

**CONFIDENTIAL**  
**PRIVATE PLACEMENT MEMORANDUM**  
**BIOCELLULAR MEDICAL INVESTMENTS LLC**

**SECURITIES FOR SALE**

33 Class A Units at \$1,000,000<sup>1</sup> Per Unit

Minimum Purchase: 1 Unit (\$1,000,000)

To allow broader participation, the Company may, in its sole discretion, accept investments in fractional interests in Class A Units, with a minimum investment amount of \$25,000. Fractional interest holders will receive pro rata rights to distributions, profits, and losses in accordance with the percentage of a Unit purchased.

1. **Securities Offered:**  
Class A Units of limited liability company membership interest
2. **Offering Size:**  
Up to 33 Class A Units (\$33,000,000 maximum)
3. **Price Per Unit:**  
\$1,000,000
4. **Minimum Investment:**  
\$25,000 (0.025 Units)

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<sup>1</sup> **Minimum Subscription and Managerial Discretion for Friends and Family Participation under Rule 506(b)**

The minimum subscription amount for participation in the Offering under this Rule 506(b) capital raise is one million dollars (\$1,000,000) per investor. However, the Manager reserves the right, in its sole discretion, to reduce the minimum subscription amount to as low as one dollar (\$1.00) for select participants in the Company's initial Friends and Family capital raise conducted pursuant to Rule 506(b) of Regulation D under the Securities Act of 1933. These reduced subscription amounts will be permitted on a case-by-case basis and will be properly documented through individually tailored subscription agreements or amendments reflecting the exception. The purpose of this flexibility is to allow early supporters, mission-aligned participants, and individuals with strategic value to invest in the Company during its formative stages, while still maintaining compliance with the limitations and disclosure obligations applicable under Rule 506(b). All such exceptions will be made in a manner that preserves the rights of other Members and ensures the overall structure and legal integrity of the Offering remain intact.

## **OFFERING STRUCTURE AND TRANSITION FROM RULE 506(B) TO RULE 506(C)**

The Company is initially conducting this Offering pursuant to Rule 506(b) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”). Under Rule 506(b), the Company may offer and sell Membership Interests to an unlimited number of “accredited investors” and up to 35 non-accredited but “sophisticated” investors, provided that no general solicitation or general advertising is used in connection with the Offering.

Following the initial raise under Rule 506(b), the Company intends to transition this Offering to a Rule 506(c) offering. Under Rule 506(c), the Company may engage in general solicitation and advertising to market the Offering but may sell Interests only to investors who are verified as accredited investors in accordance with the requirements of Rule 506(c).

### **Implications for Investors**

To distinguish between investors participating at various capital levels and in different phases of the Offering, the Company shall establish multiple classes of Membership Interests, each issued under a specific exemption pursuant to Regulation D of the Securities Act of 1933, as amended. These classes are defined as follows:

1. Class A Members are investors who subscribe and are accepted during the Rule 506(b) phase of the Offering and invest between \$0 and \$49,999.99. Class A Members may be accredited or sophisticated investors and will be admitted based on the Company’s reasonable belief in such status without third-party verification. Class A Members shall be entitled to receive a return of capital but shall not be entitled to a preferred return.
2. Class A1 Members are investors who subscribe and are accepted during the Rule 506(b) phase of the Offering and invest between \$50,000 and \$99,999.99. Class A1 Members may be accredited or sophisticated investors and will be admitted based on the Company’s reasonable belief without third-party verification. Class A1 Members shall be entitled to receive a return of capital and a non-compounded preferred return of 3% per annum.
3. Class A2 Members are investors who subscribe and are accepted during the Rule 506(b) phase of the Offering and invest \$100,000 or more. Class A2 Members may be accredited or sophisticated investors and will be admitted based on the Company’s reasonable belief without third-party verification. Class A2 Members shall be entitled to receive a return of capital and a non-compounded preferred return of 6% per annum.
4. Class A3 Members are investors who subscribe and are accepted during the Rule 506(c) phase of the Offering. Class A3 Members must be verified accredited investors in accordance with Rule 506(c) and must provide supporting documentation or submit to third-party verification. The Company reserves the right to determine if and when to commence a Rule 506(c) offering and may close the Rule 506(b) phase to new investors prior to initiating general solicitation.

### **Distribution Waterfall Rule 506(b)**

Distributions of available cash from operations, sale, refinancing, or liquidation shall be made in the following order of priority:

1. **Return of Capital** – First, 100% to the Class A Members (including Class A, A1, and A2), pro rata in accordance with their respective capital contributions, until each such Member has received a return of their full capital investment.
2. **Preferred Return** – Second, 100% to the Class A2 Members, pro rata, until they have received a cumulative, non-compounded preferred return of 6% per annum on their unreturned capital contributions; thereafter, 100% to the Class A1 Members, pro rata, until they have received a cumulative, non-compounded preferred return of 3% per annum on their unreturned capital contributions.
3. **Catch-Up to Class B Member** – Third, 100% to the Class B Member until the Class B Member has received an amount equal to 40% of the aggregate preferred returns distributed to the Class A1 and Class A2 Members, calculated on a look-back basis.
4. **Residual Split** – Thereafter, any remaining distributable cash shall be allocated 60% to all Class A Members (including Class A, A1, and A2), pro rata in accordance with their respective capital contributions, and 40% to the Class B Member or the Company, as applicable.

The foregoing distribution structure shall remain in effect until the later of (i) the full return of capital to all Class A Members, and (ii) the completion of three (3) consecutive years of preferred return distributions to Class A1 and Class A2 Members. After such time, the Manager, in its sole discretion and without the consent of any Member, may amend or restructure the distribution waterfall in a manner consistent with the business objectives of the Company, provided that no such amendment shall reduce any Member's accrued or unpaid distributions as of the date of such amendment.

#### **Accredited Investor Verification – SEC Guidance Compliance**

In accordance with Rule 506(c) of Regulation D, the Company is permitted to offer and sell Membership Interests through general solicitation and advertising, provided that all purchasers are verified as “accredited investors.” Traditionally, such verification required the review of personal financial documents or written confirmations from qualified third parties.

Pursuant to newly issued guidance from the U.S. Securities and Exchange Commission (SEC), the Company may satisfy the “reasonable steps” verification requirement through reliance on a minimum investment threshold, provided certain conditions are met.

Accordingly, for purposes of this Offering:

1. Natural persons who invest at least \$200,000 and
2. Entities that invest at least \$1,000,000

may be deemed verified as accredited investors without further documentation, provided that:

1. The investor delivers a written letter confirming their status as an accredited investor;

2. The investor affirms that the investment is not financed by any third party; and
3. The Company has no knowledge or reason to believe that the investor fails to meet the accredited investor criteria or has used financing for the investment.

This verification method applies solely to purchasers of Class A1 Members admitted during the Rule 506(c) phase of the Offering. The Company reserves the right to request additional documentation at its discretion and will maintain compliance with all applicable securities regulations.

**We have not registered the Units (the “Units”) offered by this Private Placement Memorandum (the “Memorandum”) under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any states. Instead, we are offering the Units to you in reliance on exemptions from the registration requirements of the Securities Act and the securities laws of any states.**

**You will not be able to transfer or resell your Units unless they are registered under the Securities Act and applicable state securities laws or unless exemptions from those registration requirements are available. No public market exists for the Units and no public market is expected to develop in connection with this Offering. Your rights and obligations as a Member of BIOCELLULAR MEDICAL INVESTMENTS LLC, a Delaware limited liability company (the “Company”) and your ability to transfer your Units will also be subject to the terms and conditions of the Company’s Operating Agreement (the “Operating Agreement”). Consequently, you must be able to bear the financial risks associated with the Units for an indefinite period of time and must be able to withstand the total loss of your investment.**

**You should not assume that the information in this Memorandum or in any supplement is accurate as of any date other than the date on the front of those documents. You should rely only on the information contained in this Memorandum or that we have provided or referred to you. We have not authorized anyone to give you any other information.**

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

**THE UNITS OFFERED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS IN RELIANCE ON EXEMPTIONS FROM REGISTRATION PROVIDED BY SUCH ACTS. THE UNITS MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES ACTS OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.**

**INVESTMENT IN UNITS IS SUITABLE FOR PERSONS WHO HAVE SUBSTANTIAL FINANCIAL RESOURCES, WHO DO NOT ANTICIPATE THAT THEY WILL BE REQUIRED TO LIQUIDATE ANY INVESTMENT IN THIS COMPANY IN THE FORESEEABLE FUTURE AND WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT IN THE COMPANY.**

**NO STATE OR FEDERAL REGULATORY AGENCY HAS PASSED UPON THIS PRIVATE PLACEMENT MEMORANDUM OR THE MERITS OF THIS OFFERING NOR IS IT INTENDED THAT ANY SUCH AGENCY WILL DO SO. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**PROSPECTIVE SUBSCRIBERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE SUBSCRIBER SHOULD CONSULT HIS/HER/ITS OWN ATTORNEY, BUSINESS ADVISOR AND TAX ADVISOR AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING HIS/HER/ITS INVESTMENT.**

**NEITHER THE CLASS A MEMBER NOR ANY OF ITS AFFILIATES REPRESENTS, COVENANTS OR GUARANTEES THAT AN INVESTMENT IN A MEMBERSHIP UNIT WILL RESULT IN AN ECONOMIC GAIN. THE UNITS OFFERED HEREBY HAVE A SIGNIFICANT DEGREE OF RISK. SEE "RISK FACTORS."**

**THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.**

**EXCEPT AS STATED UNDER "ADDITIONAL INFORMATION," NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON.**

**THESE UNITS ARE BEING OFFERED SUBJECT TO PRIOR SALE, TO WITHDRAWAL, CANCELLATION OR MODIFICATION OF THIS OFFER WITHOUT NOTICE AND TO FURTHER CONDITIONS SET FORTH HEREIN.**

