Company may raise only the Minimum Offering Amount or may raise less than the Maximum Offering Amount, or that it may take a significant time for the Company to raise the Maximum Offering Amount. In any case, the Company may not be able to execute its business plan as efficiently as if the Offering had a firm commitment underwriting for the Maximum Offering Amount.

**Tax Risks**

**General**. There are substantial risks associated with the federal income tax aspects of an investment in the Company. The income tax consequences of an investment in the Company are complex and recent tax legislation has made substantial revisions to the Code. Many of these changes affect the tax benefits generally associated with an investment in a limited liability company. The following paragraphs summarize some of the tax risks to the Members. A further discussion of the tax aspects (including other tax risks) of an investment in the Company is set forth under "Federal Income Tax Consequences." Because the tax aspects of the Offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, prospective investors are urged to consult with and rely on their own tax advisor concerning the Offering's tax aspects and their individual situation. **No representation or warranty of any kind is made with respect to the acceptance by the Internal Revenue Service ("IRS") of the treatment of any item by the Company or an investor.**

**Risk of Audit**. The Company's federal information returns may be audited by the IRS. An audit may result in the challenge and disallowance of some of the deductions described in the returns. No assurance or warranty of any kind can be made with respect to the deductibility of any such items in the event of either an audit or any litigation resulting from an audit. In addition, any such audit may lead to an audit of a Member's individual tax return, which may lead to adjustments other than those relating to such Member's investment in the Company. The costs of such audit and adjustments would be borne by the affected Members.

**Tax Classification of the Company**. The Manager will elect that the Company be taxed as a partnership for federal income tax purposes. If the Company were to be treated for tax purposes as a corporation, the tax benefits associated with an investment in a limited liability company, if any, would not be available. The Company would, among other things, pay income tax on its earnings in the same manner and at the same rate as a corporation, and losses, if any, would not be deductible by the Members. See "Federal Income Tax Consequences – Tax Consequences Regarding the Company – Status as a Partnership."

**Unrelated Business Taxable Income**. It is anticipated that if the Company generates taxable income, such income will be considered UBTI. Tax-exempt entities should consult with their own tax counsel regarding the effect of any UBTI. See "Federal Income Tax Consequences – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income."

**Limitations on Losses and Credits**. Various provisions of the Code may limit a Member's ability to deduct losses or expenses allocated to the Member by the Company, including a basis limitation under Code Section 704(d), passive loss limitations under Code Section 469, "at risk" limitations under Code Section 465 and limitations on the deductibility of interest under Code Sections 163(d) and 163(j). In light of these limitations, prospective investors should not purchase Units with the expectation that they will be able to use losses and deductions allocated to them by the Company to reduce ("shelter") income from sources other than the Company. See "Federal Income Tax Consequences – Tax Consequences Regarding the Company."

**Allocation of Net Income and Net Loss**. In order for the allocations of income, gains, deductions, losses and credits under the LLC Agreement to be recognized for tax purposes, such allocations must possess substantial economic effect. No assurance can be given that the IRS will not claim that such allocations lack substantial economic effect. If any such challenge to the allocation of losses to any Member were upheld, the tax treatment of the investment for such Member could be adversely affected. See "Federal Income Tax Consequences – Tax Consequences Regarding the Company – Allocation of Net Income and Net Loss."

**Successive Owners of Units**. As between successive owners of Units, Net Income and Net Loss will be allocated (for income tax and other purposes) as provided in the LLC Agreement, to the extent permitted under the Code, regardless of the dates upon which cash distributions are made to the Members or the amount of any such cash distributions. Accordingly, the purchaser or seller of Units may be required to report a share of the Company's Net Income on such person's personal income tax return, even though such person receives no cash distribution during the period in which the Units were held or, if such person has received any cash distributions, even though the amounts of such distributions bear no relation to the amount of Net Income that such person is so required to report. See "Federal Income Tax Consequences – Tax Consequences Regarding the Company – Allocation of Net Income and Net Loss."

**Taxable Income in Excess of Cash Receipts**. It is possible that a Member's taxable income resulting from its interest in the Company will exceed the cash distributions attributable thereto. This may occur because funds received by the Company may be taxable income to the Company while the Company may use such funds for nondeductible operating or capital expenses of the Company or the repayment of loans. Thus, there may be years in which a Member's tax liability exceeds its share of cash distributions from the Company. The same tax consequences may result from a Member's sale or transfer of the Member's Units, whether voluntary or involuntary, and may produce ordinary income or capital gain or loss. See "Federal Income Tax Consequences."

**Potential Limitation of Net Loss**. Prospective investors should be aware that the Members will only be able to utilize Net Loss up to the amount of their tax basis in their Units. See "Federal Income Tax Consequences – Tax Consequences Regarding the Company – Allocation of Net Income and Net Loss."

**Alternative Minimum Tax**. The alternative minimum tax applies to designated items of tax preference. The limitations on the deduction of passive losses also apply for purposes of computing alternative minimum taxable income. See "Federal Income Tax Consequences – General Considerations – Alternative Minimum Tax."

**Accuracy-Related Penalties and Interest**. If an income tax audit disallows Company deductions, investors should be aware that the IRS could assess significant penalties and interest on tax deficiencies. See "Federal Income Tax Consequences – Accuracy-Related Penalties and Interest."

**State Income Taxes.** The Members may have to file and pay taxes in the state(s) where the Business is located and may be subject to withholding for income taxes. This Memorandum does not analyze or discuss state or local tax consequences. Each prospective investor should consult with their own tax advisors regarding the tax consequences of a purchase of a Unit in both the state where they reside and where the Business is located. The TCJA limits the itemized deductions of individuals for state and local taxes to $10,000 of income taxes, sales taxes and property taxes. The new $10,000 limitation does not apply to property taxes that are incurred in carrying on a trade or business or an activity for the production of income. See "Federal Income Tax Consequences – State and Local Taxes."

**Changes in Federal Income Tax Law**. Congress has recently enacted several major tax bills that substantially affect the tax treatment of investments in a business including, but not limited to, the TCJA and the tax provisions of the CARES Act. These changes will have a substantial effect on the type of activities in which the Company intends to engage, and certain of those effects are set forth under the appropriate subheadings under "Federal Income Tax Consequences." In many instances, Congressional Committee reports have been relied upon for the interpretation and application of these new statutory provisions. While the Code authorizes the Treasury Department to issue extensive substantive regulations regarding recently adopted Code provisions, few have been issued to date. In addition, Congress could make substantial changes in the future to the income tax consequences with respect to an investment in the Company.

The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, prospective investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of the Company. Any such change may or may not be retroactive with respect to the transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on an investment in the Units.

For a further discussion on the tax aspects of an investment in the Units, see "Federal Income Tax Consequences."

## ESTIMATED USE OF PROCEEDS

The following table sets forth certain information concerning the estimated use of the Offering Proceeds:

| | Minimum Offering | | Maximum Offering | |
|---|---|---|---|---|
| | Amount[5] | Percentage of Gross Proceeds | Amount | Percentage of Gross Proceeds |
| Gross Offering Proceeds | $ 500,000 | 100.00% | $ 10,000,000 | 100.00% |
| Organization and Offering Expenses[1] | $ 25,000 | 5% | $ 150,000 | 1.50% |
| Selling Commissions[2] ....................... | $ 30,000 | 6.00% | $ 600,000 | 6.00% |
| Placement Fee[3] ................................. | $ 20,000 | 0% | $ 400,000 | 4.00% |
| Available for Investment[4]................. | $ 425,000 | 85.00% | $ 8,850,000 | 88.50% |
| Total Application ................................ | $ 500,000 | 100.00% | $ 5,000,000 | 100.00% |

(1) The Manager will be entitled to reimbursement of the Organization and Offering Expenses. The Company anticipates that the Organization and Offering Expenses will be approximately $150,000 if the Maximum Offering Amount is sold (approximately 1.5% of the Maximum Offering Amount), and approximately $25,000 if the Minimum Offering Amount is sold (approximately 5% of the Minimum Offering Amount without financing).

(2) Selling Commissions in an amount up to 6% of the Total Sales will be paid to the Broker-Dealer, which the Broker-Dealer will reallow to the Selling Group Members. For purposes of calculating the Total Sales, each Unit, including Early Investor Units, will be deemed to have a sales price of $1,000 and any discount provided to the purchaser of a Unit will be disregarded.

(3) Spectra Equity Fund will Hold in escrow 4% of the Total Sales, which may be reallowed for organization & offering expenses & placemen fees disbursements

(4) Amounts available for investment will be used to establish working capital reserves and purchase the franchises from GKA managed by SGC.

(5) If the Company receives sufficient debt financing for the Franchise prior to the Maximum Offering Termination Date, the Maximum Offering Amount will be reduced from $10,000,000 of capital to $2,750,000 of capital.

## DESCRIPTION OF THE ASSET

The Company will be purchasing franchises from Ghost Kitchen American and the franchises will be managed by Spectra Global Cuisine (SGC) for the Companh. Spectra Global Cuisine will handle all the aspects of the franchised for the Company under a Franchise Management Agreement. SGC will charge a management fee per franchise of 5% of the gross revenues paid monthly, and 50% of the Franchise net profit paid annually.

The Company has plans to purchase up to 500 GKA Franchises and operate them for as much as 10 years. The plan is at that time to potentially look for a offer for the bundled value of the franchises. During that time the Company will receive revenues from its ownership in the GKA Franchises and pay annual returns to Unit holders. The Company intends to distribute as much as 75% of the Net Profit received by the Company to investors annually and invest the remaining to achieve the goal of 500 GKA Franchises.

The Company plans to raise as much as $100 million USD in equity or debt, to accomplish this goal in the following offerings:

1- A Units- $10,000,000
2- B Units- $15,000,000
3- C Units- $25,000,000
4- D Units- $25,000,000
5- E Units- $25,000,000

The price per Unit is subject to change and Management anticipates future rounds to be at a higher price. Upon closing all rounds, Management intends to acquire 500 GKA franchises in the United States and through its Franchise Management Agreement with SGC, will construct and operate these franchises for an approximate period of 10 years. At that point, or earlier, the Company will look to bundle and sale the Assets and at that time would distribute the profits to investors and close the fund.

Who is Ghost Kitchen America, Inc.

Ghost Kitchen America, Inc and its affiliate are international restaurant franchise Company. GKA has been working/partnership with Walmart since 2015 including a Ghost Kitchen Brand built inside of Walmart HQ of Canada.

GKA has SGC has exclusive and ongoing working relationship.

Tom Lee is a Board Member of Ghost Kitchen International, Inc. and Managing member of SGC.

## FRANCHISE MANAGEMENT AGREMENT

The Company will hire SGC to manage all aspects of the GKA Franchises purchased. SGC will charge a 5% of gross revenues, paid monthly, and 50% of the net profit of the Franchise paid annually.

The form Franchise Management Agreement is set forth on Exhibit F. See "Summary of the SGC Franchise Management Agreement."

**Financing**

The Company intends to finance the purchase of the Franchises with proceeds of the Offering and loans obtained from various third-party lenders or SGC.

**The Company**

The Company is an Asset Holding Company investing in franchises from Ghost Kitchen America in the United States.

PLAN OF DISTRIBUTION

**Rule 506(b)**

The Offering is being made in reliance on Rule 506(b) of Regulation D promulgated under the Securities Act. As a result, no general advertising or general solicitation is permitted in connection with the sale of the Units.

**Capitalization**

The Offering is for a minimum of $500,000 of capital (in Units and a maximum of $10,000,000 in Units at $1,000 per Unit for the Common A Units. A minimum purchase of 50 Units is required, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units. After funding the Company with the Minimum Offering Amount, the net proceeds from the sale of each Unit will be added to the Company's capital and utilized for the purposes set forth in this Memorandum. Notwithstanding the foregoing, in no event will the number of Members holding Units exceed 10,000 as determined under the Exchange Act.

The Company intends to continue the Offering until the Offering Termination Date.

**Qualifications of Prospective Investors**

The Units are being offered only to Accredited Investors who can represent that they meet the Investor Suitability Requirements described under "Who May Invest" and may be purchased only by prospective investors who satisfy such suitability requirements.

**Sale of Units**

The purchase price of $1,000 per Unit for the Common A Units will be payable in full in cash upon subscription. The minimum subscription amount will be 50 Units, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units There can be no assurance that all Units will be sold prior to the Offering Termination Date. The Company reserves the right to refuse to sell Units to any person, in its sole discretion, and may terminate the Offering at any time.

**Marketing of Units**

Offers and sales of Units will be made on an "all-or-none minimum, best efforts maximum" basis by the Selling Group Members who are members of FINRA. The Managing Broker-Dealer, a member of FINRA, will receive the Selling Commissions in an amount up to 6% of the deemed price of the Units sold ($1,000 per Unit) by the Selling Group Members, which it will reallow to the Selling Group Members; provided, however, that this amount will be reduced in the event a lower commission rate is requested by a Selling Group Member and the commission rate will be the lower agreed upon rate. The total aggregate amount of the Selling Commissions and Expenses will not exceed 10% of the Total Sales. The Company will be responsible for paying all of the Selling Commissions and Expenses. For purposes of calculating the Total Sales, each Unit, including Early Investor Units, will be deemed to have a sales price of $1,000 and any discount provided to the purchaser of a Unit will be disregarded.

The Company anticipates that the Organization, Offering Expenses & placement fees 4% of the Total Sales, Notwithstanding the foregoing, if the Company receives sufficient debt financing for the Franchise prior to the Maximum Offering Termination Date, the Maximum Offering Amount will be reduced from $10,000,000 of capital to $2,750,000 of capital.

The Company may accept purchases of Units net of the Selling Commissions otherwise payable (for a net purchase price of $1,000 per Common A Unit based on a 6% Selling Commission) from investors purchasing through a registered investment advisor, from the Manager or its Affiliates or as otherwise determined in the sole discretion of the Manager.

The Selling Group Members will be required to execute a Selling Agreement with the Broker-Dealer after the effective date of this Memorandum. The Selling Agreement contains cross-indemnity provisions with respect to certain liabilities, including liabilities under the Securities Act.

The Company will obtain representations from the Broker-Dealer and the Selling Group Members that the applicable party is not a "bad actor" as that term is defined in Rule 506(d) of Regulation D. In the event that a statutory "bad actor" participates in the Offering, the Company may lose its exemption from registration of the Units.

Inquiries about subscriptions should be directed to the Company whose mailing address is 1 Park Plaza, Suite 600, Irvine Ca 92614and the telephone number is 302-238-1245

**Sales Materials**

Other than this Memorandum and factual summaries and sales brochures of the Offering prepared by the Company, no other material will be used in the Offering.

The Manager may also respond to specific questions from broker-dealers and prospective investors. Information relating to the Offering may be made available to broker-dealers for their internal use. However, the Offering is made only by means of this Memorandum. Except as described herein, neither the Company nor the Manager has authorized the use of other sales materials in connection with the Offering. The information in such material does not purport to be complete and should not be considered a part of this Memorandum, or as incorporated in this Memorandum by reference or as forming the basis of the Offering.

No broker-dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum or in any sales literature issued by the Company and, if given or made, such information or representations must not be relied upon.

**Subscription Procedures**

To subscribe for Units, a purchaser must complete and sign the Subscription Agreement attached hereto as Exhibit A. The purchaser must deliver to the Broker-Dealer the fully executed Subscription Agreement and a check for the full Subscription Payment made payable to Spectra Equity Fund LLC" or the purchaser may submit the Subscription Payment by wire transfer of immediately available funds directly into the Escrow Account. The Broker-Dealer will process the proposed subscription and forward any checks for the Subscription Payment to the Escrow Agent and the Subscription Agreement to the Company for approval. During the escrow period, funds tendered pursuant to the Subscription Agreement will be deposited in the Escrow Account by noon of the next business day following receipt. Once the Minimum Offering Amount has been raised and certain conditions have been satisfied, and pursuant to a supplement to this Memorandum, the Company and the Broker-Dealer may redirect the investors to make their checks payable directly to the Company. The Manager, in its sole discretion, may use alternative banks or financial institutions to hold funds tendered for the purchase of Units.

**The Escrow Agent is acting as escrow holder for the Offering Proceeds and has neither recommended nor provided any advice in connection with a purchase of the Units.**

**Acceptance of Subscriptions**

The Manager has the right, to be exercised in its sole discretion, to accept or reject any subscription in whole or in part for a period of 30 days after receipt of the Subscription Agreement. Any subscription not accepted within 30 days of receipt will be deemed rejected.

**Limitation of Offering**

The offer and sale of Units are being made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the Investor Suitability Requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those requirements.

## CAPITALIZATION OF THE COMPANY

The following table sets forth the anticipated capitalization of the Company reflecting the issuance and sale of the Units offered hereby. The income statement and audited balance sheet of Spectra Management Holdings, LLC., the sponsor of the Company are attached hereto as Exhibit C.

| | Minimum Offering Amount[1] | Maximum Offering Amount[2] |
|---|---|---|
| Units[3] .............................. | 500 | 10,000 |
| Total[4] .............................. | $ 500,000 | $ 10,000,000 |

(1) Until the Minimum Offering Amount of Units is sold, no Subscription Payments will be released to the Company from the Escrow Account. Notwithstanding the foregoing, if the Company receives sufficient debt financing for the Franchise prior to the Maximum Offering Termination Date, the Maximum Offering Amount will be reduced from $10,000,000 of capital to $2,750,000 of capital.

(2) The Units are being offered until the Offering Termination Date. As of the date hereof, no Units have been sold.

(3) Amounts reflect cash contributions of investors as of the future date of capitalization of the Company in the amount $1,000 per Common A Unit, which amount may be lower as set forth herein. Amounts do not include the Initial Member's contribution, which will be returned to such Initial Member.

(4) Amounts shown are the anticipated gross proceeds of the Offering before deducting any Selling Commissions and Expenses or Organization and Offering Expenses. See "Plan of Distribution" and "Estimated Use of Proceeds."

## THE MANAGER AND ITS AFFILIATES

### The Manager

Ramir Legacion is the fund Manager. The Manager has the exclusive authority to manage and control all aspects of the business of the Company. In the course of its management, the Manager may, in its sole discretion, employ such persons, including Affiliates of the Manager, as it deems necessary. The following are the officers of the Manager:

| Name | Title |
| --- | --- |
| Ramir Legacion | Chief Executive Officer |

Ramir Legacion, Chief Executive Officer
Mr. Legacion from 2018 to present he has been currently SVP with Wealth Space, LLC. Through leadership skill and training, he has built hundreds of financial professionals across the nation. From 2013 to 2018.he was a financial professional with TransAmerica financial services organization selling and designing financial portfolio with his clients. From 1985 to 2018 he was involved in Engineering and an engineering software trainer. He graduated from De La Salle University, Philippines. He studied Undergraduate at Cal Poly, Pomona, California.

Novie Medina, Chief Financial Officer
Novie Medina is a highly sought-after certified John Maxwell Team leadership executive mentor, coach, consultant and speaker. Novie is well versed in business operations and in the importance of culture and engagement. Novie's leadership journey started more than 25 years ago in Healthcare Industry as Chief Financial Officer. She honed her skills by leading the corporation's organizational development and management revitalization teams, providing physicians with superior leadership during critical transition phases, including hiring professional and technical staff, implementing budget reductions, and installing effective case management information systems. She owned and operated restaurants for more than 15years. She serves as the president of Finance Council for LA Archdiocese Parish. She was recognized by the City of Cerritos, State of California Treasurer Office as one of the "8 Most Influential Women in Business."

### Spectra Global Cuisine.

Who is Spectra Global Cuisine, LLC (SGC)

Spectra Global Cuisine LLC is subsidiary of Spectra Group Holdings, LLC is a global leader in restaurant development, real estate, and operations. Located in Irvine, California, home to the entertainment and hospitality industry.

Tom Lee, CEO, has more than 30 years of experience in the restaurant industry plus 25 years in financial services. His experience provides strategic capital infusion for steady and exponential growth for Spectra in the upcoming years.

Keeping it classy while following the “new” is our restaurant motto. We believe the taste of fusion cuisine and technology integration will lead us to a revolutionary experience for our customers. Our brands will continue to expand internationally with a wide range of fine dining, comfort food, and fast casual. All locations are designed to adapt in times of pandemic or economic uncertainty.

Our assembled Restaurant Support Team (RST) consists of our Field Task Force, Management, Human Resources, Marketing, Accounting, Administration, Build Out, Acquisition, Business Development, Talent Acquisition, and Legal. We aim for a positive work environment and encourage creativity within our team.

Spectra Global Cuisine is committed to maintaining a safe, productive, diverse, inclusive, professional, collegial, and secure work environment in which all individuals are treated with respect and dignity. Discrimination, harassment, or inappropriate conduct is not tolerated by or against employees, customers, vendors, contractors, or any other individuals who conduct business with SGC.

This policy applies to conduct at Spectra Global Cuisine offices, work locations, and while engaged in work-related activities outside the workplace, such as business-related trips, social events, and communications.

SGC has acquired from Ghost Kitchen America, Inc. rights to market a ONE Kitchen franchise in the US, including unlimited franchise inside the Walmart stores.

## Sales and Marketing

SGC will employ Area managers that will work on behalf of the Company. SGC and affiliate Company, Wealth Space, LLC members will be promoting ONE Kitchen franchise through their network of "brokers" across the US. Wealth Space, LLC has over 2,000 independent members across the US. SGC will hire/recruit Area Managers to continue scout franchise locations beyond Walmart.

## DUTIES OF THE MANAGER

The Manager will not have any duties (fiduciary or otherwise) other than the ones specifically described in the LLC Agreement and the implied duty of good faith and fair dealing that is required by the Delaware Limited Liability Company Act. The Manager is responsible for the control and management of the Company and must exercise good faith and fair dealing in handling Company affairs. The Manager has a responsibility for the safekeeping and use of all funds and assets of the Company, whether or not in its immediate possession and control, and may not use or permit another to use such funds or assets in any manner except for the exclusive benefit of the Company. The funds of the Company will not be commingled with the funds of any other person or entity. The Manager may employ persons or firms to carry out all or any portion of the business of the Company and has the authority to employ contractors, architects, attorneys, accountants, engineers, appraisers or other persons or entities to assist it in the management and operation of the Company. Some or all of such persons or entities employed may be Affiliates of the Manager.

The LLC Agreement provides that the Manager, its owners, Affiliates, officers, directors, managers, employees, agents, assigns, principals and trustees and any officers of the Company will not be liable to the Company or the Members for any act or omission performed or omitted by it in good faith, but will be liable only for fraud, gross negligence or willful misconduct. Members and other holders of Units may, accordingly, have a more limited right of action against the Manager than they would have absent such an exculpatory provision in the LLC Agreement.

The LLC Agreement generally provides for indemnification of the Manager, its owners, Affiliates, officers, directors, managers, employees, agents, assigns, principals and trustees and any officers of the Company by the Company (to the extent of Company assets) for any claims, liabilities and other losses that it may suffer in dealings with third parties on behalf of the Company not arising out of fraud, gross negligence or willful misconduct.

## CONFLICTS OF INTEREST

The Manager and its Affiliates may act, and are acting, as the manager of other limited liability companies, the manager of trusts or as the general partner of other partnerships. The Manager and its Affiliates may form and manage additional limited liability companies or other business entities. The Manager and its Affiliates have existing responsibilities and, in the future, may have additional responsibilities to provide management and services to a number of other entities in addition to the Company. As a result, conflicts of interest between the Company and the other activities of the Manager and its Affiliates may occur from time to time. The principal areas in which conflicts may be anticipated to occur are described below.

### Ownership of Units

The Manager and its Affiliates may subscribe for any number of Units for any reason deemed appropriate by the Manager; provided, however, that the Manager will not purchase more than 10% of the Units sold in the Offering. In addition, the Manager will not acquire any Units until the Minimum Offering Amount has been raised by the Company. The Manager and its Affiliates will not acquire any Units with a view to resell or distribute such Units.

Any purchase of Units by the Manager and/or its Affiliates will be on the same terms and conditions as are available to all investors except that the Manager and its Affiliates will be able to purchase Units net of Selling Commissions. The purchase of Units by the Manager or its Affiliates could create certain risks including, but not limited to, the following: (i) the Manager or its Affiliates would obtain voting power as Members, (ii) the Manager or its Affiliates may have an interest in disposing of Company assets at an earlier date than the other Members so as to recover its investment in the Units made by it or its Affiliates, (iii) substantial purchases of Units by the Manager or its Affiliates may limit the Manager's ability to fulfill any financial obligations that it may have to or on behalf of the Company and (iv) the acquisition of Units by the Manager and/or its Affiliates will mean that the total Units acquired will not have been provided by disinterested investors after an assessment of the merits and risks of the Offering. See "Risk Factors – Risks Relating to Offering and Lack of Liquidity – Purchase of Units by the Manager or its Affiliates."

**Obligations to Other Entities**

Conflicts of interest will occur with respect to the obligations of the Manager and its Affiliates to the Company and similar obligations to other entities. Moreover, the Company will not have independent management as the Members will rely on the Manager and its Affiliates for all of the Company's management decisions. Other investment projects in which the Manager and its Affiliates participate may compete with the Company for the time and resources of the Manager and its Affiliates. The Manager and its Affiliates will, therefore, have conflicts of interest in allocating management time, services and functions among the Company and other existing companies and businesses, as well as any companies or businesses that may be organized in the future. Under the LLC Agreement, the Manager is obligated to devote as much time as it, in its sole discretion, deems to be reasonably required for the proper management of the Company and its assets. The Manager and its Affiliates believe that they have the capacity to discharge their responsibilities to the Company notwithstanding participation in other investment programs and projects.

**Interests in Other Activities**

The Manager may form additional limited liability companies and other entities in the future to engage in activities similar to and with the same investment objectives as those of the Company, including but not limited to, fish farming businesses that involve the ownership, investing and management of Franchise similar to the Franchise. The Manager may be engaged in sponsoring other such entities at approximately the same time as the Units are being offered or the Company's investments are being made.

These activities may cause conflicts of interest between such activities and the Company, and the duties of the Manager concerning such activities and the Company. The Manager will attempt to minimize any conflicts of interest that may arise among these various activities. The Manager or any of its Affiliates may engage for their own account, or for the account of others, in other business ventures, whether related to the business of the Company or otherwise, and neither the Company nor any Member will be entitled to any interest therein solely by reason of any relationship with or to each other arising from the Company.

**Loans from Affiliate**

The Company may obtain loans from SGC, an Affiliate of the Manager. Any loan from SGC will bear interest at a rate equal to the lesser of (i) the cost to SGC for issuing such loan plus 2% or (ii) the maximum interest rate permitted by applicable law. The terms of such loans may not be on an arm's-length basis. Such a financing arrangement may cause conflicts of interest between the activities and the Company and the Manager, on one hand, and the activities of SGC, on the other hand.

**Franchise and Licenses Owned by Affiliates**

It is possible that SGC and its Affiliates could sell, lease or deploy other Franchise or technology that uses the Franchise IP that competes with the Company. In such cases, there will exist conflicts of interest between the activities and the Company and the Manager, on one hand, and the activities of SGC and its Affiliates, on the other hand.

**Receipt of Compensation by the Manager and its Affiliates**

The payments to the Manager and its Affiliates set forth under "Compensation to the Manager and its Affiliates" have not been determined by arm's length negotiations. The Manager and its Affiliates will receive compensation pursuant to agreements that will be negotiated on behalf of the Company by the Manager and there will

not be any independent valuation of such compensation. As a result, the Manager will determine its own compensation and the Members will not have approval rights for such compensation.