**THE INFORMATION CONTAINED HEREIN IS PROVIDED SOLELY FOR THE PERSONS RECEIVING THE MEMORANDUM FROM PRESSLEY HAMBRICK OR HIS AUTHORIZED REPRESENTATIVES, AND ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF PRESSLEY HAMBRICK OR HIS AUTHORIZED REPRESENTATIVES, IS PROHIBITED. THE OFFEREE, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN THIS MEMORANDUM AND ALL DOCUMENTS RELATED TO THE LLC IF THE OFFEREE DOES NOT SUBSCRIBE FOR ANY OF THE UNITS OFFERED HEREBY.**

**THE DELIVERY OF THIS MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.**

**The date of this Private Placement Memorandum is April 5, 2025.**

## TABLE OF CONTENTS

OVERVIEW OF OFFERING .....	8
IMPORTANT NOTICE TO READERS .....	11
FORWARD-LOOKING STATEMENTS.....	12
INVESTOR SUITABILITY .....	14
REQUIREMENTS.....	16
INVESTMENT SUMMARY .....	19
TERMS OF THE OFFERING .....	30
DISTRIBUTIONS AND ALLOCATIONS.....	37
COMPANY OPERATIONS .....	37
RISK FACTORS .....	44
SUMMARY OF CERT. PROVISIONS OF THE OPERATING AGREEMENT .....	58
REPORTS TO MEMBERS .....	61
ADDITIONAL INFORMATION .....	62
TAX CONSIDERATIONS.....	63
ERISA CONSIDERATIONS .....	78

**THIS DOCUMENT IS CONFIDENTIAL. IT IS INTENDED SOLELY FOR REVIEW BY THE PERSON WHOSE NAME APPEARS AT THE TOP OF THIS PAGE AND HIS/HER PROFESSIONAL ADVISORS, AND MAY NOT BE OTHERWISE DUPLICATED OR DISSEMINATED ABSENT THE EXPRESS WRITTEN PERMISSION OF THE COMPANY.**

### **EXHIBIT A – OPERATING AGREEMENT**

### **EXHIBIT B – SUBSCRIPTION AGREEMENT**

### **DUE DILIGENCE DOCUMENTS**

The Company has made a range of due diligence materials available to prospective investors through an electronic data room. These materials include, but are not limited to, financial projections, organizational documents, and other records relevant to the Offering and the Company’s operations.

Access to the data room will be provided upon request and the execution of a Non-Disclosure Agreement, Confidentiality Agreement, or other document as deemed appropriate by the Manager. Interested parties may request access by contacting the Manager or an authorized representative of the Company.

## **OVERVIEW OF OFFERING**

### **ENVARA OMEGA INTEGRATED LABS LLC**

Biocellular Medical Investments LLC (“BMI” or the “Company”) is raising capital to support the innovative healthcare efforts of Envara Omega Integrated Labs LLC (“EOIL”). EOIL is a Texas based holding company specializing in Bio-Medical Science, with a mission to revolutionize the global healthcare landscape. EOIL focuses on addressing inefficiencies in drug development and healthcare delivery, particularly in the treatment of Sickle Cell Anemia, Thalassemia, and other hemoglobin disorders. Through its cutting-edge technologies and innovative product lines, EOIL aims to develop and bring to market therapies that reduce costs and improve the speed of drug development, offering transformative healthcare solutions globally.

### **THE MANAGER AND CLASS B MEMBER**

EQUITABLE CLINICAL INITIATIVES LLC (“ECI”) serves as both the Manager and the Class B Member of BMI. ECI is comprised of the following highly experienced professionals from the fields of bio-medical science, legal strategy, and business development (the “Management Team”<sup>2</sup>):

1. Pressley Hambrick – Chief Executive Officer
2. Melvin James Ferebee III, Esq. – Vice President and Chief Legal Officer
3. Lorraine Birabil, Esq. – Legal Counsel

As the Manager, ECI holds primary responsibility for overseeing BMI’s operations, making strategic decisions, and ensuring the proper allocation of resources. The Manager also ensures compliance with all legal and regulatory requirements, manages investor relations, and is tasked with distributing Distributable Cash in accordance with the terms of the Operating Agreement. The collective expertise of the Management Team enables ECI to guide BMI towards its mission of transforming global healthcare through strategic investments in bio-medical science.

By centralizing management within ECI, BMI ensures a unified approach to decision-making, allowing for effective and efficient operations in a complex, dynamic market environment.

### **EOIL CORE ACTIVITIES**

1. Drug and Supplement Development: EOIL is engaged in the research and development of pharmaceuticals and dietary supplements, including nutraceuticals, which are formulated to deliver therapeutic benefits while meeting high standards for safety, efficacy, and quality. These products are designed to address diseases and conditions with significant unmet medical needs, with a focus on combining scientifically validated ingredients and advanced delivery systems to maximize clinical impact.

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<sup>2</sup> For more on the Management Team, please see the attached Pitch Deck.

2. **Global Health Infrastructure:** The company is seeking to expand its footprint with research labs and administrative offices in the UK, and future expansions planned for Africa and Southeast Asia. BMI will strategically deploy these funds into EOIL's transformative projects in a risk-mitigated manner. While the investment may not be made directly into EOIL, the Texas based holding company, funds will be carefully allocated to maximize return while minimizing risk.
3. **Global Public-Private Partnerships:** BMI will engage in global public-private partnerships ("GPPPs") by collaborating with national governments, regional authorities, and international development agencies to build and expand healthcare infrastructure, particularly in Africa and other underserved regions. These GPPPs will align public-sector priorities with private-sector capital and expertise to create sustainable, high-impact health systems. By leveraging GPPPs, BMI aims to ensure that investments are directed toward scalable, mission-driven projects that improve health outcomes and promote long-term system resilience.

### **SUMMARY OF EOIL'S USE OF FUNDS**

BMI is raising the initial thirty three million and no/100 dollars (\$33,000,000) to advance the development and market launch of FORMULA E, a vitamin E-based compound designed to eradicate sickle cell disease and related hemoglobinopathies. The offering is structured to both synthesize and scale production of FORMULA E while concurrently introducing a complementary supplement that supports hemoglobin stability and overall vascular health. In addition, BMI is developing a general wellness supplement line, including a product that targets some of the same symptoms as sickle cell disease, aimed at improving everyday health and vitality. Through robust clinical trials, strategic regulatory approval processes, and a dual-phase market entry strategy, initially leveraging online and specialty channels for early market penetration and later transitioning to a full pharmaceutical launch, the initiative aims to deliver an affordable, transformative treatment for millions worldwide.

### **OFFERING STRUCTURE**

BMI is launching its initial capital raise as a friends and family round under Rule 506(b) of Regulation D, offering up to thirty-three (33) Class A Membership Interests (the "Interests") at a price of one million and no/100 dollars (\$1,000,000) per Interest, with a minimum purchase requirement of one Interest. The Offering is structured to raise a total of thirty-three million and no/100 dollars (\$33,000,000) (the "Offering"). The Company has established a tiered class structure for its investors: Class A Members are those investing under the Rule 506(b) offering, with further distinctions for capital commitment, Class A Members (\$0-\$49,999.99), Class A1 Members (\$50,000-\$99,999.99, receiving a 3% preferred return), and Class A2 Members (\$100,000 or more, receiving a 6% preferred return). All such Members shall receive return of capital prior to residual distributions. Upon any subsequent transition to a general solicitation phase under Rule 506(c), the Company will establish a new investor class, Class A3 Members, limited to verified accredited investors participating in that phase.

In connection with this initial capital raise, select friends and family participants may be offered the opportunity to acquire a fractional Interest, representing less than one full Class A Membership Interest. These fractional Interests are intended to accommodate smaller investments while still

aligning with the Company's capital formation objectives and providing early supporters access to the benefits of participation. Fractional Interests shall be issued in accordance with the terms applicable to the corresponding investment tier, including any preferred return entitlements based on the amount committed, and shall share pro rata in return of capital and residual distributions.

The Company shall have sole discretion to accept or reject investor subscriptions in accordance with applicable securities laws or for any other reason. Cash available for distribution ("Distributable Cash") will be allocated pro rata among the Class A Members starting in Year 3, subject to a cap of fifty percent (50%) of annualized net revenues. Beginning in Year 4, the Class B Member shall have the sole and absolute right to repurchase all or a portion of the Class A Membership Interests at a price equal to 110% of fair market value (FMV), as determined by an independent third-party valuation. In the event a Class A Member is terminated for cause or voluntarily withdraws, the Company may repurchase such Member's interest at book value.

This Offering will terminate upon the earlier of (i) full subscription (the "Sales Closing"), or (ii) the one-year anniversary of the Offering's commencement, unless extended by the Company, subject to applicable law, for up to an additional twenty-four (24) months, provided that no less than three million and no/100 dollars (\$3,000,000) has been committed toward the development and launch of the Product (the "Sales Termination Date"). Subscription funds accepted by the Company may be deposited into an escrow account and held by an Escrow Agent until the Sales Closing, at which time the funds (with any accrued interest) shall be released to a Company operating account, or returned to contributors upon a failed raise, if prior to the Sales Termination Date.

The Interests are being offered on a best-efforts basis by the Manager, agents, and authorized representatives of the Company, and potentially by independent referral sources. As of the date of this Memorandum, the Company has not entered into selling agreements with registered broker-dealers, although commissions may be paid to licensed broker-dealers and referral fees may be paid to finders. The Company reserves the right to indemnify any such third parties in accordance with applicable law. See "PLAN OF DISTRIBUTION."