**Manager's Representation of Company in Tax Audit Proceedings**

Situations may arise in which the Manager may act as the partnership representative on behalf of the Company in administrative and judicial proceedings involving the IRS or other enforcement authorities. Such proceedings may involve or affect other entities for which the Manager or its Affiliates may act as the manager. In such situations, the positions taken by the Manager may have differing effects on the Company and the other entities. Any decisions made by the Manager with respect to such matters will be made in good faith consistent with the Manager's duties both to the Company and the Members and to any other entities for which the Manager or an Affiliate may be acting as a manager. However, any Member who desires not to be bound by any settlement reached by the Manager may file a statement within the period prescribed by applicable tax regulations stating that the Manager does not have authority to enter into a settlement on its behalf.

**Legal Representation**

Counsel to the Company, the Manager and their Affiliates in connection with the Offering is the same, and it is anticipated that such multiple representation will continue in the future. As a result, conflicts may arise in the future and if those conflicts cannot be resolved or the consent of the respective parties cannot be obtained to the continuation of the multiple representation after full disclosure of any such conflict, said counsel will withdraw from representing one or more of the conflicting interests with respect to the specific matter involved. Each Member acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members in any respect. Each Member consents to the Manager hiring counsel for the Company which is also counsel to the Manager

**Resolution of Conflicts of Interest**

The Manager has not developed, and does not expect to develop, any formal process for resolving conflicts of interest. However, the Manager is subject to a duty to exercise good faith and fair dealing in handling the affairs of the Company, which duty will govern its actions in all such matters. See "Duties of the Manager." While the foregoing conflicts could materially and adversely affect the Members, the Manager, in its sole judgment and discretion, will attempt to mitigate such potential adversity by the exercise of its business judgment in an attempt to fulfill its legal obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest.

**Reimbursement of Expenses**

The Manager will be reimbursed by the Company for all operating expenses incurred by the Manager acting on behalf of the Company, including, without limitation, (i) all Organization and Offering Expenses advanced or otherwise paid by the Manager; (ii) all operating expenses incurred by the Manager and its Affiliates acting on behalf of the Company, including, without limitation, all bookkeeping and auditing expenses incurred in maintaining the Company financial and operational records; (ii) expenses of preparation and mailing of reports; (iv) expenses (including legal fees and accounting fees) associated with the preparation, filing and mailing of tax returns and regulatory filings; (v) legal, accounting, consulting and similar fees for services rendered to the Company; (vi) all costs of borrowed money and all taxes applicable to the Company; (vii) travel and related expenses; (viii) salaries and related payroll expenses for officers and employees of the Company other than the Manager and its Affiliates; (ix) expenses of attorneys, consultants, accountants and other persons rendering specialized services; (x) all damages incurred by the Company or any Person entitled to indemnification from the Company; (xi) all insurance premiums; (xii) all other expenses incurred by the Company; (xiii) all expenses paid by the Manager to other Persons for services rendered on behalf of the Company; (xiv) all compensation due to the Manager or its Affiliates; (xv) costs of operating the Business; (xvi) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation or other proceedings conducted by any regulatory agency, including legal and accounting fees; (xvii) expenses of revising, amending, modifying or terminating this Agreement and (xviii) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manger or its Affiliates, but not in excess of the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale.

**Reimbursement of Manager Overhead**

The Manager will perform, or cause its affiliates to perform, centralized corporate, general and administrative services for the Company, such as legal, corporate record keeping, planning, budgeting, regulatory, accounting, billing, business development, treasury, insurance administration and claims processing, risk management, health, safety and environmental, information technology, human resources, investor relations, cash management and banking, payroll, internal audit, taxes and engineering. In exchange, the Company will pay it for overhead and expenses incurred in providing these services.

## COMPENSATION TO THE MANAGER AND ITS AFFILIATES

The following information summarizes the forms and estimated amounts and is a brief description of the compensation (some of which involve cost reimbursements) to be paid by the Company or others to the Manager and its Affiliates. Much of this compensation will be paid regardless of the success or profitability of the Company. None of these fees were determined by arm's length negotiations.

| Form of Compensation | Description | Estimated Amount of Compensation |
|---|---|---|
| **Organization and Offering Stage:** | | |
| Reimbursement of Organization and Offering Expenses: | The Manager will be reimbursed by the Company for all Organization and Offering Expenses, including legal, accounting, printing, marketing and other miscellaneous costs and expenses, as well as costs and expenses relating to the organization of the Company. | The actual amount will depend, in part, upon the size of the Offering. These costs and expenses are estimated to be approximately $150,000 if the Maximum Offering Amount is sold (approximately 2% of the Maximum Offering Amount), and approximately $25,000 if the Minimum Offering Amount is sold (approximately 5% of the Minimum Offering Amount without financing). |
| **Operating Stage:** | | |
| Reimbursement of Expenses to the Manager or its Affiliates: | The Manager will be reimbursed by the Company for all operating expenses incurred by the Manager and its Affiliates acting on behalf of the Company, including, without limitation, all bookkeeping and auditing expenses incurred in maintaining the Company financial and operational records; expenses of preparation and mailing of reports; expenses (including legal fees and accounting fees) associated with the preparation, filing and mailing of tax returns and regulatory filings; legal, accounting, consulting and similar fees for services rendered to the Company; all costs of borrowed money and all taxes applicable to the Company; travel and related expenses; salaries and related payroll expenses for officers and employees of the Company other than the Manager and its Affiliates; expenses of attorneys, consultants, accountants and other persons rendering specialized services; all damages incurred by the Company or any Person entitled to indemnification from the Company; all insurance premiums; all other expenses incurred by the Company; all expenses paid by the Manager to other Persons for services rendered on behalf of the Company; all compensation due to the Manager or its Affiliates; costs of operating the Business; costs incurred in connection with any litigation in which the Company may | Impracticable to determine at this time. |

| Form of Compensation | Description | Estimated Amount of Compensation |
|---|---|---|
| | become involved, or any examination, investigation or other proceedings conducted by any regulatory agency, including legal and accounting fees; expenses of revising, amending, modifying or terminating this Agreement; and the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manger or its Affiliates, but not in excess of the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale. | |
| Manager Overhead: | The Manager will perform, or cause its Affiliates to perform, centralized corporate, general and administrative services for the Company, such as legal, corporate record keeping, planning, budgeting, regulatory, accounting, billing, business development, treasury, insurance administration and claims processing, risk management, health, safety and environmental, information technology, human resources, investor relations, cash management and banking, payroll, internal audit, taxes and engineering. In exchange, the Company will pay the Manager for overhead and expenses incurred in providing such services. | |
| Management Fee: | The Manager will be entitled to the Management Fee up to $100,000 per year beginning after the receipt and acceptance by the Company of the Minimum Offering Amount, paid monthly. | Impracticable to determine at this time. |
| Franchise Income: | SGC or its Affiliate, as manager of the Franchise, will receive all income from the operation of the Franchise other than amounts paid to the Company | Impracticable to determine at this time. |
| SGC Loans: | In the event the Company obtains a loan from SGC, SGC will receive interest at a rate equal to the lesser of (i) the cost to SGC for issuing such loan plus 2% or (ii) the maximum interest rate permitted by applicable law. | Impracticable to determine at this time. |

| Form of Compensation | Description | Estimated Amount of Compensation |
|---|---|---|
| **Interest in the Company:** | | |
| Distributions of Cash From Operations: | Up to Twenty Five percent (75 %) of the available Cash from Operations will be distributed to the Members equal to the membership units held. The remaining 25% or more, will be used by management for reinvestment until the fund closes and at that time 100% of the available Cash from Operations shall be distributed equally to the members according to Units held. | Impracticable to determine at this time. |
| Allocation of Net Income: | After the Members are allocated Net Income (i) in proportion to their Net Loss for all previous years, (ii) then Net Income will be allocated 100% to the Members. | Impracticable to determine at this time. |
| Allocation of Net Loss: | The Manager will be allocated Net Loss in an amount equal to all Net Income previously allocated to the Members. | Impracticable to determine at this time. |

## DESCRIPTION OF LIMITED LIABILITY COMPANY UNITS

The Units represent equity interests in the Company and entitle the holder thereof to participate in certain Company allocations and distributions. Persons who purchase Units from the Company will become Members in the Company and be entitled to vote on certain Company matters. See "Summary of the LLC Agreement."

The Company is offering for sale 10,000 Units at $1,000 per Unit for the Common A Units. The Company may, in its sole discretion, accept purchases of Units net of the Selling Commissions otherwise payable from investors purchasing through a registered investment advisor, from the Manager or its Affiliates or as otherwise determined in the sole discretion of the Manager.

The minimum investment in the Company is 50 Units except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units.

Units may not be freely assigned and are subject to restrictions on transfer by law, by regulation in the state where they are sold and by the LLC Agreement, and may be subject to restrictions on transfer imposed by lenders. It is not anticipated that a public trading market in the Units will develop. See "Restrictions on Transferability."

## RESTRICTIONS ON TRANSFERABILITY

There are substantial restrictions on the transferability of the Units in the LLC Agreement and imposed by state and federal securities laws. Before selling or transferring a Unit, a Member must obtain the written consent of the Manager and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws or regulations. It is highly unlikely that any market for the Units will develop and prospective investors should view an investment in the Units solely as a long-term investment.

In addition, the LLC Agreement provides that an assignee of the Units may not become a Substituted Member without meeting certain conditions and without the Manager's consent to such substitution, which consent the Manager may withhold in its sole discretion. If an assignee is not admitted to the Company as a Substituted Member, such assignee will have no right to vote on Company matters, no right to information relating to the Company's business and no right to participate in the management of the business and affairs of the Company. Such assignee will only be entitled to receive a share of profits and distributions to which a Member would otherwise be entitled. Further, no transfer will be allowed unless the Manager determines that the transfer will not cause the Company to be "publicly traded."

There are restrictions on transferability of the Units imposed by federal and state securities laws. The Units offered by this Memorandum have not been registered under the Securities Act or the securities laws of any state. The Units may not be transferred or resold unless they are registered, qualified or exempt under the Securities Act and applicable state securities laws. Appropriate legends setting forth the restrictions on the transfer of the Units are set forth in the LLC Agreement. No public market exists for the Units, and it is highly unlikely that any such market will develop. Prospective investors should view an investment in the Units as a long-term investment. Each Member will be responsible for compliance with applicable securities laws with respect to any transfer or resale of its Units. Further, there can be no more than 1,950 owners of Units in the Company.

Pursuant to the LLC Agreement, a transfer by a Member of its Units may not be made if the Manager determines that such transfer will cause the Company's Units to be deemed to be "traded on an established securities market" or "readily tradable on a secondary market (or the substantial equivalent thereof)" under the publicly traded partnership rules described in the Treasury Regulations. In making this determination, the Manager will be entitled to limit any transfers so that the transfers comply with one of the safe harbors in the Treasury Regulations; provided, however, that the Manager may, in its sole discretion and upon a determination that the Company will not be treated as a publicly traded partnership for federal income tax purposes, permit transfers that do not qualify for one of the safe harbors. Any Units owned by the Manager or its Affiliates may not be repurchased by the Company.

## SUMMARY OF THE LLC AGREEMENT

### General

The rights and obligations of the Members will be governed by the LLC Agreement, a copy of which is attached in its entirety as Exhibit B. Any prospective purchaser of the Units offered hereby should review the entire

LLC Agreement before subscribing. The following is merely a summary of some of the significant provisions of the LLC Agreement and is qualified in its entirety by reference thereto.

The Company has been formed under the Delaware Limited Liability Company Act. The Management Company is Spectra Global Cuisine, LLC. The Initial Member is Ramir Legacion. The purchasers of the Units offered hereby will become Members of the Company.

The character and general nature of the business to be conducted by the Company is the purchase of Membership units of SGC. The principal place of business of the Company is 800 N King St, Suite 304, Wilmington, DE 19801. The mailing address of the Company is 1 Park Plaza, Suite 600, Irvine CA 92614 and telephone number is (949) 447-5900.

**Term and Dissolution**

The term of the Company will continue until December 31, 2099, although it may dissolve sooner upon the happening of certain events.

**Capital Contributions**

The Initial Member has contributed $1,000 to the Company, which will be returned when additional Members are admitted to the Company. Members will contribute cash to the Company in exchange for Units.

**Allocation of Net Income**

Subject to certain limitations, Net Income will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Loss previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority;

(2) Thereafter, 100% to the Members in proportion to their outstanding Units.

**Allocation of Net Loss**

Subject to certain limitations, Net Loss will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Income previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority; and

(2) Thereafter, 100% to the Members in proportion to their Units, provided that Net Loss will not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year.

**Distributions of Cash From Operations**

Subject to the Manager's discretion to reinvest proceeds, Cash From Operations will be distributed in the following order of priority:

(1) First, 75% of all Net Profit will be distributed annually to members based on their prorate unit ownership ;

(2) Second, 25% to of the remaining Net Profit annually will be subject to managers discretion to reinvest for the Company;

(3) Thereafter, 100% to the Members in proportion to their Units.

**Tax Distributions to the Manager**

Notwithstanding the above, the Company may, at the option of the Manager, make Distributions to the Manager prior to distributing Net Capital Contributions to the Members to the extent such Distributions are needed to pay any income taxes associated with allocations of Net Income to the Manager. Any such Distribution will reduce subsequent Distributions to be made to the Manager.

**Tax Distribution Clawback**

Notwithstanding the above, upon the sale, exchange or other disposition of the last unit of Franchise or the Company, the Manager will contribute to the Company prior tax Distributions it received from the Company to the extent that all Distributions the Manager received from the Company, determined on a cumulative basis, exceed the amount that would have been distributed to the Manager if all Distributions had been made without regard to the tax Distributions. Any excess amounts contributed by the Manager will be distributed in accordance with the provisions set forth under "Distributions of Cash From Operations" above.

**Repurchases of Units**

Under certain circumstances the Company may, in the sole discretion of the Manager and upon the request of a Member, repurchase the Units held by such Member. Value as determined by a third party valuator chosen by the Manager of the Company.

Notwithstanding the above, the purchase price for the repurchased Units will never be more than the fair market value of the Units as determined by the Manager in its sole discretion.

The Company will limit transfers of Units to transfers of not more than 2% of the total Units per year other than transfers for the following: (i) transfers as a result of death or incompetency, (ii) transfers between family members, (iii) transfers pursuant to the Company's repurchase plan (which will permit repurchases of up to 10% of the Units per year other than private transfers under Treasury Regulations Section 1.7704-1(e)), (iv) other transfers that qualify as "private transfers" as set forth in Treasury Regulations Section 1.7704-1(e) or (v) other transfers that will not result in the Company being treated as a publicly traded partnership as determined by the Manager in its sole discretion.

Neither the Company nor the Manager will have any liability to any Member for any damages resulting from or related to the Member's presentment of the Member's Units. Further, Members will have complete responsibility for payment of all taxes, assessments and other applicable obligations resulting from the Company's repurchase of Units.

**Authority of the Manager**

The Manager has the exclusive authority to manage and control all aspects of the business of the Company. In the course of its management, the Manager may, in its sole discretion, employ such persons, including, under certain circumstances, Affiliates of the Manager, as it deems necessary for the operation and management of the Company; provided, however, that the Members have the power to remove the Manager by a Majority Vote but only for (i) fraud, gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction or (ii) upon the occurrence of an Event of Insolvency with respect to the Manager. Such removal of the Manager will not be effective until the Manager receives in cash the full value of its membership interest in the Company and all lenders have released the Manager from all liabilities and obligations under any loan to the Company or relating to the Business, if any.

**Voting Rights of Members**

Although they are not permitted to take part in the management or control of the business of the Company, the Members have the right to vote on the following matters:

(1) Removal of the Manager as provided in the LLC Agreement;

(2) Admission of the Manager or election to continue the business of the Company after a Manager ceases to be a Manager when there is no remaining Manager;

(3) Amendment of the LLC Agreement (unless otherwise provided therein);

(4) Any merger or combination of the Company or roll-up of the Company; and

(5) Election to continue the Company in the event of a Dissolution Event.

The Manager may, at any time, call a meeting of the Members, or may call for a vote of the Members without a meeting on matters on which the Members are entitled to vote. In addition, a meeting of the Members will be called by the Manager upon receipt of written request therefore by Members holding more than 10% of the outstanding Units.

**Deemed Approval**

Whenever a Majority Vote is required, the Company will provide the Members with notice of such required vote, and the Members will have 15 days after the date such notice is sent by the Company to approve or disapprove of the matter. If a Member does not disapprove of the matter within such 15-day period, the Member will be deemed to have voted in accordance with the vote recommended by the Manager.

**Assignment of Units**

Members may not sell, assign, hypothecate, encumber or otherwise transfer any part (but not less than the lesser of (i) 1 Unit or (ii) the Member's entire interest in the Company) or all of their Units except with the written consent of the Manager and satisfaction or waiver of the requirements set forth in the LLC Agreement.

**Liabilities of Members**

A Member's capital is subject to the risks of the Company's business. Members are not permitted to take part in the management or control of the business of the Company. Assuming that the Company is operated in accordance with the terms of the LLC Agreement, a Member will not be liable for the liabilities of the Company in excess of its total Capital Contributions and share of undistributed profits. A member is obligated to return a distribution from a limited liability company to the extent that at the time of the distribution the member knew that after giving effect to the distribution, all liabilities of the limited liability company, other than liabilities to members on account of their interest in the limited liability company and nonrecourse liabilities which the recourse of creditors is limited to the specified property of the limited liability company, exceed the fair value of the limited liability company's assets, provided that the fair value of any property that is subject to a nonrecourse liability is included in the limited liability company's assets only to the extent that the fair value of the property exceeds the nonrecourse liability. The LLC Agreement provides that the Members will not be liable for the debts, liabilities, contracts or other obligations of the Company.

**Liabilities of the Manager**

The Manager will not have liability for the debts and obligations of the Company after exhaustion of Company assets and the Manager will not have an obligation to restore any deficit in its Capital Account upon liquidation of the Company.

**Books and Records**

At all times during the term of the Company, the Manager is required to keep true and accurate books of account of all of the financial activities of the Company. Such books of account will be kept on the accrual basis of accounting and they will be open for inspection by the Members or their representatives at any reasonable time during normal business hours; provided, however, any inspection, examination and copying of the Company's books of account (i) will only be for any purpose reasonably related to the requesting Member's interest as a Member as determined by the Manager in the Manager's sole discretion and (ii) will be limited to information regarding the business and financial condition of the Company. Notwithstanding the foregoing, in no event will the Manager be required to provide any Member with access to any personal information with respect to the Owners, including, but not limited to, names, addresses, phone numbers, e-mail addresses, number of Units owned and Capital Contributions, and the Manager will not disclose such information to any Member.

**Amendments**

The LLC Agreement may be amended by the Manager with the consent of the Majority Vote, except that the Manager may amend the LLC Agreement without action by the Members to (i) modify the allocation provisions of the LLC Agreement to comply with Code Section 704(b), (ii) add to the representations, duties, services or obligations of the Manager or any Affiliates for the benefit of the Members, (iii) cure any ambiguity or mistake, correct or supplement any provision in the LLC Agreement that may be inconsistent with any other provision, or make any other provision with respect to matters or questions arising under the LLC Agreement that will not be inconsistent with the

provisions of the LLC Agreement, (iv) amend the LLC Agreement to reflect the addition or substitution of Members or the reduction of the Capital Accounts upon the return of capital to the Members, (v) minimize the adverse impact of, or comply with, any “plan assets” for ERISA purposes, (vi) reconstitute the Company under the laws of another state if beneficial to the Company, (vii) execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney and to take all such actions in connection therewith as the Manager deems necessary or appropriate with the signature of the Manager acting alone, (viii) make any changes to the LLC Agreement required by a lender, (ix) change the name and/or principal place of business of the Company or (x) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business affairs). No amendment will be adopted pursuant to (ix) or (x) above without the consent of the Members unless the adoption thereof (a) is for the benefit of and not adverse to the interests of the Members and (b) does not affect the limited liability of the Members.

**Prohibitions**

The LLC Agreement provides that the Manager may not receive any rebate, kick-back or give-up in connection with the operation of the Company, nor may the Manager participate in any reciprocal business arrangements that would circumvent the restrictions set forth in the LLC Agreement prohibiting certain types of dealings between the Manager, its Affiliates and the Company. Neither the Manager nor any Affiliates will directly or indirectly pay or award any finder’s fees, commissions or other compensation to any person engaged by a prospective investor for investment advice as an inducement to such advisor to advise the purchase of an interest in the Company; provided, however, that the Manager will not be prohibited from paying underwriting or marketing commissions to registered broker-dealers or other properly licensed persons for their services in marketing Units as provided for in the LLC Agreement.

## SUMMARY OF THE FRANCHISE MANAGMENT AGREEMENT

### General

The Company will purchase the franchises from Ghost Kitchen America, managed by Spectra Global Cuisine LLC pursuant to the Franchise Agreement, which is attached in its entirety as Exhibit E hereto. A summary of the Purchase Agreement is provided below.

1- SGC will manage all aspects of the Franchise on behalf of the fund.

2- SGC will receive 5% of the gross revenues paid monthly from the Franchise as management fee.

3- SGC will receive 50% of the Net Profit of the Franchise from the Franchise paid annually.

### Limitation of Liability

Except for gross negligence, intentional act and/or infringement, SGC or its agents, representatives, or employees will not be liable to the Company or any third party for any loss of use, revenue or profit, or for any consequential, indirect, incidental, special, exemplary or punitive damages whether arising out of breach of contract, tort or otherwise, regardless of whether such damages were foreseeable and whether or not SGC has been advised of the possibility of such damages, and notwithstanding the failure of any agreed or other remedy of its essential purpose.

SGC agrees to indemnify and hold harmless the Company and the officers, directors, employees, agents, parents, subsidiaries, and affiliates of each of them (the "Indemnified Party") from and against all claims, losses, liabilities, judgments, damages, costs, expenses, demands and suits (including but not limited to fees and expenses of attorneys) arising out of or related to, or alleged to arise out of or be related to the performance, condition or existence of SGC's performance under this agreement, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury or destruction of tangible property, or other monetary loss sustained by a third party, but only proportional to the negligent acts, contractual breaches or omissions of SGC, its subcontractors and suppliers or anyone directly or indirectly employed by them or anyone for whose acts they may be liable except where a final non-appealable order or judgment determines that the loss, injury or damage is due in any part to the negligence or other culpable conduct of that Indemnified Party.

### Force Majeure

Neither party will be liable for the costs or expenses arising from any failure or delay in the performance of the Purchase Agreement that is due and attributable to causes beyond the control of either party, including but not limited to acts of God, weather, war, civil unrest, strikes, lockouts, destruction of production facilities, riots, insurrection, terrorist attacks, government regulatory actions, acts or decrees of governmental or military bodies, fire, casualty, flood, earthquake or any other force majeure event, provided that the party has used commercially reasonable efforts to mitigate the effects of the cause.

## SUMMARY OF THE FRANCHISE AGREEMENT

### General

The Company will purchase a Ghost Kitchen Franchise from SGC or its Affiliate pursuant to the Franchise Agreement, a form of which is attached in its entirety as Exhibit E hereto, and may sell to unaffiliated third parties of which the lease terms are unknown. A summary of the form Lease Agreement is provided below. Capitalized terms not defined in this section shall have the meanings set forth in the Lease Agreement.

## FEDERAL INCOME TAX CONSEQUENCES

The following discussion applies only to persons purchasing Units directly from the Company. Prospective investors should not view the following analysis as a substitute for careful tax planning, particularly because the income tax consequences of an investment in the Units are uncertain and complex. Also, the tax consequences will not be the same for all taxpayers. Prospective investors should be aware that the following discussion necessarily condenses or eliminates many details that might adversely affect some investors.

The discussion of the tax aspects contained in this Memorandum is based on the law presently in effect and certain proposed Treasury Regulations. Congress could make substantial changes to the Code in the future, some of which may have considerable negative income tax consequences with respect to an investment in the Company. It is impossible to predict the impact that any tax reform bill will have on the Company and the Members and any changes could materially reduce any income tax benefits to the Members.

Counsel will not prepare or review the Company's income tax information return, which will be prepared by management and independent accountants for the Company. The Company will make a number of decisions on tax matters, such as the expensing or capitalizing of particular items, the proper period over which capital costs may be depreciated or amortized and the allocation of acquisition costs. Such matters will be handled by the Company, often with the advice of independent accountants retained by the Company and will not usually be reviewed with counsel. The Manager may make such elections for federal and state income tax purposes as it deems appropriate, and the fiscal year of the Company will be the calendar year.

There is uncertainty concerning certain of the tax aspects discussed herein, and there can be no assurance that some of the deductions claimed or positions taken by the Company will not be challenged by the IRS. An audit of the Company's information return may result in an increase in the Company's gross income, in the disallowance of certain deductions and in an audit of the income tax returns of the Members, which could result in adjustments to non-Company items of income, deduction or credit. Final disallowance of such deductions could adversely affect the Company and, therefore, the Members. In addition, state tax authorities may audit the Company's tax returns, which could result in unfavorable adjustments for the Members. Investors might be faced with substantial legal and accounting costs in resisting a challenge by the IRS to the tax treatment of an investment in the Company, even if the IRS's challenge proves unsuccessful.

Prospective investors should not purchase Units solely for the purpose of obtaining tax shelter for income from sources other than the Company. The Company will not provide any such tax shelter. Even if, as a Member, an investor is entitled to deduct its share of the Company's losses on its personal tax return, any such deductions may be relatively small in relation to the amount invested in the purchase of Units. A significant portion of the amount invested may be allocated to the purchase of land, which, unlike buildings and other improvements, is not depreciable for income tax purposes, or other nondeductible expenses. Prospective investors are urged to consult with their own tax advisors as to the tax consequences of an investment in Units.

### Tax Consequences Regarding the Company

**Status as a Partnership**. Treasury Regulations provide that a limited liability company will be classified as a partnership for federal income tax purposes as long as an election is not made to treat the limited liability company as an association taxable as a corporation. The Manager has represented that no such election has been or will be made. Based on this representation, the Company has received an opinion of counsel that the Company will be treated as a partnership for federal income tax purposes.

If the Company is treated as a partnership for federal income tax purposes, each Member will be required to include in income its distributive share of the Company's income, gain, loss, deductions or credits. Consequently, each Member will be subject to tax on its distributive share of Company income, whether or not the Company actually distributes cash in an amount equal to the income.

If for any reason the Company is treated as a corporation for tax purposes, the Company would be required to pay income tax at the corporate tax rates on its taxable income, thereby reducing the amount of cash available for distribution to Members. In addition, any distribution by the Company to the Members would be taxable to them as dividends, to the extent of current and accumulated earnings and profits, or treated as gain from the sale of their Company interests, to the extent such distributions exceeded both current and accumulated earnings and profits of the Company and the Member's tax basis for its Units.

**Anti-Abuse Rules**. Generally, partnerships are not liable for income taxes imposed by the Code. The Treasury Regulations issued under Code Section 701 set forth broad "anti-abuse" rules applicable to partnerships. These rules authorize the Commissioner of the IRS to recast transactions involving the use of partnerships either to reflect the underlying economic arrangement or to prevent the use of a partnership to circumvent the intended purpose of any provision of the Code. The Manager is not aware of any fact or circumstances relating to the Company that could cause the Commissioner of the IRS to exercise its authority under these rules. If any of the transactions entered into by the Company were to be re-characterized under these rules, or the Company were to be recast as a taxable entity under these rules, it could have a material adverse effect on the Members. The application of the "anti-abuse" rules is a question of fact. Consequently, counsel has expressed no opinion on the applicability of the "anti-abuse" rules to the Company.