## **RISK MITIGATION STRATEGY**

BMI is pursuing a risk-mitigated strategy by simultaneously developing both a pharmaceutical compound and a nutraceutical supplement derived from a common active agent. The pharmaceutical product, known as FORMULA E, is a vitamin E-based compound intended to support the treatment of hemoglobinopathies such as sickle cell disease. FORMULA E is not yet FDA-approved; the company will initiate the FDA approval process once sufficient capital is raised. This path carries significant scientific potential but also entails a longer regulatory timeline and greater capital requirements. To balance this risk, BMI will also launch a nutraceutical supplement formulated with a milder version of the same core compound. This supplement will be marketed as a dietary product designed to support blood health, organ function, and inflammation response, all in full compliance with FDA and FTC regulations applicable to supplements. By avoiding therapeutic claims and using compliant language and labeling, the supplement can be brought to market without undergoing the FDA drug approval process. This

dual-track approach enables the company to generate near-term revenue, build brand awareness, and establish a customer base while continuing to pursue the more ambitious pharmaceutical goal.

Importantly, BMI's investment approach is underpinned by meticulously crafted legal and tax strategy designed to mitigate risk at every stage. Through a strategic weave of special purpose entities, utilization of regulatory safe harbors, and the deployment of capital across diverse asset classes, BMI is able to balance its mission-driven investments with more traditional vehicles favored by seasoned, risk-averse investors. This includes structuring for asset protection, liability containment, and tax efficiency, ensuring that both mission-aligned and conservative capital are accommodated within the fund.

BMI will also rely on the expertise of both leading financial institutions and world-renowned researchers in the healthcare and biomedical fields. Institutions such as Morgan Stanley will provide oversight on capital deployment, ensuring funds are allocated in alignment with the fund's objectives while maintaining disciplined risk management. Concurrently, scientific, and technical input from top-tier researchers will guide BMI's investment focus toward high-impact, viable solutions.

#### **IMPORTANT NOTICE TO READERS**

We have prepared this Memorandum solely for your information and that of the other persons to whom we have delivered it. We have not authorized the distribution of this Memorandum to anyone else. **We consider this Memorandum confidential and require that you not copy it or disclose any of the information contained in it to anyone else, other than to someone who is assisting you in evaluating an investment in the Company. By accepting delivery of this Memorandum, you agree to return it and all other documents that we give you relating to this Offering if you do not purchase any Class A Units, if your subscription is not accepted, or if this Offering is terminated.**

In making your investment decision, you must rely on your own examination of the Company, its business, and the terms of this Offering, including the merits and risks involved. You should not interpret the contents of this Memorandum or any communication, whether written or oral, from us, our management, our employees, or our agents as legal, tax, accounting, or other expert advice. You should consult your attorney, accountant, and other professional advisors with respect to legal, tax, accounting or other expert advice concerning this Offering and your consideration of an investment in the Company.

We reserve the right to withdraw this offer to you at any time. This offer is specifically made subject to the terms and conditions described in this Memorandum. An investment in the Units will involve significant risk due to, among other things, the nature of the Company's business and the nature of the Units. There can be no assurance that the Company's objectives will be realized. Investors should have the financial ability and willingness to accept the risks and lack of liquidity that are characteristic of the investment described in this Memorandum, and the specific risks of the Company.

Before you purchase Units, we will provide to you and to your representative, if any, at any time during our normal business hours, the opportunity to ask us questions, and receive answers, concerning the Company, its business, and the terms and conditions of this Offering. If we have it or can acquire it without unreasonable effort or expense, we will also provide you with any additional information that you consider necessary to verify the accuracy of the information contained in this Memorandum. Please see “Additional Information”.

**To ensure compliance with requirements imposed by the Internal Revenue Service (“IRS”), we inform you that any U.S. Federal tax advice contained in this Memorandum (including any attachments or Exhibits): (i) is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code of 1986, as amended (the “Code”); and (ii) was written to support the promotion or marketing of the transactions or matters addressed herein. We advise you to seek advice based upon your own particular circumstances from an independent tax advisor.**

This Memorandum is qualified in its entirety by reference to the Operating Agreement and the Subscription Agreement related to this Offering, which are attached to this Memorandum as Exhibits A and B, respectively. **We have not authorized anyone to make any representation or give any information about this Offering other than the information contained in this Memorandum.** You should not rely on any other representation or information as having been authorized by us. Statements made in this Memorandum are made as of the date of this Memorandum unless otherwise stated herein. The delivery of this Memorandum shall under no circumstances create an implication that any information contained herein is correct as of any time subsequent to the date of this Memorandum.

## FORWARD-LOOKING STATEMENTS

This Memorandum, including its Exhibits, contains statements that plan for or anticipate the future and involve risks and uncertainties. Forward-looking statements include statements about future business plans and strategies, as well as projected financial information (the “Financial Projections”), and most other statements that are not historical in nature. In this Memorandum, forward-looking statements are generally identified by the words “anticipate,” “plan,” “believe,” “estimate,” and the like, but also include the Financial Projections in their entirety. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the development, research, and expansion of clinical and scientific initiatives. Although we believe that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that those expectations will prove to have been correct. Important factors that may affect our expectations, estimates or projections include, but are not limited to:

1. Preliminary R&D expenditures may be made without assurance that the full Offering will close, resulting in unrecoverable sunk costs;
2. Cost overruns in designing, developing, and executing clinical trials or other research initiatives may exceed initial projections, leading to capital shortfalls;
3. Unavailability of qualified talent to conduct and oversee pharmaceutical and nutraceutical research, including regulatory affairs experts and clinical trial specialists;

4. Loss of key personnel or advisors previously committed to or interested in research efforts may delay or derail development;
5. Absence of experienced and reputable institutions or collaborators willing to participate in the Company's research and development activities;
6. Failure to gain support or validation from the broader scientific or medical communities, potentially impairing credibility, and investor confidence;
7. Early termination of research contracts or academic or corporate partnerships could halt momentum or require significant restructuring of development plans;
8. Limited experience within the Company or its Manager in managing end-to-end drug development and commercialization processes may create operational risks;
9. Inadequate capital to fund the full scope of the Company's R&D strategy, including clinical trials, regulatory filings, and production planning;
10. Adverse economic or market conditions that affect the availability or pricing of research-related goods, services, and capital;
11. Intense competition from both established pharmaceutical companies and emerging biotech startups may limit the Company's market share or investment appeal;
12. Operational deficits or inefficiencies in research programs, including trial recruitment, lab processing, and data management;
13. Delays in achieving research milestones or obtaining statistically significant results, or failure to demonstrate efficacy or safety in target populations;
14. The risk of litigation or regulatory scrutiny involving the Company, its products, or its leadership, including challenges to intellectual property or compliance practices;
15. Negative publicity or disappointing clinical data could harm public perception and commercial viability;
16. Inability to execute strategic research and development plans as envisioned due to shifting priorities, partnerships, or regulatory landscapes;
17. Loss, retirement, or inaccessibility of key executives, scientific advisors, or subject-matter experts critical to the development timeline;
18. Significant uncertainty surrounding the FDA approval process, including evolving standards, shifting regulatory priorities, delays in review timelines, or reclassification of compounds, which could materially delay or impair the pharmaceutical track;
19. Potential regulatory or enforcement action related to the marketing of dietary supplements, particularly if the Company inadvertently makes impermissible structure/function or therapeutic claims;
20. Manufacturing risks associated with both pharmaceutical and supplement production, including supply chain disruptions, facility quality control, or non-compliance with cGMP (current Good Manufacturing Practices);
21. Legal, logistical, and reputational risks in the commercial launch and sale of supplement products, including labeling compliance, distributor vetting, and customer safety;
22. Inability to scale supplement sales or revenue to support long-term pharmaceutical development goals, which may require external financing or result in reprioritization of the Company's roadmap.

Additionally, you are urged to consider the risk factors set forth in this Memorandum under the heading "**RISK FACTORS**" in evaluating the forward-looking statements and you are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements

included in this Memorandum and any Exhibits to this Memorandum, are made as of the date of this Memorandum or as of the date stated therein and we undertake no obligation to update them to reflect subsequent events or circumstances.

All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to herein.

### **INVESTOR SUITABILITY**

The Units offered hereby have not been registered with the Securities and Exchange Commission and are offered in reliance upon an exemption from registration set forth in Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder.

The Units will be offered and sold to persons who qualify as Accredited and Non-Accredited Investors as defined in Regulation D. Prior to the purchase of the Units, each Investor will be required to complete and submit to the Company a Subscription Agreement in the form attached hereto as Exhibit B.

### **OFFERING TRANSITION**

This offering will commence under Rule 506(b) of Regulation D, during which time the Company will offer and sell Class A Membership Interests. Under this exemption, the Company may sell interests to both Accredited and Non-Accredited Investors, provided no general solicitation or advertising is used. Each investor must complete and submit a Subscription Agreement in the form attached as Exhibit B, confirming their suitability under Regulation D. Once the Company transitions to a Rule 506(c) offering, it will amend the structure to create and offer Class A1 Membership Interests. This change will allow the Company to engage in general solicitation and advertising, but thereafter, only Accredited Investors may participate, and each must be verified as such through a third-party process or other compliant means. This dual-phased strategy is designed to provide early access for closely held or referred investors and later accommodate a broader investor base with greater transparency and reach. The Units offered have not been registered with the Securities and Exchange Commission and are being offered pursuant to an exemption under Section 4(2) of the Securities Act and Rule 506 of Regulation D.