**Publicly Traded Partnership**. Certain publicly traded partnerships are taxed as corporations for federal income tax purposes. Publicly traded partnerships are defined as partnerships whose interests are (i) traded on an established securities market or (ii) readily tradable on a secondary market or the substantial equivalent thereof. The Units will not be traded on an established securities market. The determination as to whether the Company will be considered "publicly traded" will depend on the number and type of subsequent transfers of Units. The LLC Agreement provides that any transfer of Units will not be effective unless and until the Manager determines that such transfer will not cause the Company to be considered a publicly traded partnership under the applicable IRS guidelines. It is unclear whether the Manager will be able to effectively limit possible transfers.

The Company and the Members will be subject to additional rules if the Company is publicly traded but the Company is not taxed as a corporation. The net income from publicly traded partnerships not taxed as corporations is not treated as passive income for purposes of the passive loss rules. Each partner in a publicly traded partnership treats the income or loss from the partnership as separate from the income or loss from any other publicly traded partnership and separate from any other income or loss from passive activities. Net income from publicly traded partnerships is treated as portfolio income under the passive loss rules. In Treasury Notice 88-75, the IRS stated that forthcoming regulations will treat net passive income of a publicly traded partnership as investment income for purposes of the limitation on investment interest expense. Net Loss attributable to a partner's interest in a publicly traded partnership are not allowed against the partner's other income but instead are suspended and carried forward. Such losses can be applied against the net income from the partnership in the next tax year (or the next succeeding tax year in which the holder of the interest in the partnership has net income from the partnership). Upon a complete disposition (within the meaning of the passive loss rules) of the partner's entire interest in a publicly traded partnership, any remaining suspended losses are allowed. The question of whether the Company will be treated as a publicly traded partnership is a question of fact and counsel has expressed no opinion on this issue.

**20% Deduction for Qualified Business Income**. The TCJA introduced a new deduction for noncorporate taxpayers generally equal to 20% of the taxpayer's domestic "qualified business income" derived from carrying on qualified businesses through partnerships, S corporations and sole proprietorships. The new deduction (the "20% QBI Deduction") will have the effect (subject to various limitations) of reducing the maximum Federal income tax rate on qualified business income from 37% to 29.6%. The deduction expires for tax years beginning after December 31, 2025. Qualified business income does not include items relating to investment activities, such as capital gains, dividends and interest income (other than interest income earned in a trade or business). In any year the deduction may not exceed the sum, for all qualified trades or businesses of the taxpayer, of the greater of (i) 50% of wages paid with respect to each qualified trade or business or (ii) the sum of 25% of the wages paid with respect to the qualified trade or business plus 2.5% of the unadjusted basis of depreciable property used in the qualified trade or business. The deductible amount for each qualified trade or business is determined first. The deduction for the qualified business income is generally equal to the lesser of (i) the combined deductions for the separate trade or business and (ii) 20%

of the excess of the taxable income over any net capital gain. A qualified trade or business is any trade or business other than performing services (x) as an employee and (y) in the fields of health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset is the reputation or skill of 1 or more of its employees ("specified service businesses"). The wage/capital investment limitations and restriction for specified service businesses do not apply to taxpayers whose taxable income (without regard to the deduction) does not exceed $315,000 for married individuals filing jointly (so that married individuals filing jointly whose taxable income does not exceed $315,000 will be entitled to the 20% deduction without regard to the wage/capital investment limitation or whether they are engaged in a specified service business), and is phased out over the next $100,000 of taxable income.

In the case of a qualified business engaged through a partnership or S corporation, the provision applies at the partner or shareholder level. A partner takes into account the partner's allocable share of income, gain, loss deduction and credit from the qualified business, and will be treated as having an allocable share of W-2 wages and unadjusted basis of qualified property as determined under regulations to be prescribed by the IRS.

The IRS recently issued final Treasury Regulations interpreting the 20% QBI Deduction that, among other things, clarify that the deduction is only available for income that a taxpayer derives from carrying on a trade or business. The final regulations do not attempt to define what is a trade or business, but instead incorporate the standard for deducting ordinary and necessary expenses paid or incurred in carrying on a trade or business under Code Section 162. It is anticipated that the Company will be treated as carrying on a trade or business for purpose of the 20% QBI Deduction.

Although it is generally anticipated that an investment in the Company by a Member may benefit from the 20% QBI Deduction, at present it is impossible to predict the amount of the benefit.

**Losses and Credits from Passive Activities**. Losses from passive trade or business activities generally may not be used to offset "portfolio income," i.e., interest, dividends, royalties, salary or other active business income. Deductions from passive activities may generally be used to offset income from passive activities. Interest deductions attributable to passive activities are treated as passive activity deductions, and not as investment interest. Thus, such interest deductions are subject to limitation under the passive activity loss rule and not under the investment interest limitation. Credits from passive activities generally are limited to the tax attributable to the income from passive activities. Passive activities include (i) trade or business activities in which the taxpayer does not materially participate, which would include holding an interest as a Member and (ii) rental activities. Thus, a Member's share of the Company's Net Income and Net Loss will, in all likelihood, constitute income and loss from passive activities and will be subject to such limitation.

Losses (or credits that exceed the regular tax allocable to passive activities) from passive activities that exceed passive activity income are disallowed and can be carried forward and treated as deductions and credits from passive activities in subsequent taxable years. Disallowed losses from an activity, except for certain dispositions to related parties, are allowed in full when the taxpayer disposes of its entire interest in the activity in a taxable transaction.

**At-Risk Rules**. A Member that is an individual or closely held corporation will be unable to deduct its distributive share of Company Net Loss, if any, to the extent such Net Loss exceeds the amount such Member has "at-risk." A Member's initial amount at-risk will equal the sum of (i) the amount of money invested by the Member in the Company, (ii) the basis of any property contributed by such Member to the Company and (iii) the amount of borrowed funds used in Company activities to the extent that the Member is personally liable with respect to such indebtedness.

A Member's amount at-risk will be reduced by the amount of any cash distributed to such Member and the amount of Net Loss allocated to such Member, and will be increased by the amount of Net Income allocated to such Member. Net Loss not allowed under the at-risk rules may be carried forward to subsequent taxable years and used when the amount at-risk increases.

**Excess Business Loss Limitation**. Code Section 461(l), introduced by the TCJA, is a new limitation on the ability of noncorporate taxpayers to deduct "excess business losses," which generally are losses from carrying on trade or business activities in excess of a specified amount ($500,000 in the case of married individuals filing jointly). This limitation applies only after the passive loss limitations (so only affects an individual's "active" losses) and, in the case of a trade or business carried on by a partnership or S corporation, is applied at the partner or S corporation

shareholder level. The excess business loss limitation may, in addition to passive activity loss and at-risk and basis limitations, limit the ability of the Members to utilize Net Loss allocated to them from the Company.

Originally, the excess business loss limitation applied to tax years beginning after December 31, 2017 (for 2018 calendar year taxpayers). The CARES Act retroactively changed the effective date to tax years beginning after December 31, 2020 (for 2021 calendar year taxpayers).

**Allocation of Net Income and Net Loss**. Net Income and Net Loss will be allocated as set forth in the LLC Agreement. Although such allocations are permitted under partnership law, the Code and Treasury Regulations require that such allocations satisfy certain requirements. Code Section 702 provides that, in determining income tax, a Member must take into income its "distributive share" of the Company's income, gain, loss, deduction or credit. The Members may specially allocate their distributive shares of such profits and losses, thus redistributing tax liability, by provision in the LLC Agreement. However, the IRS will disregard such an allocation, and will determine a Member's distributive share in accordance with the Member's interest in the Company, if the allocation lacks "substantial economic effect."

Treasury Regulations on the allocation of items of partnership income, gain, loss, deduction and credit under Code Section 704(b) are concerned with whether an allocation of partnership tax items has "substantial economic effect." Under the Treasury Regulations, an allocation has economic effect only if, throughout the term of the partnership, the partners' capital accounts are maintained in accordance with the Treasury Regulations, liquidation proceeds are to be distributed in accordance with the partners' capital account balances, and any partner with a deficit capital account following the distribution of liquidation proceeds is required to restore the amount of that deficit to the Company for payment to creditors or distribution to partners in accordance with their positive capital account balances. If the partners' obligations to restore deficit capital account balances are limited, the operating agreement must contain a "qualified income offset" provision, as described in the Treasury Regulations.

The Treasury Regulations also require that the economic effect of the allocation be "substantial." In general, the economic effect of an allocation is "substantial" if there is a reasonable possibility that the allocation will affect substantially the dollar amounts to be received by the partners from the partnership, independent of tax consequences. The economic effect of an allocation is not substantial, however, if, at the time the allocation becomes part of the operating agreement (i) the after-tax economic consequences of at least 1 partner may, in present value terms, be enhanced compared to such consequences if the allocation were not contained in the operating agreement, and (ii) there is a strong likelihood that the after-tax economic consequences of no partner will, in present value terms, be substantially diminished compared to such consequences if the allocation were not contained in the operating agreement. In determining the after-tax economic benefit or detriment to a partner, tax consequences that result from the interaction of the allocation of such partner's tax attributes that are unrelated to the partnership will be taken into account.

The Treasury Regulations provide that allocations of loss or deduction attributable to nonrecourse liabilities of a partnership ("nonrecourse deductions") cannot have economic effect because, in the event there is an economic burden that corresponds to such an allocation, the creditor alone bears that burden. Thus, nonrecourse deductions must be allocated in accordance with the partners' interests in the partnership. Allocations of nonrecourse deductions are deemed to be made in accordance with the partners' interests in the partnership if, and only if, the following conditions are satisfied:

1. Throughout the full term of the partnership, the partners' capital accounts are maintained in accordance with the Treasury Regulations, and upon liquidation of the partnership, liquidating distributions are required to be made in accordance with the positive capital account balances of the partners.

2. Beginning in the first taxable year in which there are nonrecourse deductions and thereafter throughout the full term of the partnership, the operating agreement provides for allocations of nonrecourse deductions among the partners in a manner that is reasonably consistent with allocations, which have substantial economic effect, of some other significant partnership item attributable to the property securing nonrecourse liabilities of the partnership.

3. Beginning in the first taxable year of the partnership in which the partnership has nonrecourse deductions and thereafter throughout the full term of the partnership, the operating agreement contains a "minimum gain chargeback," as defined in the Treasury Regulations.

4. All other material allocations and capital account adjustments under the operating agreement are recognized in accordance with the Treasury Regulations.

The LLC Agreement requires that the Members' Capital Account balances be maintained in accordance with the Treasury Regulations. The LLC Agreement contains a "minimum gain chargeback" provision, and the nonrecourse deductions are to be allocated under the LLC Agreement in a manner that is reasonably consistent with allocations, i.e., in accordance with allocations of Net Income. Members are not required to restore a deficit Capital Account balance. The LLC Agreement, however, contains a "qualified income offset" provision.

Based on the LLC Agreement, counsel is of the opinion that it is more likely than not, if litigated, that the allocations of Net Income and Net Loss as set forth in the LLC Agreement will be deemed to be in accordance with the Members' interests in the Company and thus will be respected for federal income tax purposes. The question of whether the economic effect of the Company's allocations is "substantial" is inherently factual and depends on facts that are not currently determinable. Counsel, therefore, has not rendered an opinion on whether the Company's allocations have "substantial economic effect."

**Transfers of Units**. For federal income tax purposes, items of income, gain, loss, deduction or credit of the Company may be allocated to a Member only if they are received, paid or incurred by the Company during that portion of the year in which the Member is treated as a partner of the Company for tax purposes.

If any Member's interest in the Company changes at any time during the Company's taxable year, each Member's share of each item of Company income, gain, loss, deduction and credit is to be determined by using any method prescribed by Treasury Regulations that takes into account the varying interests of the Members in the Company during the taxable year. Treasury Regulations issued in 2015 generally provide that where partners' interests vary during the year, partnership items can be allocated under one of two methods – either an interim closing of the books or a daily proration. However, specifically enumerated "extraordinary items," including gains from sales of assets, may not be prorated and must be allocated among the partners based upon their interests in the partnership as of the beginning of the day on which the extraordinary income item is taken into account by the partnership. The Treasury Regulations also permit partnerships to select among daily, semi-monthly or monthly conventions as to when changes in partners' interests should apply. For example, under the monthly convention, a change in the partners' interests that occurs between the 1st and 15th days of a month is deemed to occur on the first day of the month; a change between the 16th and last day of the month is deemed to occur at the end of the last day of the month.

The Net Income or Net Loss allocable to any Units transferred during any year will be allocated among the persons who were the holders thereof during such year in proportion to the number of months that each such holder was recognized as the owner of such Units during the year applying the monthly convention. A holder who purchases Units during the first 15 days of a month will receive allocations of Net Income and Net Loss relative to such month. A holder who purchases Units on or after the 16th day of the month will be treated for income tax allocation purposes as acquiring the Units on the 1st day of the following month. A Member will be required to report a share of the Company's Net Income or Net Loss during the period of such Member's ownership on its personal income tax return even though the Member receives no distributions with respect to such period of ownership and/or the amount distributed to such Member has no relationship to the amount that it is required to report.

**Calculation of a Member's Adjusted Basis**. Each Member's adjusted basis in its Units will be equal to such Member's cash Capital Contributions increased by (i) the amount of its share of the Net Income of the Company and (ii) its share of nonrecourse indebtedness to which Company Property is subject, if any. A Member's share of nonrecourse liabilities is the sum of (i) the Member's share of Company minimum gain, (ii) the amount of any taxable gain that would be allocated to the Member under Code Section 704(c) and (iii) the Member's share of the excess nonrecourse liabilities. The LLC Agreement specifies that the excess nonrecourse liabilities will be allocated in proportion to the outstanding Units.

A Member's basis in its Units is reduced, but not below zero, by (i) the amount of the Member's share of Company Net Loss and expenditures that are neither properly deductible nor properly chargeable to the Member's Capital Account and (ii) the amount of cash distributions received by the Member from the Company. For purposes of calculating a Member's adjusted basis in its Units, any reduction in the amount of Company nonrecourse indebtedness will be treated as a cash distribution to such Member in accordance with the Member's allocable share of such indebtedness and accordingly will reduce the basis in such Member's Units.

The Treasury Regulations employ an economic risk of loss analysis to determine whether a Company liability is a recourse or nonrecourse liability and to determine the Members' shares of any liability of the Company. Under the Treasury Regulations, a Company liability is a recourse liability to the extent that any partner or related person bears the economic risk of loss for that liability. A Member's share of any recourse liability of the Company equals the portion, if any, of the economic risk of loss for such liability that is borne by the Member.

A Member bears the economic risk of loss for a Company liability to the extent that the Member (or a related person) would bear the economic burden of discharging the obligation represented by that liability if the Company were unable to do so (reduced by any right of reimbursement). In the case of a limited liability company, such as the Company, a member generally will not bear the economic risk of loss for any Company liability because the member has no obligation to contribute additional capital to the Company.

If no Member bears the economic risk of loss for a Company liability, the liability is a nonrecourse liability of the Company. An exception to this rule applies in the case of a member (or related person) who makes a nonrecourse loan to the Company. In such a case, the lending member or related person is considered to bear the economic risk of loss for such liability.

Members should be entitled to include in their tax basis their share of nonrecourse loans allocated to the Company. If the loans are recourse, the Members cannot include the amount of the loans in their adjusted basis and the deductions attributable to the loans will be allocated to the Members that bear the economic risk of loss.

It is possible that a loan may be obtained by the Company that is recourse to the Manager or its Affiliates. In that event, the Manager, and not the Members, will be allocated the debt applicable to any such loan.

To the extent that a Member's share of Company Net Loss exceeds the adjusted basis of such Member's Units at the end of the Company year in which such Net Loss occurs, such excess Net Loss cannot be used in that year by the Member for any purpose, but is allowed as a deduction at the end of the first succeeding Company taxable year, and subsequent Company taxable years, to the extent that the adjusted basis of such Member's Units at the end of any such year exceeds zero (before reduction by such excess Net Loss from a prior year).

**Treatment of Cash Distributions from the Company**. The LLC Agreement provides for cash distributions resulting from operations of the Company. Cash distributions (including for federal income tax purposes, a Member's share of any reduction in nonrecourse indebtedness) made to a Member, other than those made in exchange for or in redemption of all or part of a Member's Units, will generally not affect the calculation of a Member's distributive share of Net Income or Net Loss from the Company. Such distributions are generally first applied against and reduce the Member's adjusted basis in its Units. To the extent that such distributions are so applied against and reduce the adjusted basis of the Member's Units, they will not give rise to a realization of income, gain or loss by the Member. Cash distributions in excess of a Member's adjusted basis in its Units will result in the recognition of gain to the extent of such excess. Ordinarily, any such recognized gain will be treated as gain from the sale or exchange of a Unit. See "Treatment of Gain or Loss on Disposition of Units" below.

**Net Income in Excess of Cash Distributions**. It is possible that a Member's share of the Company Net Income may exceed the cash distributed to the Member with respect to its Units and such Member's tax liability on that share may even exceed such distribution.

**Treatment of Liquidating Distributions**. Generally, upon liquidation or termination of the Company, gain will be recognized by a Member only to the extent that cash is distributed (including the Member's share of any reduction in Company nonrecourse liabilities) in excess of such Member's adjusted basis in its Units at the time of distribution.

**Treatment of Gain or Loss on Disposition of Units**. It is not expected that any public market will develop for the Units. Furthermore, Members may not be able to liquidate their Units promptly at reasonable prices because (i) any transferee of Units will be required to comply with the minimum purchase requirements and the investor suitability requirements imposed by the transferee's state of residence or by the Company and (ii) all assignees of Units may be admitted as Substituted Members only with the consent of the Manager.

Any gain or loss realized by a Member upon the sale or exchange of its Units will generally be treated as capital gain or loss. However, any portion of the gain that is attributable to unrealized receivables (which includes, for these purposes, depreciation recapture attributable to the Business) or inventory items (which will include the

Franchise) will generally be treated as ordinary income. If the Member's holding period for the Units sold or exchanged is more than 1 year, the portion of any gain realized that is capital gain will be treated as long-term capital gain.

A transferor Member must notify the Company of a sale or exchange of its Units involving unrealized receivables or inventory. Once the Company is so notified, it must report to the IRS the transferor and the transferee on the sale or exchange. Penalties will apply to the failure by the transferor Member to report to the Company, and the failure by the Company to report to the IRS the transferor and the transferee.

In determining the amount realized upon the sale or exchange of Units, a Member must include, among other things, the Member's share of Company indebtedness. Therefore, it is possible that the gain realized on a Member's sale of Units may exceed the cash proceeds of the sale, and, in some cases, the income taxes payable with respect to the gain realized on the sale may exceed such cash proceeds.

**Sale or Other Disposition of Company Property**. In general, if the Company's interest in the Business constitutes a capital asset in the hands of the Company, any profit or loss realized by the Company on a sale or exchange (except to the extent that such profit represents depreciation recapture taxable as ordinary income) will be treated as capital gain or loss under the Code.

If the assets sold or involuntarily converted constitute Code Section 1231 assets, a Member would combine its distributive share of Company gains or losses attributable to such assets with any other Code Section 1231 gains or losses realized by such Member in that year, and the resultant net Code Section 1231 gains or losses would be taxed as capital gains or constitute ordinary losses, as the case may be. This treatment may be altered depending on each Member's disposition of Code Section 1231 property over several years. In general, net Code Section 1231 gains are recaptured as ordinary income to the extent of net Code Section 1231 losses in the 5 preceding taxable years.

In determining the amount realized upon the sale, exchange or other disposition of the Franchise, the Company must include, among other things, the amount of any liability to which the Franchise is subject. Furthermore, the Company may take back purchase money obligations as part of the consideration for the sale of the Franchise. The Company may try to structure any such sale so as to qualify as an "installment sale" for federal income tax purposes, but there can be no assurance that any such sale could or would so qualify. Unless such sale qualifies as an "installment sale," the Company would generally be deemed to have received as proceeds of such sale the fair market value of such purchase money obligations.

Thus, the Company's gain on the disposition of any such property may exceed the cash proceeds, if any, of such disposition, and in some cases the income taxes payable by the Members with respect to such gain may exceed the cash proceeds, if any.

**Depreciation and Cost Recovery**. Current federal income tax law permits the Company to take depreciation deductions on its Franchise. The existing modified accelerated cost recovery system ("MACRS") recovery periods for Franchise is unchanged by the TCJA.

The TCJA replaced and expanded "bonus depreciation" for personal property to allow full expensing (100% first-year deduction) for the cost of qualified property acquired and placed in service after September 27, 2017 and before January 1, 2023 (after September 27, 2017 and before January 1, 2024, for certain property with longer production periods). The enhanced bonus depreciation is phased out in 20% increments between 2024 and 2027.

If the Company elects to be excluded from the application of the new TCJA limitation on deductibility of business interest, the Company will be required to depreciate all of its depreciable property with respect to such trade or business under the "alternative depreciation system" rules found in Code Section 168(g) ("ADS") rather than the more favorable MACRS rules. The use of ADS would have the effect of spreading out depreciation deductions over a longer period of time (thereby decreasing the amount of losses or increasing the amount of income of the Members).

**Dissolution**. A dissolution of the Company pursuant to state law prior to expiration of its term should not by itself create tax consequences for the Members unless the dissolution is followed by a liquidation of the Company. Such dissolution and liquidation might create adverse tax and economic consequences for the Company. For example, if, as a result of a dissolution, the Company were required to liquidate the Company's Property during a limited period of time, the Company might sustain substantial economic losses based on the original cost of the Company Property. Nevertheless, the Company might realize substantial taxable gain on such disposition as a result of the use of

borrowing in connection with acquisition of the Company property. See "Sale or Other Disposition of Company Property" above.

**Tax Elections**. The Company may make certain elections for federal income tax reporting purposes that could result in various items of Company income, gain, loss, deduction and credit being treated differently for tax and Company purposes than for accounting purposes.

The Code provides for optional adjustments to the basis of Company Property for purposes of measuring both depreciation and gain upon distributions of Company Property (Code Section 734) and transfers of Units (Code Section 743) provided that a Company election has been made pursuant to Code Section 754. The general effect of such an election is that transferees of Units are treated, for purposes of computing depreciation and gain, as though they had acquired a direct interest in the Company assets, and the Company is treated for such purposes, upon certain distributions to the Members, as though it had newly acquired an interest in the Company assets and therefore acquired a new cost basis for such assets. Any such election, once made, is irrevocable without the consent of the IRS.

As a result of the complexities and added expense of the tax accounting required to implement such an election, the Manager does not presently intend to make such an election, although it is empowered to do so by the LLC Agreement. Therefore, any benefits that might be available to the Members by reason of such an adjustment to basis will be foreclosed. In addition, a Member may have greater difficulty selling Units because the purchaser will obtain no current tax benefits from the investment to the extent that such investment exceeds its allocable share of the Company's basis in its assets and may be required to recognize taxable income to the extent of such excess, even though the purchaser does not realize any economic profit.

Pursuant to the TCJA, a partnership is now required to reduce the tax basis of the partnership assets on a transfer of a partnership interest if the assignee would be allocated a net loss in excess of $250,000 upon the sale of all of the partnership assets at the time the partnership interest is transferred.

**Accrual Method of Accounting**. Code Section 461(a) provides that the amount of any deduction allowed under the Code will be taken for the taxable year that is the proper taxable year under the method of accounting used in computing taxable income. Consistent with Code Section 448, the Company will use the accrual method of accounting in calculating its income. In general, an accrual basis taxpayer may deduct an expense in the year that its obligation for the payment is absolutely fixed and the amount thereof can be determined with reasonable accuracy. The liability must also be binding and enforceable, and there must be reasonable belief on the part of the debtor that the liability will be paid and there must be economic performance of the particular item or transaction underlying the liability and deduction. If the liability arises out of another person's providing services to the Company, economic performance occurs as the services are provided. If the liability arises out of another person's providing property to the Company, economic performance occurs as the property is provided. If the liability arises out of the Company's use of property, economic performance occurs as the Company uses the property. If the liability requires the Company to provide property or services, economic performance occurs as the Company provides the property or services. If the IRS determines that the accounting method used by the Company does not clearly reflect income, the income of the Company, and consequently the Members, could be substantially and adversely impacted.

The Company will not be able to change its method of accounting in the future without the consent of the IRS. The IRS can withhold its permission and, even if it granted permission for a change in accounting method, the IRS would require conditions and adjustments to the Company's income that could be disadvantageous to the Members.

**Accrual Method Taxpayers Required to Match Income Recognition to Accounting Treatment**. Generally, an accrual method taxpayer subject to the all events test for an item of gross income to recognize that income no later than the taxable year in which the income is taken into account as revenue in an applicable financial statement. Generally, an applicable financial statement is a financial statement of the taxpayer that is certified as being prepared in accordance with generally accepted accounting principles and is (i) included in a Form 10-K filed with the SEC or (ii) an audited financial statement used for a substantial nontax purpose, such as credit purposes or reporting to shareholders, partners, other proprietors or beneficiaries. Prospective investors that are accrual basis taxpayers should review such rules prior to an investment in Units.

**Deductibility of Interest**. Interest will accrue and be payable on loans used to acquire, and that are secured by, the Franchise. The deduction of such interest is limited by the rules limiting the deductibility of passive losses discussed above.

**Limitation on Deductibility of Business Interest**. The TCJA imposed a new limitation on the deductibility of interest incurred in carrying on a trade or business. Under this new limitation, codified in Code Section 163(j) of the TCJA, the maximum deduction for business interest in any year is limited to the sum of (i) business interest income and (ii) 30% of adjusted taxable income. Adjusted taxable income is taxable income excluding (1) items not attributable to carrying on a trade or business, (2) business interest income and deductions, (3) the 20% deduction for qualified business income, (4) net operating losses and (5) for tax years beginning before January 1, 2022, depreciation, amortization and depletion. Any disallowed interest may be carried forward indefinitely. In the case of a trade or business carried on by a partnership, the limitation is applied first at the partnership level, and any business interest in excess of the limitation applied at the partnership level is carried out to and accounted for by its partners individually.

Certain businesses are excluded from the new limitation, including (i) a business having average annual gross receipts for the 3-taxable-year period ending with the prior taxable year that do not exceed $25 million (*i.e.*, the gross receipts test of Code Section 448(c) as liberalized/increased by the TCJA) and (ii) a real property trade or business that irrevocably elects to be excluded.

The Company anticipates that it (and the Members, with respect to their investments in the Company) will be excluded from the new limitation on deductibility of business interest under the exclusion for small businesses.

The CARES Act enacted various changes to the Code Section 163(j) business interest limitation. First, the amount of business interest allowed as a deduction is temporarily increased from 30% to 50% of adjusted taxable income. With respect to partners of an entity taxed as a partnership, (i) the increase in the limitation first applies to the partnership's 2020 taxable year (rather than 2019 for corporations) and (ii) one-half of the business interest of a partner that is subject to the limitation for 2019 will be treated as business interest paid or accrued in 2020 but will not be subject to the Code Section 163(j) business interest limitation in 2020.

**Company Tax Returns**. The federal income tax returns of the Company may be audited by the IRS and such an audit may result in adjustments to the various items reported by the Company. For example, various deductions claimed by the Company on its returns of income could be disallowed in whole or in part on audit, thereby resulting in an increase in the Net Income or a reduction in the Net Loss of the Company. The disallowance of such deductions in whole or in part could increase a Member's taxable income without the receipt of any additional cash distributions from the Company.