### **ACCREDITED INVESTOR**

An “Accredited Investor” is defined in Regulation D as:

“Accredited Investor”—shall have the definition as computed under Rule 501(a) of Regulation D promulgated under the Act, which means any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000 at the time of the purchase, excluding the value of the primary residence of such person;

2. Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
3. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
4. Any entity in which all of the equity owners are accredited investors;
5. Any bank as defined in Section 3(a)(2) of the Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; insurance company as defined in Section 2(13) of the Act; investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; 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; employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, 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 that are accredited investors;
6. Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
7. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000; and
8. Any trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated under the Act.
9. A natural person holding, in good standing, one or more professional certifications, designations or other credentials issued by an accredited educational institution, which the Securities and Exchange Commission may designate from time to time, as qualifying. Presently holders in good standing of the Series 7, Series 65, and Series 82 licenses will qualify as an accredited investor.
10. Natural persons who are "knowledgeable employees" as defined in Rule 3c-5(a)(4) under the Investment Company Act of 1940, of the private-fund issuer of the securities being offered or sold.
11. Entities, including, but not limited to, limited liability companies, of a type not listed in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) of Regulation D promulgated under the Act, not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5 million.
12. Securities and Exchange Commission and state-registered investment advisers, exempt reporting advisers, and rural business investment companies.

13. Indian tribes, governmental bodies, funds, and entities organized under the laws of foreign countries, that own “investments,” as defined in Rule 2a51-1(b) under the Investment Company Act, more than \$5 million and that was not formed for the specific purpose of investing in the securities offered.
14. Family offices (as defined in Rule 202(a)(11)(G)-1 under the Advisers Act with (i) assets under management more than \$5 million, (ii) that are not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investments are 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.
15. "Spousal equivalent" (cohabitant occupying a relationship generally equivalent to that of a spouse) may pool their finances for the purpose of qualifying as accredited investors.

## **REQUIREMENTS**

Units will be sold only to those Investors who submit a Subscription Agreement in the form attached hereto as Exhibit B, establishing to the satisfaction of the Manager that the Investor is either an Accredited Investor or a Sophisticated Investor.

In addition, each Investor must represent to the Manager, as set forth in the Subscription Agreement, that, among other things:

1. the Investor is acquiring the Units for his or her own account for investment and not with a view to resale or distribution;
2. the Investor understands that the Units have not been registered under the Securities Act; and
3. the Investor understands that his or her right to transfer the Units is restricted as set forth in applicable federal and state securities laws.

The Manager will review all subscription documents and will not accept subscriptions from any person who does not represent that he or she complies with the applicable standards specified above. In general, Units will not be sold to tax-exempt investors.

## **ABILITY TO ACCEPT LIMITATIONS ON TRANSFERABILITY**

It is unlikely that Investors will be able to liquidate their investment in the Units in the event of an emergency or for any other reason. No public market for the Units exists and it is not anticipated that one will ever develop. Moreover, the transferability of the Units is subject to certain restrictions contained in the Operating Agreement and will be limited by restrictions on resale imposed under federal and state securities laws.

## **ADDITIONAL SUBSCRIPTION CONSIDERATIONS**

Each Investor must complete, execute, and deliver to the Manager executed copies of the Subscription Agreement accompanying this Memorandum. The Manager will review all

subscription documents for compliance with suitability standards. All representations by prospective Investors will be reviewed and relied upon by the Manager in determining the suitability of those persons under applicable securities laws and regulations.

The Manager has the right, in its sole and absolute discretion, to reject any subscription even though the Investor satisfies the described criteria. The Manager also has the right, in its sole and absolute discretion, to accept subscriptions for less than one Unit as well as subscriptions for fractional Units.

## **ERISA CONSIDERATIONS**

Section 404(a) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the regulations promulgated thereunder by the United States Department of Labor provide as a general rule that a fiduciary with respect to a pension, profit-sharing or other plan subject to ERISA must discharge its duties with respect to the plan in a prudent manner and must consider several factors in determining whether to enter into an investment or engage in an investment course of action. If a fiduciary with respect to any such plan acts imprudently with regard to selecting an investment course of action for such plan, the fiduciary may be held personally liable for losses incurred by the plan as a result of such imprudence. Among the factors that should be considered are the diversification and liquidity of the plan’s portfolio, the potential return on the proposed investment and the place the proposed investment would occupy in the plan’s portfolio taken as a whole. Additionally, in the case of the Company, a plan fiduciary should give particular attention to the risks inherent in the speculative investment in the Units.

The acceptance of a subscription by the Company from such plan does not constitute a representation or judgment by the Company that an investment in the Units is an appropriate investment for that entity or that the investment meets the legal requirements applicable to that entity.

Moreover, a plan fiduciary should consider whether or not an investment in the Units constitutes an investment in an “operating company” under ERISA Regulation 2510.3-101(d) and whether or not the Units would be considered “plan assets” subject to the prohibited transaction rules of Section 406 of ERISA. The Manager will not admit any ERISA Plan as an Investor or consent to assignment of any Units to an ERISA Plan, if such admission or assignment would result in twenty five percent (25%) or more of the total Units being held by ERISA Plans.

**AS A GENERAL RULE, THE MANAGER BELIEVES THAT THE COMPANY WOULD BE AN INAPPROPRIATE INVESTMENT CHOICE FOR MOST TAX-EXEMPT INVESTORS INCLUDING EMPLOYEE BENEFIT AND OTHER SUCH PLANS. FIDUCIARIES OF EMPLOYEE BENEFIT PLAN INVESTORS THAT ARE PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN COUNSEL CONCERNING THE CONSEQUENCES UNDER ERISA OF AN INVESTMENT IN THE UNITS.**

**IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, DO NOT READ FURTHER AND RETURN THIS MEMORANDUM TO THE MANAGER**

**IMMEDIATELY. IF YOU DO NOT MEET THESE REQUIREMENTS, THIS MEMORANDUM IS NOT AN OFFER TO SELL UNITS TO YOU.**

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## INVESTMENT SUMMARY

*The following summary is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this Memorandum and its Exhibits. Each prospective investor is urged to carefully read this Memorandum and its Exhibits in their entirety including but not limited to the risk factors.*

## BUSINESS OVERVIEW

The capital raised through this offering will support a wide range of initiatives designed to advance global healthcare innovation and infrastructure, particularly through the efforts of Envara Omega Integrated Labs LLC (EOIL) and its affiliated entities. EOIL is a Texas-based holding company committed to addressing inefficiencies in drug development and healthcare delivery by developing innovative solutions for high-impact diseases such as Sickle Cell Anemia, Advanced Cancers, and Autoimmune Diseases. A major focus will be placed on the development of Mediceticals, a class of therapeutics positioned to bridge the gap between traditional pharmaceuticals and biomedical science. These products are intended to reduce the cost and time associated with traditional drug development and to deliver novel, effective solutions for underserved conditions. The lead pharmaceutical candidate in this category is FORMULA E, a vitamin E-based compound that will undergo the FDA approval process and is being developed to support the treatment of hemoglobinopathies such as sickle cell disease. While this path offers high scientific and therapeutic potential, it also involves a longer regulatory timeline and substantial capital requirements.

In addition to drug development, a substantial portion of the capital will be allocated to support the launch and commercialization of BMI's nutraceutical product line. The first of these supplements is derived from the same core active compound used in the Company's pharmaceutical initiative and is designed to support blood health, organ function, and inflammation regulation. These products will be marketed in compliance with FDA and FTC regulations and are structured to provide early revenue generation while mitigating regulatory risk. Capital will be directed toward formulation refinement, manufacturing, branding, compliance, distribution, and go-to-market strategy.

The proceeds will also be used to launch and accelerate fast-track clinical trials in key markets including the United States, Africa, and Europe. These trials will focus on diseases that disproportionately affect underserved populations and will require investments in patient recruitment, advanced clinical infrastructure, and real-time data systems. To support these activities, the capital will fund the development of research labs, administrative offices, and trial support centers in locations such as the United Kingdom, Africa, and Southeast Asia.

In support of EOIL's orphan drug pipeline targeting rare and neglected diseases, the Offering will provide funding for pre-clinical studies, investigational drug manufacturing under Good Manufacturing Practices (GMP), and regulatory submissions to authorities such as the FDA, EMA, WHO, and their counterparts in markets such as India, China, Brazil, and Russia.

The Offering will also support affiliated entities such as PSI Research and PSI Liquid Concepts, which will lead EOIL's research and product distribution, respectively. Additional funds will support development of complementary verticals including PSI Global Insurance, offering affordable health insurance solutions, and PSI Delta Medical, which will deliver advisory services to governments and institutional stakeholders across emerging markets.

In parallel, a portion of the capital will fund GPPP initiatives to construct and operationalize healthcare infrastructure in underserved regions, with a focus on Africa. Through direct collaboration with public health agencies, ministries, and international organizations, these GPPPs will enable the design, permitting, construction, and operation of hospitals, clinics, telemedicine systems, and medical logistics platforms. These efforts will include investments in regulatory compliance, government partnerships, and transparent procurement and licensing processes to ensure successful execution.

To balance the mission-driven healthcare focus with diversified investor protections, BMI will also deploy a portion of the capital into ancillary investments and lower-risk asset classes not directly tied to the healthcare sector. These include traditional opportunities such as real estate-backed ventures, income-producing instruments, and fund-of-fund strategies aligned with conservative investor expectations. This diversification is part of a broader risk mitigation plan supported by a legal and tax structure that employs a network of entities, regulatory safe harbors, and strategic alignment across verticals.

This capital raise is structured to allow Biocellular Medical Investments LLC (BMI), a Delaware-based entity, to raise up to \$33,000,000 through the sale of Class A Interests priced at \$1,000,000 each. The proceeds will be deployed responsibly across EOIL and its initiatives under a risk-mitigated investment strategy designed to preserve investor capital while maximizing impact. By engaging experienced financial institutions to guide capital allocation, BMI will ensure that all funded projects align with investor expectations, support both near-term and long-term returns, and meaningfully contribute to the advancement of global health.