**Partnership Audit Rules.** Unless a partnership elects otherwise, taxes arising from audit adjustments are required to be paid by the partnership itself rather than by its partners. The Manager will have the authority to utilize, and intends to utilize, any exceptions available under the new provisions so that the Members, to the fullest extent possible, rather than the Company itself, will be liable for any taxes arising from audit adjustments to the Company's taxable income. However, there can be no assurance that the Manager will be able to do so under all circumstances. Furthermore, it is unclear how any such elections may affect the procedural rules available to challenge any audit adjustment that would otherwise be available in the absence of any such elections. The Company will designate the Manager to be the partnership representative, and in this role, the Manager will have the sole authority to act on behalf of the Company with respect to dealings with the IRS under the partnership audit rules. The LLC Agreement requires each Member to indemnify and hold harmless the Company and the Manager from any liability with respect to a Member's share of any tax adjustment (including interest and penalties) whether or not the Member is a Member in the adjustment year.

**Payments to the Manager and its Affiliates**. The Manager and its Affiliates will receive various fees described elsewhere in this Memorandum. The tax treatment of these fees is set forth below.

The Company will pay certain Offering expenses. The Manager will treat certain of the expenses of the Offering as non-amortizable syndication costs, and these costs will be capitalized. These costs consist of the Selling Commissions and Expenses and certain of the Organization and Offering Expenses.

The Company will reimburse the Manager for actual costs incurred in furnishing certain administrative services and facilities to the Company, including accounting, data processing, professional fees and communication expenses. The allocation of such costs between deductible expenses and nondeductible expenses will depend upon a determination to be made when such costs are actually incurred in the future, and counsel has expressed no opinion on the deductibility of such costs.

The Management Fee should be deductible as ordinary and necessary business expenses to the extent that the fees represent ordinary and necessary expenses and do not exceed the reasonable value of the services for which they are paid. Because the determination of whether these fees qualify as ordinary and necessary business expenses is inherently factual, there can be no assurance that this determination may not be challenged by the IRS or that this determination would be upheld if challenged by the IRS.

In addition, there are additional limits on the deductibility of payments between related parties. No deduction is allowed for a payment by an accrual basis taxpayer to a related cash basis recipient until such time as the recipient includes the payment in income. The definition of related party for purposes of this provision includes a partnership and any partner in the partnership. The Company will be on the accrual method of accounting. Therefore, if the Company accrues liabilities to related parties that are on the cash basis, no deduction will be allowed until payment to the related party is actually made.

**Pre-Opening and Syndication Expenses**

The IRS takes the position that, with the exception of costs relating to deductions under Code Sections 163 (interest), 164 (taxes) and 165 (losses), all costs incurred by a company before it begins operations should be capitalized under Code Section 263.

Regulations under Code Section 195 deem a taxpayer to have made an election to deduct, for the taxable year in which an active trade or business begins, an amount equal to the lesser of start-up expenses or $5,000. A start-up expenditure eligible for such deduction must be paid or incurred in connection with investigating the creation or acquisition of an active trade or business or paid or incurred in connection with creating an active trade or business. The $5,000 amount is reduced (but not below zero) by the amount by which the start-up expenditures exceed $50,000. The remaining start-up expenditures are amortized over 180 months beginning with the month in which the active trade or business begins. Such amounts must also be of a type which, if paid or incurred in connection with the expansion to an existing trade or business in the same field, would be allowable as a current deduction in the year paid or incurred. In the case of the Company, the eligibility for the election to amortize is made at the Company level.

Syndication expenses may not be deducted currently nor amortized. The determination as to whether expenses are start-up organization expenses or syndication expenses is a factual determination which will initially be made by the Company. The IRS could challenge the Company's allocations between organization and syndication expenses. Consequently, expenses that are treated as subject to amortization could be recharacterized as nondeductible syndication expenses.

**Tax-Exempt Use Property**

Units may be purchased by both tax-exempt entities and entities not exempt from taxation. Code Section 168(h)(6) provides that if (i) any property which is not tax-exempt use property is owned by a partnership which has both a tax-exempt entity and a person who is not a tax-exempt entity as partners and (ii) any allocation to the tax-exempt entity of partnership items is not a qualified allocation, then an amount equal to the tax-exempt entities' proportionate share of such property shall be treated as tax-exempt use property.

**Investment by Qualified Plans, IRAs and Tax-Exempt Entities - Unrelated Business Taxable Income**

"Qualified Plans" (i.e., any pension, profit sharing or stock bonus plan that is qualified under Code Section 401(a), but excluding individual retirement accounts), individual retirement accounts ("IRAs") and certain other tax-exempt entities ("Tax-Exempt Entities"), although generally exempt from federal income taxation under Code Section 501(a), nevertheless are subject to tax to the extent that their UBTI exceeds $1,000 during any tax year. Generally, income from property that is "debt financed property" will result in UBTI. Debt financed property is generally defined to mean any property as to which there is "acquisition indebtedness." In addition, rents from the lease of personal property will be treated as UBTI. Consequently, the Company will generate UBTI.

If the receipt of UBTI from the Company will have an adverse impact on an investor, such investor should consult its own tax advisor before investing in the Company. If a Qualified Plan's, IRA's or Tax-Exempt Entity's share of the UBTI from the Company and other investments exceeds $1,000 during any tax year, the Qualified Plan, IRA or Tax-Exempt Entity will be required to pay taxes on such UBTI. Whether a Qualified Plan's, IRA's or Tax-Exempt Entity's UBTI will exceed this $1,000 exclusion in any year will depend upon whether or to what extent the Company qualifies for the exception, the actual operations of the Company, the size of the Qualified Plan's, IRA's or

Tax-Exempt Entity's investment in the Company, the taxable income of the Company and the amount of such Qualified Plan's, IRA's or Tax-Exempt Entity's UBTI from other investments.

The portion of the Company's income that is not deemed to be UBTI will continue to be exempt for a Qualified Plan, IRA or Tax-Exempt Entity even if a portion of the Company's income is deemed to be UBTI. For further details on the application of UBTI, Qualified Plan, IRA or Tax-Exempt Entity investors are urged to consult their tax advisors.

For certain other tax-exempt entities, such as charitable remainder trusts and charitable remainder unitrusts (as defined in Code Section 664), the receipt of any UBTI may have extremely adverse tax consequences. For example, if such a trust or unitrust received any UBTI during a taxable year, a tax equal to 100% of such UBTI will be imposed. Charitable remainder trusts and charitable remainder unitrusts should consult their own tax advisors before the purchase of any Units.

A tax-exempt organization will not be able to use UBTI losses from 1 trade or business to offset UBTI from a different trade or business.

In considering an investment in the Company of a portion of the assets of a Qualified Plan, a fiduciary should consider the factors discussed in "ERISA and Other Benefit Plan Considerations."

**General Considerations**

**Alternative Minimum Tax**. Noncorporate taxpayers may be subject to the alternative minimum tax in addition to the regular income tax. The alternative minimum tax applies to designated items of tax preference. Investors should consult with their tax advisors regarding the alternative minimum tax thresholds to determine if it will apply to such investor's investment in Units. The limitations on the deduction of passive losses also apply for purposes of computing alternative minimum taxable income.

For more information concerning tax preferences and the alternative minimum tax, prospective investors should consult their own tax advisors.

**Accuracy-Related Penalties and Interest**

All penalties relating to the accuracy of tax returns are now consolidated into a single accuracy-related penalty equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement that is attributable to: (i) negligence or disregard of rules or regulations, (ii) any substantial understatement of income tax or (iii) any substantial valuation misstatement.

Negligence is generally any failure to make a reasonable attempt to comply with the provisions of the Code and the term "disregard" includes careless, reckless or intentional disregard. However, the opinion is not intended to be used by any taxpayer to avoid penalties, and may not be relied upon by the investors in Units to avoid penalties. Each investor should consult with its own independent tax advisor.

A substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the greater of (i) 10% of the tax required to be shown on the return for the taxable year or (ii) $5,000. In the case of a C corporation, a substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the lesser of (i) 10% of the tax required to be shown on the return for the taxable year (or if greater, $10,000) or (ii) $10,000,000.

A substantial valuation misstatement occurs if the value of any property (or the adjusted basis) is 150% or more of the amount determined to be the correct valuation or adjusted basis. The penalty doubles if the property's valuation is misstated by 200% or more. No penalty will be imposed unless the underpayment attributable to the substantial valuation misstatement exceeds $5,000 or $10,000 in the case of a C corporation.

Except with respect to "tax shelters," an accuracy-related penalty will not be imposed on an underpayment attributable to negligence, a substantial understatement of income tax or a substantial valuation misstatement if it is shown that there was a reasonable cause for the underpayment and that the taxpayer acted in good faith. A "tax shelter" includes a partnership if a significant purpose of the partnership is the avoidance or evasion of tax.

In addition to the penalties described above, a new penalty has recently been added with respect to understatements resulting from listed or reportable transactions. A reportable transaction is a transaction that the IRS has identified as having the potential for tax avoidance or evasion. A listed transaction is a reportable transaction which the IRS has specifically identified as a tax avoidance transaction. The penalty is equal to 20% of the portion of the underpayment to which the penalty applies if the taxpayer disclosed the understatement and 30% of the portion of the underpayment to which the penalty applies if the taxpayer did not disclose the understatement. A taxpayer may avoid the payment of the penalty if (i) there was reasonable cause for the understatement and the taxpayer acted in good faith, (ii) the relevant facts affecting the taxpayer's tax treatment were adequately disclosed, (iii) there is, or was, substantial authority for the taxpayer's treatment of the item and (iv) the taxpayer reasonably believed that the treatment of the items on the return was more likely than not proper. A taxpayer may not rely on the opinion from a disqualified tax advisor. A disqualified tax advisor includes a (i) material advisor who participates in the organization, management, promotion or sale of the transaction or is related to any person who so participates, (ii) is compensated directly or indirectly by a material advisor with respect to the transaction, (iii) has a fee arrangement with respect to the transaction that is contingent on intended tax benefits being sustained or (iv) has a disqualifying financial interest with respect to the transaction. In the event the Units are determined to be a reportable transaction, and the taxpayer fails to include information regarding such reportable transaction, the taxpayer will be subject to a maximum penalty in the amount of $10,000 if the taxpayer is an individual and $50,000 in any other case. In the event the Units are determined to be a listed transaction, the maximum penalty increases to $100,000 in the case of an individual and $200,000 in any other case.

**State and Local Taxes**

In addition to the federal income tax consequences described above, prospective investors should consider the state tax consequences of an investment in the Company. A Member's distributive share of income or loss of the Company generally will be required to be included in determining the Member's reportable income for state and local tax purposes. It is anticipated that the Franchise will be deployed in multiple states. Consequently, Members may generate state source income from multiple states. In such case, the Members will be required to file a state income tax return and pay income tax in the states where the Franchise is deployed and the Business is located. Further, the Company may be required to withhold distributions of certain Net Income to non-residents of certain states.

This Memorandum does not analyze or discuss state or local tax consequences to the Members. Each prospective investor should consult its own tax advisor regarding the tax consequences of the purchase of Units.

**Limitation on Deduction for State and Local Taxes**. Itemized deductions for state and local taxes for individuals is currently limited to $10,000 of income taxes, sales taxes in lieu of income tax and property taxes. The $10,000 limitation does not apply to property taxes that are incurred in carrying on a trade or business or an activity for the production of income (and would be claimed by an individual on Schedule C, Schedule E or Schedule F of his or her tax return).

It is anticipated that state and local income taxes incurred by the Members as a result of investing in the Company and being allocated taxable income by the Company will be subject to the new limitation.

**United States Income Tax Considerations for Foreign Investors**

The federal income tax treatment applicable to a nonresident alien or foreign corporation investing in the Company is highly complex and will vary depending on the particular circumstances of such investor and the effect of any applicable income tax treaties. The foregoing discussion does not provide any information regarding the tax consequences that may be applicable to non-U.S. investors. Prospective non-U.S. investors should consult with their own tax advisors regarding the tax consequences of an investment in the Units.

**General**

Prospective investors should note that a number of issues discussed in this Memorandum have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurances can be given that the conclusions expressed in this Memorandum will be accepted by the IRS or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. In addition, the foregoing discussion does not provide any information regarding the tax consequences that may be applicable to non-U.S. investors, and any

such foreign investors should consult with their own tax advisors. **Prospective investors are urged to consult with their own tax advisors regarding the tax consequences of an investment in the Units.**

## ERISA AND OTHER BENEFIT PLAN CONSIDERATIONS

**The following is a summary of certain considerations associated with an investment in the Company by (i) employee benefit plans as defined in Section 3(3) of ERISA, (ii) plans, IRAs and other arrangements that are subject to Code Section 4975 and (iii) entities deemed under ERISA to hold the "plan assets" of any such employee benefit plans or plans (each of (i) through (iii), a "Benefit Plan Investor"). This summary is general in nature and does not address every issue that may be applicable to the Company or a particular investor under ERISA and Code Section 4975. Each prospective investor should consult with its own counsel regarding an investment in the Company and related issues under ERISA and Code Section 4975. Plans that are not subject to ERISA or Code Section 4975 ("Other Plans") may be subject to other federal, state, local or other rules and regulations that are similar to the provisions of ERISA and Code Section 4975 ("Similar Law"). Fiduciaries of Other Plans should consult with their own counsel regarding an investment in the Company and related issues under Similar Law. Unless otherwise stated, any "plans" discussed below are plans that are subject to ERISA or Code Section 4975.**

### In General

The fiduciary of any plan considering an investment in the Company should consider the applicable limitations imposed by ERISA, Code Section 4975 and Similar Law on investments in entities such as the Company. Among other things, fiduciaries should consider the following (to the extent applicable): (i) whether the investment is in accordance with the documents and instruments governing such plan, (ii) the definition of "plan assets" under ERISA and the impact thereof on the plan's investment in the Company, (iii) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA (or other applicable law), (iv) whether, under Section 404(a)(1)(B) of ERISA (or other applicable law), the investment is prudent, considering the nature of an investment in and the compensation structure of the Company and the fact that there is not expected to be a market created in which the Units can be sold or otherwise disposed of, (v) that the Company has no history of operations, (vi) whether the Company or any Affiliate is a "party-in-interest" (within the meaning of Section 3(14) of ERISA) or "disqualified person" (within the meaning of Code Section 4975) with respect to the plan, (vii) the need to annually value the Units and (viii) whether an investment in the Company will cause the plan to recognize UBTI. See "Federal Income Tax Consequences – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income." The prudence of a particular investment must be determined by the responsible fiduciary of the plan, taking into account all of the facts and circumstances relevant to the investment.