## **FORMULA E**

This proprietary, vitamin E-based compound has demonstrated promising early-stage results in stabilizing red blood cell membranes, reducing inflammation, and addressing the core pathology of sickle cell disease and related disorders. Unlike existing drugs that primarily manage symptoms, FORMULA E is engineered as a potential cure, targeting over 20 blood-related diseases and conditions, and holds the potential to benefit not only the estimated 280 million diagnosed hemoglobinopathy patients but also the 1.6 billion global carriers of these genetic traits. BMI is committed to advancing FORMULA E through the full FDA approval process, including all phases of clinical trials, regulatory submissions, and safety evaluations, with the goal of achieving full pharmaceutical clearance and widespread medical adoption. In parallel, GBMSI will launch a nutraceutical-grade FORMULA E supplement, leveraging many of the same functional components to promote hemoglobin stability, reduce inflammation, and support kidney, liver, and cardiovascular health. This supplement will serve as both a public health benefit and a market entry strategy, enabling early brand awareness, revenue generation, and consumer engagement while the FDA process for the full-strength pharmaceutical compound continues. This two-

pronged approach is designed to maximize both health impact and investor returns by building parallel momentum in the wellness and pharmaceutical sectors.

## **THE SUPPLEMENTS**

Envara Omega Integrated Labs LLC (EOIL) is expanding its mission to transform global healthcare by launching a full-scale supplement company alongside its pharmaceutical efforts. The first product in this line is a nutraceutical supplement specifically formulated to support individuals experiencing chronic symptoms commonly associated with hemoglobinopathies, such as oxidative stress, immune system strain, and poor circulation. While the supplement will not be marketed as a treatment or cure for any disease, it will serve as a wellness product that promotes blood health, cellular function, and general vitality. It is derived from the same core compound as EOIL's pending FDA-regulated pharmaceutical (FORMULA E) but formulated at a lower potency and in a manner compliant with dietary supplement regulations. This dual-pathway strategy allows EOIL to build consumer trust and brand visibility in parallel with the longer and more capital-intensive FDA approval process for FORMULA E.

This sickle cell-focused supplement is only the beginning. EOIL is currently developing thirteen additional supplements that address a broad range of consumer wellness concerns, such as immune support, energy optimization, cognitive clarity, and metabolic resilience. Each product will follow a strict regulatory compliance framework under FDA and FTC guidelines and will be tailored to address market needs across aging populations, underserved communities, and high-performance consumers. These products are designed not only to serve health-conscious consumers but to act as a powerful marketing and fundraising platform that aligns with the company's broader biomedical goals.

EOIL plans to pair commercial sales with a targeted donation initiative that will extend the social impact and financial efficiency of the supplement line. A key part of the company's strategy involves donating quantities of these supplements to prequalified nonprofits and government-aligned programs serving medically underserved populations. When structured properly, these donations can unlock meaningful tax advantages for investors. EOIL will form or utilize a pass-through entity such as an LLC or partnership to manage the donation program and obtain qualified independent appraisals of each supplement's fair market value. Investors who participate by funding the manufacturing and distribution of the donated supplements will receive Schedule K-1 allocations of charitable contributions under IRC § 1, often valued well in excess of their original capital contributions. For example, an investor who contributes \$250,000 to support donated inventory valued at \$1 million may receive a charitable deduction for the full appraised value, depending on compliance with applicable limitations and caps.

This approach offers a compelling alternative to traditional equity-based fundraising. It allows EOIL to raise capital without diluting ownership, while giving investors an immediate tax benefit and alignment with the company's impact-driven mission. Donations of the sickle cell supplement, in particular, will help the public understand the real-world value and safety profile of the FORMULA E compound, creating a warm path for consumer adoption of the eventual FDA-approved drug. Similarly, future supplements can be used to introduce the scientific principles

behind EOIL's research in a consumer-facing format, effectively turning charitable outreach into a marketing pipeline that builds trust, visibility, and brand loyalty.

Incorporating donation-based tax strategies also expands the company's investor base beyond traditional healthcare funders. By appealing to donor-advised funds (DAFs), private foundations, and high-net-worth individuals with philanthropic goals, EOIL can access capital from sources that may not otherwise invest in early-stage biotech. These donors receive the social impact, tax deduction, and affiliation benefits without requiring shares or seats at the table, preserving equity for core contributors and mission-aligned partners.

EOIL's supplement line is not simply a consumer product, it is a multifunctional asset. It generates revenue, expands awareness, supports the pharmaceutical vision, and creates a unique tax-efficient capital raise model that protects investor interests and reinforces the company's commitment to accessible global healthcare.

### **CRYO-ELECTRON MICROSCOPE**

In line with BMI's commitment to advancing healthcare infrastructure in underserved regions, the acquisition of a cryo-electron microscope (cryo-EM) is a critical component of the company's strategy to improve global healthcare outcomes through cutting-edge research and innovation. Cryo-electron microscopy is revolutionizing biomedical research by allowing scientists to study biological molecules at near-atomic resolution, providing unprecedented insights into the structure of viruses, proteins, and cellular components. For BMI, the cryo-EM will play a pivotal role in advancing healthcare projects by enabling precise research into diseases that disproportionately affect populations in developing regions, driving innovation in diagnostics, therapeutics, and vaccine development.

The need for advanced research tools such as a cryo-electron microscope stems from the complexity of many healthcare challenges in underserved areas. Many of the disease's endemic to these regions, such as malaria, tuberculosis, and emerging viral threats, require innovative solutions based on a deep understanding of their molecular structures. With a cryo-EM, BMI and its partners will have the ability to research pathogens and molecular interactions at an atomic level, accelerating the development of precise healthcare interventions. This capability enhances our capacity to deliver not just basic healthcare infrastructure, but also science-driven solutions that address the root causes of diseases, particularly those affecting vulnerable populations.

The acquisition of a cryo-electron microscope represents a significant investment. A high-end cryo-EM system can range from \$3 million to \$6 million, depending on its specifications and capabilities. While this upfront cost is substantial, the long-term benefits it offers in terms of advancing healthcare research and attracting partnerships are immeasurable. Furthermore, the operational costs associated with running a cryo-EM facility are considerable. Many research institutions, including universities and pharmaceutical companies, charge approximately \$10,000 per day to access cryo-EM technology due to the high costs of maintenance, staffing, and technical expertise required to operate the equipment.

For BMI, the high cost of daily usage provides both a challenge and an opportunity. While there is a significant financial factor in the day-to-day operation of the cryo-EM, owning the equipment outright would mitigate these costs for internal research and development efforts. Moreover, BMI could offset operational expenses by providing cryo-EM services to external partners, such as academic institutions and research entities, generating additional revenue. This model mirrors how leading research institutions, like the Massachusetts Institute of Technology (MIT), have managed the high operational costs of cryo-EM systems. MIT, which has invested heavily in cryo-electron microscopy, offsets costs by opening up access to external researchers, thereby transforming a high-cost research tool into a resource that generates both scientific advancement and financial return.

Acquiring a cryo-EM will allow BMI to position itself at the forefront of healthcare innovation. It will attract collaborations with global research institutions, universities, and pharmaceutical companies, creating opportunities for groundbreaking research into diseases that disproportionately affect developing regions. By offering advanced research capabilities, BMI will also strengthen its relationships with governments and international health organizations, expanding its role in developing comprehensive healthcare solutions.

Furthermore, the cryo-EM will enhance BMI's ability to attract investment. The capability to conduct molecular-level research will make BMI an attractive partner for global financial institutions, development banks, and private sector stakeholders who value evidence-driven healthcare solutions. This strategic acquisition is not only aligned with BMI's long-term goals but also demonstrates its commitment to providing innovative, science-based healthcare solutions that can directly impact the health and well-being of underserved populations.

For example, the JEM-3300 CRYO ARM™ 300 II is a cutting-edge cryo-electron microscope (cryo-EM) designed for high-throughput, high-resolution, and high-stability imaging, particularly suited for sensitive biological samples such as proteins. This all-in-one system supports applications including single particle analysis, tomography, and MicroED. It features enhanced stability, precision, and ease of use, even for operators new to electron microscopy.

Key advantages include the ability to acquire high-contrast and high-resolution images quickly, advanced beam control for minimizing aberrations, and the ability to capture detailed 3D density maps at atomic resolution, as demonstrated with examples like the hemoglobin structure. The system incorporates an in-column Omega energy filter and new cold field emission electron gun (CFEG) for improved image stability and resolution over long periods.

In summary, acquiring a cryo-electron microscope is essential to BMI's strategy of advancing healthcare infrastructure and research in underserved regions. While the cost of acquiring and operating the system is significant, the ability to drive cutting-edge research, attract strategic partners, and generate new revenue streams makes it a sound investment. By integrating advanced scientific tools like the cryo-EM into its operational strategy, BMI will be better positioned to deliver impactful, sustainable healthcare solutions that address both the symptoms and the root causes of disease in developing regions.

## **SCIENTIFIC OVERVIEW**

The underlying science behind EOIL's efforts revolves around cutting-edge bio-medical science, with a focus on treating Sickle Cell Disease and Thalassemia through innovative approaches in gene therapy and orphan drug development. Sickle Cell Disease is a genetic blood disorder that causes red blood cells to deform into a sickle shape, reducing their ability to carry oxygen efficiently and leading to severe pain, anemia, and potential organ damage. The disorder affects millions worldwide, particularly in Africa, the US, and parts of India and the Mediterranean.

EOIL's research and clinical trials aim to develop new therapies targeting the root cause of SCD by addressing the abnormal hemoglobin structure. One promising approach is gene therapy, which aims to correct the genetic mutation responsible for the disease. By modifying the  $\beta$ -globin gene, researchers hope to restore normal hemoglobin production and eliminate the complications of the disease. EOIL's investments in clinical trials across multiple regions, including Africa and the US, are geared toward fast-tracking these treatments to market, improving outcomes for patients who have long lacked effective options.

In parallel, EOIL is also investing in the development of orphan drugs. These therapies specifically address rare diseases like SCD, which often go under-researched by larger pharmaceutical companies due to the limited market size. EOIL's focus on developing these treatments, alongside obtaining regulatory approvals from agencies like the FDA and EMA, positions the company at the forefront of a global effort to provide life-saving solutions for individuals with SCD and Thalassemia.

The science behind EOIL's efforts is further supported by the company's expansion into bio-medical infrastructure, with research labs and administrative offices planned in the UK, Africa, and Southeast Asia. These facilities will not only support ongoing research and clinical trials but also facilitate the scale-up of drug manufacturing and distribution, bringing innovative therapies to underserved populations globally.

This comprehensive strategy combines advanced gene therapy, orphan drug development, and global infrastructure expansion, underpinned by a deep understanding of the genetic and molecular mechanisms behind diseases like SCD and Thalassemia. EOIL's commitment to advancing these therapies reflects the company's mission to transform global healthcare and improve the lives of millions suffering from these debilitating conditions.

## **RESEARCH**

First, the most immediate and capital-intensive research effort is the continued development of FORMULA E, a patented compound formulated to treat and potentially cure sickle cell anemia and other hemoglobinopathies. Investor funds will support its synthesis into a standardized pharmaceutical tablet, followed by multi-phase clinical trials in compliance with FDA regulatory pathways. These trials include Phase I safety assessments, Phase II efficacy trials, Phase III comparisons to existing treatments, and post-approval Phase IV surveillance. Each stage is essential to secure FDA approval and demonstrate both the safety and superiority of FORMULA E over past treatments such as Voxelotor, which was withdrawn from the market due to serious complications.

Second, the investment will fund the research, development, and phased release of thirteen additional supplements, many of which are designed to address conditions related to hemoglobinopathies as well as general wellness objectives such as inflammation, immune system support, joint stability, energy enhancement, cognitive health, and senior wellness. Each supplement is being scientifically formulated to complement the core therapeutic objectives of FORMULA E, allowing for brand coherence and consumer crossover. Internal research and formulation validation will focus on efficacy in promoting organ function, reducing oxidative stress, and enhancing blood flow, biomarkers closely aligned with the mechanism of action of FORMULA E. These supplements are intended to be supported by compliant structure-function claims under FDA and FTC guidance but informed by scientific and clinical insight.

Third, funds will support pre-clinical research and development into novel compounds and therapeutic candidates that share biological pathways with FORMULA E. These may include next-generation formulations based on its active ingredients or molecular derivatives aimed at additional blood-related and inflammatory disorders. The goal is to expand EOIL's intellectual property portfolio, validate new mechanisms of action, and broaden the pipeline to include new therapeutic categories, both within and beyond the hemoglobinopathy spectrum.

In addition, investor capital will underwrite advanced manufacturing research, particularly focused on optimizing molecular synthesis of both FORMULA E and its nutraceutical counterparts. This includes developing scalable production methods that maintain efficacy, conducting stability testing under a range of environmental conditions, and ensuring that all manufacturing practices meet GMP standards for pharmaceutical and supplement products alike. This work is essential to satisfy regulatory expectations across the United States, Europe, India, and Africa, and to ensure consistency in quality across both clinical and consumer-facing product lines.

Another key area of research investment is the deployment of real-world evidence and AI-assisted analytics. As the supplement line enters the market, EOIL will implement systems for the ethical and anonymized collection of consumer feedback and health outcomes, which will be used to continuously refine formulations and better demonstrate product impact. These data sets may also serve a dual purpose by contributing to future FDA submission materials, supporting functional claims in global markets, and guiding future research hypotheses.

### **YALE AND MOREHOUSE**

The research and development strategy behind EOIL's FORMULA E compound and its broader supplement initiative is informed by decades of academic insight and clinical inquiry, with a scientific foundation shaped by work at institutions such as Yale University and Morehouse School of Medicine. Yale's emphasis on cellular oxygenation, erythrocyte protection, and the molecular biology of red blood cell disorders aligns directly with FORMULA E's mechanism of action, which targets the root biochemical pathways contributing to sickle cell crises and related vascular complications.

Morehouse School of Medicine presents a natural and strategic research partner for EOIL moving forward. The institution has earned a national reputation for its work addressing health disparities, especially among African American populations disproportionately affected by sickle cell disease

and other hemoglobinopathies. Morehouse’s research into chronic inflammation, immune dysregulation, and microvascular pathology in underserved communities provides a deeply relevant context for the application of FORMULA E and related supplement formulations. A collaboration with Morehouse would not only allow EOIL to validate its compounds in real-world, population-specific studies but would also support clinical trial diversity, public health impact, and institutional credibility.

Morehouse’s leadership in translational medicine and its focus on community-based clinical trials would allow EOIL to study its products in environments that reflect the lived experience of the very populations it aims to serve. Moreover, Morehouse’s infrastructure, ranging from its patient networks to its experienced research faculty, would accelerate the timeline for efficacy validation and help EOIL generate culturally relevant health messaging to support both its pharmaceutical and supplement-based outreach. The synergy between EOIL’s science and Morehouse’s mission would amplify the social, clinical, and commercial value of the FORMULA E platform.

### **DIVERSIFICATION**

To balance its mission-driven focus on global healthcare innovation with prudent investor protections, BMI will allocate a portion of its capital to ancillary investments and lower-risk asset classes not directly tied to the pharmaceutical, supplement, or healthcare verticals. This parallel investment strategy is designed to provide a hedge against industry-specific risks and market volatility, while appealing to more conservative investors who seek stability and steady returns. These ancillary allocations may include real estate-backed ventures that generate rental income or appreciate over time, income-producing instruments such as fixed-income securities or structured credit products, and fund-of-fund strategies that provide indirect exposure to broader market performance through partnerships with established asset managers.

This diversification is not incidental, it is a core part of BMI’s risk mitigation philosophy. By layering high-impact healthcare investments with traditional, lower-risk financial instruments, BMI aims to protect principal, enhance liquidity, and offer multiple pathways to return. These investments will be structured and held through a strategically crafted network of legal entities, enabling liability containment, jurisdictional flexibility, and asset segregation. The Company’s use of regulatory safe harbors, such as Rule 506 of Regulation D, further ensures compliance with securities laws while expanding access to qualified investors under a legally sound framework.

Moreover, this multi-vertical structure allows BMI to maintain capital deployment optionality, giving the Manager the discretion to pivot between mission-aligned initiatives and more traditional instruments depending on timing, market conditions, and overall fund objectives. This agility is supported by embedded tax planning and legal oversight to ensure that each investment, whether in biotech, real estate, or structured finance, is aligned with the broader risk profile and distribution strategy of the fund. In doing so, BMI offers investors a comprehensive approach that balances impact, innovation, and capital preservation.

### **MANAGEMENT TEAM**

The management team of BMI, while currently small, includes industry-leading consultants with deep expertise in biomedical science, legal strategy, business development, finance, and healthcare infrastructure. These professionals provide high-level strategic guidance and operational insight as the Company advances through its initial phases. As BMI continues to grow, the team will expand to include additional executives and advisors across key disciplines, while continuing to leverage a network of analysts, consultants, and subject-matter experts to support its mission and scale effectively.

Pressley M. Hambrick IV, President and Chief Executive Officer, oversees BMI's commercial operations, strategic partnerships, and investor relations. With a background in healthcare, real estate, and private equity, he manages the execution of business initiatives, ensures organizational growth, and steers the market positioning of FORMULA E and related offerings. His leadership bridges innovation with implementation, ensuring BMI's mission remains financially and operationally sound.

Melvin J. Ferebee III, Esq., Vice President, and Chief Legal Officer, is responsible for legal oversight across BMI's securities offerings, regulatory engagement, and FDA compliance strategy. As Managing Partner of The Ferebee Group PLLC, he brings extensive experience in private placements, governance structuring, and public-private legal strategy. Melvin ensures that all transactions and disclosures are legally sound and designed to withstand institutional scrutiny. As President, he also oversees executive coordination, strategic alignment across departments, and institutional relationship development to support BMI's mission and growth.

Lorraine Birabil, Esq., Legal Counsel, contributes strategic legal guidance with a focus on regulatory compliance, civil equity, and public-interest law. With experience in both legislative and legal sectors, Lorraine supports the company's alignment with global health equity standards, social impact initiatives, and emerging regulatory trends. Her insight helps ensure that BMI's innovations are both lawful and inclusive.

Compensation for the management team shall be structured to reflect the company's early-stage capital strategy and cash flow priorities. The Chief Executive Officer shall receive a monthly salary, authorized, and maintained through a vote of the principals of the Manager. All other officers, who are also members of the Class B Member, shall receive compensation through a special distribution structure, beginning with first dollars in and reviewed periodically. These special distributions shall be subject to the Manager's approval and will remain in place until the Company's cash flow allows for the implementation of their stated salaries as outlined in internal compensation policies.

### **Executive Leadership, Advisory Oversight, and Operational Support Framework**

BMI acknowledges that, while its executive leadership team comprises highly accomplished professionals with expertise in finance, law, public policy, and entrepreneurship, most are not career operators of pharmaceutical, biotech, or supplement companies.

To mitigate this experience gap and ensure execution excellence, BMI will continue to engage third-party professionals, including contract research organizations, FDA regulatory consultants,

GMP-certified manufacturers, commercialization strategists, and institutional financial advisors. These partners will provide hands-on operational and compliance support across all phases of product development and strategic planning. BMI is building this infrastructure deliberately to ensure that the company remains positioned for regulatory success, fiscal discipline, and market readiness.

Once the company is adequately capitalized, BMI will establish a formal board of advisors composed of experienced industry professionals. This advisory group will provide strategic oversight, technical guidance, and operational mentorship to supplement internal capabilities and help steward the company through key inflection points, including the transition to public markets. The combination of visionary leadership, experienced external partners, and a dedicated advisory board will allow BMI to advance its mission-driven objectives while executing a scalable and investable growth strategy. Investors are encouraged to view this hybrid structure as a transparent and intentional approach to governance, de-risking, and long-term value creation.