Each plan fiduciary should consider the fact that none of the Manager, its Affiliates or employees will act as a fiduciary to any plan with respect to the decision to invest such plan's assets in the Company or with respect to the operation and management of the Company. The Manager is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to a prospective plan investor's decision to invest in the Company, and such decision must be made by each prospective plan investor on an arm's length basis. It is intended, as discussed below, that the Company will not hold "plan assets" of any plan.

Prospective plan investors should also take into consideration the limited liquidity of an investment in the Company as it relates to any applicable minimum distribution requirements of the Code. If the Units are held in the plan at the time mandatory distributions are required to commence to the participant or beneficiary, applicable law may require the in-kind distribution of Units. Such distribution must be included in the participant's or beneficiary's taxable income for the year of receipt of the Units (at then current fair market value) without any cash distributions with which to pay the tax liability.

ERISA provides that Units may not be purchased by an employee benefit plan if the Company or an Affiliate of the Company is a fiduciary or party-in-interest (as defined in Sections 3(21) and 3(14) of ERISA) to the plan unless such purchase is exempt from the prohibited transaction provisions of Section 406 of ERISA. Under ERISA, it is the duty of the fiduciary responsible for purchasing the Units not to engage in such transactions.

Code Section 4975 has similar restrictions applicable to transactions between disqualified persons and an employee benefit plan, IRA or similar arrangement, which could result in the imposition of excise taxes on the Company or loss of tax-exempt status of the IRA.

**Plan Asset Regulations**

Under Department of Labor ("DOL") Regulation § 29 C.F.R. 2510.3-101, as amended by Section 3(42) of ERISA (the "Plan Assets Regulation"), if a plan invests in an equity interest of an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act, the plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that the entity is an "operating company" or equity participation in the entity by Benefit Plan Investors is not "significant." The Units will not qualify as publicly offered securities nor will they be issued by an investment company registered under the Investment Company Act.

Nonetheless, the Company will not be deemed to hold "plan assets" under the Plan Assets Regulation if (i) the Company is an "operating company" or (ii) Benefit Plan Investor participation is not "significant" (as such terms are defined in the Plan Assets Regulation). The Company intends to meet one of these exceptions although there can be no assurance that the assets of the Company will not constitute "plan assets."

An "operating company" includes an entity that is a "venture capital operating company." Under the Plan Assets Regulation, an entity is a "venture capital operating company" if:

(i) on the first date on which its makes an investment that is not a short-term investment of funds pending long-term commitment (the "initial valuation date"), and on at least 1 day during a 90-day annual valuation period ("annual valuation period"), at least 50% of its assets (other than short-term investments pending long-term commitment or distribution to investors), valued at cost, are invested in an investment in an operating company (other than a venture capital operating company) as to which the investor has or obtains management rights; and

(ii) during such 12-month period (or during the period beginning on the initial valuation date and ending on the last day of the first annual valuation period) the entity, in the ordinary course of its business, actually exercises management rights with respect to one or more of the operating companies in which it invests.

If the Company is classified as a "venture capital operating company" an investment by a plan in the Company should be treated only as an investment in an equity interest in the Company and not as an investment in an undivided interest in the Company's assets.

Equity participation by Benefit Plan Investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the Company, 25% or more of the total value of any class of equity interests in the Company is held by Benefit Plan Investors. In determining whether the 25% ownership test is met, the ownership of any person (other than a Benefit Plan Investor) with discretionary authority or control with respect to the Company assets, or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person, is disregarded.

The LLC Agreement prohibits Benefit Plan Investors from acquiring 25% or more of the total value of any class of equity in the Company. If the Company complies with this prohibition, the Company should qualify for the exception under the Plan Assets Regulation. However, the LLC Agreement provides that the Members may transfer their Units subject to any applicable securities laws. Thus, if for any reason the 25% limitation is not met, then the issues described below will arise (unless the Company is an operating company). There can be no assurance that the assets of the Company will not constitute "plan assets" as determined under the Plan Assets Regulation.

**Impact of Company's Holding Plan Assets**

Generally, both ERISA and Code Section 4975 prohibit plans from engaging in certain transactions involving plan assets with specified parties, including, by way of example, transactions such as sales or exchanges or leasing of property, loans or other extensions of credit, furnishing goods or services, or transfers to, or use of, plan assets. The specified parties are referred to as "parties-in-interest" under ERISA and as "disqualified persons" under Code Section 4975. These definitions generally include both parties owning threshold percentage interests in an investment entity and "persons providing services" to the plan, as well as employer sponsors of the plan, fiduciaries and other individuals or entities affiliated with the foregoing. For this purpose, a person generally is a fiduciary with respect to a plan if, among other things, the person has discretionary authority or control with respect to plan assets or provides investment advice for a fee with respect to plan assets. Thus, if the Company is deemed to hold plan assets, its management could be characterized as fiduciaries with respect to such assets, and each would be deemed to be a party-in-interest under ERISA and a disqualified person under the Code with respect to investing plans. Whether or not the Company is

deemed to hold plan assets, if the Company is affiliated with a plan, the Company might be a disqualified person or party-in-interest with respect to such plan, resulting in a prohibited transaction merely upon investment by the plan in the Company.

If the Company's assets are treated as "plan assets" and if it is determined that the acquisition of a Unit by a plan (or another transaction of the Company) constitutes a prohibited transaction, then any party-in-interest, which may include a fiduciary or sponsor of a plan, that has engaged in any such prohibited transaction could be required to: (i) restore to the plan any profit realized on the transaction; (ii) make good to the plan any losses suffered by the plan as a result of such investment; (iii) pay an excise tax equal to 15% of the amount involved (i.e., the amount invested in the Company) for each year during which the investment is in place; and (iv) eliminate the prohibited transaction by reversing or unwinding the transaction. Moreover, if any fiduciary or party-in-interest is ordered to correct the transaction by either the IRS or the DOL and such transaction is not timely corrected, the party-in-interest or disqualified person involved could also be liable for an additional excise tax in an amount equal to 100% of the amount involved (i.e., the amount invested in the Company), for each taxable year until the prohibited transaction is corrected. Also, the DOL could assert additional civil penalties against a fiduciary or any other person who knowingly participates in any such breach.

With respect to investing IRAs, the tax-exempt status of the IRA could be lost if the investment (or another transaction of the Company) constitutes a prohibited transaction under Code Section 408(e)(2). If the IRA were to lose its tax-exempt status, the entire value of the IRA would be considered to be distributed and taxable to the IRA sponsor.

**Annual Valuation and Reports**

The fiduciary of a plan subject to ERISA is required to determine annually the fair market value of each asset of the plan as of the end of the plan's fiscal year and to file a report with the IRS reflecting such value. When no fair market value of a particular asset is available, the fiduciary is generally required to make a good faith determination of that asset's "fair market value" assuming an orderly liquidation at the time the determination is made. In addition, a trustee or custodian of an IRA must provide the participant and the IRS with a statement of the value of the IRA each year. In discharging its obligation to value assets of a plan, a fiduciary subject to ERISA must act consistent with the relevant provisions of the plan and the general fiduciary standards of ERISA.

To assist fiduciaries (and IRA trustees and custodians) in fulfilling their valuation and annual reporting responsibilities, the Company will provide reports of the Company's annual determination of the current estimated value of Units in the Company, if available and already in existence, to those fiduciaries (including IRA trustees and custodians) who identify themselves to the Company as such and request the reports. The Company valuation may be, but is not required to be, performed by independent appraisers. Initially, the annual valuation for the Units will be $1,000 per Unit.

There can be no assurance that (i) the value established by the Company could or will actually be realized by the Company or an investor upon liquidation (in part because appraisal or estimated values do not necessarily indicate the price at which assets could be sold and because no attempt will be made to estimate the expenses of selling any assets of the Company), (ii) investors would realize such value if they were to try to sell their Units or (iii) such valuation complies with the requirements of ERISA or the Code.

Plans subject to ERISA may also be required to report details of compensation for certain services provided by an entity such as the Company unless such compensation is characterized as "eligible indirect compensation." The descriptions contained in this Memorandum of fees and compensation are intended to satisfy the disclosure requirements required for "eligible indirect compensation" for which the alternative reporting option on Schedule C of DOL Form 5500 may be available.

**The acceptance by the Manager of a subscription made by a plan is in no respect a representation by the Company, the Manager, their Affiliates or any other party that such investment meets the relevant legal requirements with respect to that plan or that the investment is appropriate for such plan. Each plan fiduciary should consult with its own legal advisors as to the propriety of an investment in the Company in light of the specific requirements applicable to that plan. Fiduciaries of Other Plans should consult with their own legal advisors as to the application of Similar Law to an investment in the Company.**

## REPORTS

The Manager will keep proper and complete records and books of account for the Company. These books and records will be kept at the Company's principal place of business and subject to certain limitations, each Member (or a duly authorized representative) will at all times, during normal business hours, have the right to inspect, examine and copy from them for purposes reasonably related to the interest of that person as a Member.

The Manager will also have prepared and made available to the Members the following periodic reports:

(1) Within 90 days after the end of each fiscal year of the Company, an annual audited report containing a year-end balance sheet and income statement, which will be prepared in accordance with generally accepted accounting principles.

(2) Within 90 days after the end of each Company fiscal year, a copy of that portion of the Company's federal income tax return for such fiscal year or such other information as the Members may need to prepare their federal income tax returns.

## LITIGATION

There are no legal actions pending against the Company, or the Manager, nor, to the knowledge of management, is any litigation threatened against any of them, any of their management or any Affiliate, which may materially affect operations or projected goals.

## ACCOUNTING MATTERS

### Method of Accounting

The Company will maintain its books and records and report its income tax results on an accrual basis**.**

### Fiscal Year

Unless changed by the Manager as permitted under the Code, the fiscal year of the Company will be the calendar year.

### Distributions

Distributions made in the initial years of the Company may be a return of capital and not investment income. During its initial years, the Company may show a Net Loss from operations.

## ADDITIONAL INFORMATION

The Manager will answer inquiries from subscribers concerning the Company and other matters relating to the offer and sale of the Units, and the Manager will afford prospective investors the opportunity to obtain any additional information that is necessary to verify the information in this Memorandum to the extent the Manager possesses such information or can acquire such information without unreasonable effort or expense.

Prospective investors are entitled to review copies of other material contracts relating to the Units described in this Memorandum and copies of the Company's organizational documents.

# EXHIBIT A

## INSTRUCTIONS TO INVESTORS AND SUBSCRIPTION AGREEMENT

EXHIBIT B

LLC AGREEMENT

EXHIBIT C

SPECTRA GLOBAL CUISINE LLC.

INCOME STATEMENT AND AUDITED BALANCE SHEET

December 31, 2022

[Attached]

## EXHIBIT D

## PROJECTIONS OF OPERATIONS FOR THE BUSINESS AND RETURN TO THE MEMBERS

This Exhibit D contains forward-looking statements that involve risks and uncertainties. These statements are only predictions and are not guarantees. Actual events and results of operations could differ materially from those expressed or implied in these forward-looking statements. The forward-looking statements included in this Exhibit are based upon the Company's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements set forth in this Exhibit are based on reasonable assumptions, the actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those described in this Memorandum. Any assumptions underlying the forward-looking statements set forth in this Exhibit could be inaccurate. Prospective investors are cautioned not to place undue reliance on any forward-looking statements contained in this Exhibit. The actual results may differ significantly from the results discussed in the forward-looking statements.

The Projections of Operations for the Business and Return to the Members in this Exhibit are forward-looking statements and have been prepared as of August 1st, 2023 and represent estimates for the Business over the approximate 5-year period beginning **[in the First quarter of 2023]** (the "Projections").

The Projections are based, in part, upon specific assumptions described in this Exhibit and this Memorandum. These estimates and assumptions represent the Company's best judgment as to what the actual experiences of the prospective investor will be. Because of the impossibility of making meaningfully precise, predictive assumptions, some of the assumptions may not accurately reflect operations of the Business in all years. Changes in these assumptions could cause actual operating results to vary substantially from those which have been forecasted. If such assumptions are incorrect, the Projections would likewise be incorrect. No assurance can be given that the assumptions will prove to be correct. Prospective investors should closely review the more detailed information set forth in this Exhibit and this Memorandum.

This Exhibit has been prepared by the Company and no independent public accountants or other third parties have examined, compiled, reviewed or agreed upon the procedures used to prepare the Projections. The Projections have not necessarily been prepared with the guidelines of the American Institute of Certified Public Accountants or any other accounting profession self-regulatory or governing body. There can be no assurance that the Business will perform as set forth in the Projections. The ability to achieve the results set forth in the Projections are subject to a number of risks including, without limitation, those described in the Risk Factors in this Memorandum.

## ASSUMPTIONS

[Attached.]

[Attached.]

For additional information, see “Estimated Use of Proceeds” in this Memorandum.

EXHIBIT E

FRANCHISE AGREEMENT

EXHIBIT F

FRANCHISE MANAGEMENT AGREEMENT

BETWEEN SPECTRA EQUITY FUND AND SPECTRA GLOBAL CUISINE