## **TARGET MARKET**

EOIL is strategically positioned to penetrate two distinct but interconnected markets: the pharmaceutical treatment of hemoglobinopathies, specifically Sickle Cell Disease, and the rapidly expanding global wellness market through its supplement division. Both verticals address pressing unmet needs and present strong opportunities for scalable growth, measurable impact, and investor return.

The primary target market for EOIL's FORMULA E pharmaceutical compound is patients affected by Sickle Cell Disease and related hemoglobinopathies. In sub-Saharan Africa, where the sickle cell gene affects up to 40 percent of some populations, the potential patient base exceeds 256 million individuals. In the United States, around eight percent of African Americans carry the sickle cell trait, with over three million affected or at risk. Global migration has further increased the prevalence of Sickle Cell Disease in regions such as the European Union, India, and Central and South America. As a result, the worldwide carrier population is estimated at 1.6 billion people, all of whom are at risk for associated complications. FORMULA E is designed to provide an affordable, accessible, and clinically effective alternative to therapies such as Voxelotor, which was withdrawn from the market in 2024 due to serious complications and prohibitive cost. EOIL's ability to deliver a stable and scalable solution gives it a clear path to global market penetration, particularly in regions with limited access to advanced care. With the support of BMI, EOIL is positioned to scale its operations and deliver transformative care to the populations that need it most.

In parallel, EOIL's nutraceutical division will launch a robust line of scientifically formulated supplements designed to address broader health and wellness needs beyond hemoglobinopathies. The initial flagship supplement, derived from a lower-potency version of FORMULA E, is formulated to support blood health, circulation, inflammation response, and oxidative stress regulation. In addition to this core product, EOIL has developed thirteen additional supplements that span a wide range of wellness domains including immune support, metabolic balance, digestive health, joint stability, cognitive function, energy enhancement, and senior wellness.

These supplements are positioned within the global wellness economy, which was valued at \$6.3 trillion in 2023 and is forecasted to grow at a compound annual growth rate of 7.3 percent, reaching nearly \$9 trillion by 2028. In the United States alone, the wellness economy is valued at \$2 trillion, with American consumers spending over \$6,000 per person annually on wellness-related products and services. The global dietary supplement segment, specifically, was valued at approximately \$178 billion and is projected to grow at a compound annual growth rate of 9.1 percent through 2030.

The supplement line will not make disease or therapeutic claims, allowing EOIL to comply with FDA and FTC regulations and enter the consumer market immediately, while continuing clinical trials for FORMULA E. Internal validation, real-world data collection, and ethical marketing strategies will guide product refinement and brand development. This dual-track approach enables EOIL to generate near-term revenue and brand recognition in the consumer wellness market while maintaining a longer-term focus on regulatory drug development. Together, these efforts position EOIL to serve a wide population, build diversified revenue streams, and establish itself as a leader in both pharmaceutical innovation and integrative wellness solutions.

## **FINANCIAL OVERVIEW**

EOIL's financial strategy is built around two distinct but complementary verticals: pharmaceutical drug development and a scalable consumer supplement line. The company anticipates strong revenue growth over the next five years, projecting a total increase from approximately \$2,000,000 in 2025 to over \$116,000,000 by 2029. This revenue will initially be driven entirely by the supplement business, which offers a near-term path to cash flow while the pharmaceutical product, FORMULA E, advances through the regulatory approval process. The supplements are designed to support blood health, immune function, inflammation response, and overall vitality, and are priced at \$39 per bottle with a production cost of \$17. This yields an average gross margin of 56%, which is within industry standards for wellness products and allows for early profitability and reinvestment into research and marketing.

The pharmaceutical division, although not expected to generate revenue in the first five years, represents the long-term engine of enterprise value. FORMULA E, a proprietary compound designed to treat sickle cell disease and related hemoglobinopathies, is expected to command a price of approximately \$12,000 per treatment. When approved, annual North American sales are projected to exceed \$300,000,000. These projections are supported by unmet market demand, favorable orphan drug exclusivity under FDA policy, and the withdrawal of competitor drugs such as Voxelotor. Once FORMULA E is commercialized, the pharmaceutical division is expected to operate with profit margins of approximately 42%, significantly increasing overall profitability for the company. While FORMULA E is in development, the supplement division allows the company to maintain operational stability and brand visibility.

EOIL expects to achieve EBITDA profitability in 2026, with projected EBITDA of \$255,000 on \$14,400,000 in revenue. EBITDA increases steadily each year, reaching \$53,900,000 by 2029. Gross profit is projected to grow from \$11,500,000 in 2026 to \$92,800,000 in 2029, reflecting operational scaling and strong unit economics. Expenses are carefully managed, beginning at \$5,600,000 in 2025 and increasing to \$72,400,000 by 2029. These costs include payroll, which

starts at \$3,760,000 and gradually rises to \$5,550,000, reflecting a disciplined expansion of the team. Marketing expenses are expected to grow from \$1,000,000 in 2025 to \$58,000,000 in 2029, in line with a consumer-facing growth strategy that relies heavily on digital channels and direct engagement.

The company's annual research and development budget is projected at \$3,000,000 per year. This investment supports both clinical advancement of FORMULA E and continued development of additional supplement formulations. EOIL intends to take advantage of the federal research and development tax credit, which can offset up to \$500,000 annually in payroll taxes. This tax benefit will help preserve capital and extend the company's operational runway.

Unit sales in the supplement division are expected to grow from approximately 50,000 in 2025 to over 2,900,000 units annually by 2029. These projections are based on EOIL's multi-product pipeline of 13 supplements, each targeting a high-demand area of the health and wellness market, including cognitive health, energy metabolism, joint support, and senior wellness. The company's go-to-market strategy combines ecommerce, strategic partnerships, and community-driven distribution to accelerate adoption.

In addition to earned revenue, EOIL plans to leverage non-dilutive capital strategies through product donations. Specifically, the company intends to donate unsold inventory to qualified charitable organizations and provide participating investors with Schedule K-1 allocations for tax deductions. This structure is designed to raise additional capital without issuing equity and allows EOIL to further align its financial strategy with its social impact mission.

Overall, EOIL's financial model is both ambitious and grounded in industry norms. It reflects a dual-track approach that balances near-term revenue generation with long-term pharmaceutical value creation. The strategy accounts for early-stage capital requirements, risk mitigation through tax incentives, and operational flexibility. For a company advancing both a clinical-stage compound and a competitive consumer supplement line, these projections are well within reason and offer a comprehensive path to sustained growth, profitability, and investor return.

## **COMPETITOR ANALYSIS**

EOIL operates within two highly competitive sectors: advanced pharmaceutical therapeutics for sickle cell disease and other hemoglobinopathies, and the global nutraceutical supplement industry. In both arenas, EOIL has designed its operations to prioritize affordability, accessibility, and scientific credibility, enabling the company to serve high-growth and underserved markets that larger competitors often neglect or price out.

In the sickle cell disease space, EOIL competes with pharmaceutical leaders such as CRISPR Therapeutics and Vertex Pharmaceuticals, which are advancing exa-cel (CTX001), a gene-editing therapy that enables the production of fetal hemoglobin through CRISPR/Cas9. Bluebird Bio offers lovo-cel, a gene therapy that modifies the  $\beta$ -globin gene to reduce the presence of sickled red blood cells. Novartis markets Adakveo (crizanlizumab), an antibody-based therapy intended to decrease the frequency of vaso-occlusive crises. While these therapies reflect impressive scientific advances, they are often priced at over \$1 million per patient and require advanced

clinical infrastructure, limiting their accessibility in many regions. In contrast, EOIL's FORMULA E compound is positioned as a more scalable and affordable solution, with an anticipated price of \$12,000 per treatment. Backed by rigorous R&D and focused clinical trials, EOIL aims to serve the 256 million individuals in sub-Saharan Africa and millions more globally who currently lack access to effective and affordable sickle cell treatments.

EOIL's supplement division brings the company into direct competition with global consumer health and nutraceutical brands such as Nestlé Health Science, Herbalife, DSM, Amway, Glanbia, and Jamieson Wellness. These companies dominate a supplement market that surpassed \$400 billion globally and continues to expand as consumers increasingly seek products targeting inflammation, cardiovascular health, immune resilience, and energy support. EOIL's differentiator lies in its scientific foundation. Its first supplement is based on the same active compound as FORMULA E, reformulated at a lower potency to comply with dietary supplement guidelines. This supplement supports blood health, circulation, and oxidative balance and is marketed not as a cure but as a wellness-enhancing product, allowing EOIL to build brand loyalty and generate revenue while advancing its pharmaceutical pipeline.

EOIL also plans to launch thirteen additional supplements targeting senior vitality, mental clarity, metabolic function, joint mobility, and immune strength. These products will be introduced in phases and serve both revenue generation and market education roles. What sets EOIL apart in this sector is not only its scientific approach but also its tax-efficient donation and distribution model. By donating supplements to qualified nonprofit organizations and public health initiatives, EOIL can provide investors with fair market value tax deductions while simultaneously expanding market awareness and building public trust in its brand. This strategy provides capital-raising flexibility without issuing equity and helps seed the consumer market in advance of FORMULA E's full pharmaceutical launch.

In the realm of infrastructure development, EOIL operates in a landscape that includes multinational development institutions such as the World Bank, African Development Bank, and European Investment Bank, as well as global health NGOs like Gavi and the Bill & Melinda Gates Foundation. These entities invest heavily in healthcare infrastructure in emerging markets, often through broad public-private partnership frameworks. While EOIL is not itself a global public-private partnership (GPPP), it recognizes the opportunity to engage with and benefit from such frameworks to support its clinical trials, product deployment, and access initiatives, especially across Africa and Southeast Asia. By aligning its research and delivery infrastructure with the priorities of public sector stakeholders and leveraging targeted private capital, EOIL can position itself to partner effectively in regions where infrastructure investment and healthcare access remain major barriers.

Through its dual focus on affordable pharmaceuticals and science-based supplements, EOIL competes not by replicating the offerings of large pharmaceutical and consumer health firms but by targeting the populations and price points those firms often overlook. With financial backing from BMI, a clear regulatory strategy, and the ability to partner across both commercial and philanthropic channels, EOIL is uniquely positioned to deliver health innovations that are both effective and accessible, while offering strong return potential to investors.

## TERMS OF THE OFFERING

The Company is offering up to thirty-three Membership Interests (collectively, the “Units”) across multiple investor classes, each defined by capital contribution thresholds, Regulation D exemptions, and applicable preferred return entitlements. Each Unit is priced at one million dollars, for a total maximum offering of thirty-three million dollars. The minimum investment is one Unit. This Offering is initially being conducted pursuant to Rule 506(b) of Regulation D and may transition to a Rule 506(c) offering at the Manager’s discretion. No general solicitation will occur during the Rule 506(b) phase.

The Membership Interests are divided into the following classes:

1. **Class A Members**
  - a) Investment range: \$0 to \$49,999.99
  - b) Exemption: Rule 506(b)
  - c) Preferred Return: No stated preferred return
  - d) Rights: Return of capital (ROC) priority and participation in distributions per the Operating Agreement
2. **Class A1 Members**
  - a) Investment range: \$50,000 to \$99,999.99
  - b) Exemption: Rule 506(b)
  - c) Preferred Return: 3% cumulative, non-compounding annual preferred return
  - d) Rights: Return of capital priority after receipt of preferred return, then participation in the profit split waterfall
3. **Class A2 Members**
  - a) Investment: \$100,000 or more
  - b) Exemption: Rule 506(b)
  - c) Preferred Return: 6% cumulative, non-compounding annual preferred return
  - d) Rights: Highest priority on return of capital and preferred return before Class A and Class A1 Members participate in profit allocations
4. **Class A3 Members**
  - a) Investment: Any amount (subject to Manager discretion and accredited status verification)
  - b) Exemption: Rule 506(c)
  - c) Preferred Return: Same preferred return as similarly situated Class A1 or A2 Members, as applicable, subject to terms disclosed at the time of offering under Rule 506(c)
  - d) Rights: Accredited investor status must be verified by third-party documentation before subscription is accepted

All Members are entitled to receive distributions in accordance with the waterfall provision set forth in the Operating Agreement. The Company will first return capital to Class A2 and Class A1 Members only after their respective preferred returns have been satisfied, then return capital to Class A Members, and thereafter distribute excess proceeds in a 60/40 split between all Class A (A, A1, A2, and A3 as applicable) Members and the Class B Member, respectively. The Manager reserves the right, in its sole discretion, to amend the distribution structure after three years,

provided that such changes are made in good faith and in accordance with the Company's best interests. No Member vote will be required for such modifications.

Participation in the Offering is limited to those with whom the Manager or its representatives have a pre-existing, substantive relationship, consistent with Rule 506(b) guidelines, unless and until the Offering transitions to a Rule 506(c) general solicitation phase. The Manager may accept or reject any subscription, allocate fewer Units than requested, or terminate the Offering at any time prior to final acceptance.

Subscription funds may be placed in escrow prior to the Closing Date. Following acceptance, funds will be transferred to the Company's operating account. If the Offering does not close, funds will be returned with any interest earned. Execution of a Subscription Agreement constitutes a binding offer and, upon acceptance by the Manager, admission as a Member governed by the Operating Agreement.

Subscription funds may be deposited into an escrow account to be maintained prior to the Closing Date or termination as otherwise provided for in this Memorandum for the benefit of Investors as provided for below. Following the Closing Date, such Investor funds as are accepted shall be deposited directly into the Company's segregated operating account for use in its business, and subscribers will be admitted into the Company as Members. In the event the Offering terminates without the successful closing of the sale of securities contemplated under this Memorandum, the Investor funds will be promptly repaid to Investors along with any interest earned.

The execution of the Subscription Agreement by an Investor, or by its authorized representative in the case of fiduciary accounts, constitutes a binding offer to buy Unit(s) in the Company and an agreement to hold the offer open until the subscription is accepted or rejected by the Manager. Once an Investor subscribes for Units, it will not have any revocation rights, unless otherwise provided by state law. The Manager may not complete a sale of Units to any Investor until it has received a Memorandum. In addition, the Manager will send to each Investor a confirmation of its purchase.

The Manager may refuse to accept any subscription without liability to the Investor. The Manager may reject a subscription if, for example, the Investor does not satisfy the suitability standards described in the Memorandum or if the subscription is received after the Offering period has terminated. The execution of the Subscription Agreement and its acceptance by the Manager also constitute the execution of the Operating Agreement by the Investor, and an agreement to be bound by its terms as a Member.

If the Offering is oversubscribed, the Manager may allocate the Units among all Investors as it deems appropriate, in its sole discretion. As a result, some Investors may receive fewer Units than subscribed for. No subscription will be accepted until the Company has received a fully executed Subscription Agreement and any other documents that may be required by the Company.

The Company and any Placement Agents offering and selling the Units will offer them only to Investors who meet the conditions of investment discussed under "Investor Suitability," and will otherwise conduct the Offering as required under Rule 506 of Regulation D.

<b>Investor</b>	<b>Investment Amount</b>	<b>Fractional Interest</b>	<b>Class Tier</b>	<b>Preferred Return</b>	<b>Notes</b>
Investor A	\$25,000	0.025 Units	Class A	0%	Below A1 threshold; receives pro rata share of distributions
Investor B	\$75,000	0.075 Units	Class A1	3%	Receives 3% preferred return before residual distributions
Investor C	\$100,000	0.10 Units	Class A2	6%	Receives 6% preferred return before residual distributions
Investor D	\$500,000	0.50 Units	Class A2	6%	Significant participation without full unit
Investor E	\$1,000,000	1.00 Unit	Class A2	6%	Full Unit; receives full voting and economic rights per Unit

#### **INTERIM ESCROW OF FUNDS PRIOR TO SALES CLOSING DATE**

As noted above, subscription funds held by Company prior to acceptance and/or a Sales Closing may be deposited directly into a segregated account to be established by Company with an FDIC insured commercial bank in Houston, Texas, to be designated prior to Investor delivery of funds (the “Escrow Agent”), and shall remain segregated by said Escrow Agent until: (i) a Sales Closing, at which time the Escrow Agent shall release said funds (with interest earned) for Company’s use as described in this Memorandum; or (ii) the Sales Termination Date, if sooner, in which event subscription funds will be returned to their respective contributors, with interest earned. Prior to a Sales Closing and subsequent to a Sales Closing as to such Company funds as are not needed on an immediate basis to fund Company operations, Investor funds may be invested in government securities, money market accounts, deposits, or certificates of deposit in commercial banks or savings and loan associations, bank repurchase agreements, funds backed by government securities, short-term commercial paper, or in other similar interim investments. In the event the Offering is terminated prior to an Initial Sales Closing, Investor funds, plus allocable interest earned, will be promptly returned to Investors.

#### **SUBSCRIPTION PROCEDURE RULE 506(b)**

Each prospective investor must complete and execute a Subscription Agreement, in the form attached hereto as Exhibit B, and submit it to the Manager for review. The Subscription Agreement includes an Investor Suitability Questionnaire and a Bad Actor Questionnaire. The Investor Suitability Questionnaire must be completed in full to confirm the investor’s status as either an Accredited or Non-Accredited Investor, as defined under Regulation D of the Securities Act of 1933, as amended. The Bad Actor Questionnaire is required to ensure compliance with Rule 506(d) of Regulation D and to confirm that neither the investor nor any of its covered persons is subject to disqualifying events that would prohibit participation in this offering. Upon receipt and

acceptance of the completed Subscription Agreement, Investor Suitability Questionnaire, and Bad Actor Questionnaire, the Manager will notify the investor of their acceptance and provide wire instructions or other payment instructions for the transfer of funds. The Manager reserves the right to reject any subscription, in whole or in part, in its sole discretion. No general solicitation or advertising is being used in connection with this offering, and the offering is being made solely to investors with whom the Company or its representatives have a pre-existing substantive relationship, in compliance with Rule 506(b) of Regulation D.

### **SUBSCRIPTION PROCEDURE RULE 506(c)**

BMI anticipates transitioning this offering from a Rule 506(b) private placement to a Rule 506(c) offering under Regulation D of the Securities Act of 1933. The current offering of Class A Membership Interests is being conducted without general solicitation and may include both accredited and a limited number of non-accredited investors, as permitted under Rule 506(b). At a future date to be determined by the Manager, BMI may elect to terminate the Rule 506(b) offering and initiate a new offering pursuant to Rule 506(c), which will permit general solicitation and advertising but will be limited exclusively to verified accredited investors. In connection with this transition, BMI intends to offer newly designated Class A1 Membership Interests and will require each participating investor to undergo a verification process confirming accredited investor status, as defined in Rule 501(a). Investors who have subscribed under the Rule 506(b) offering will not be required to undergo additional verification unless they seek to participate in the subsequent 506(c) offering.

In connection with either phase of the offering, each prospective investor must complete and execute a Subscription Agreement and submit it to the Manager for review. The Subscription Agreement will include an Investor Suitability Questionnaire and a Bad Actor Questionnaire, both of which must be completed in full. These documents are designed to confirm the investor's status under Regulation D, ensure compliance with Rule 506(d), and document the absence of any disqualifying events. During the Rule 506(b) offering period, investors will not be subject to verification procedures beyond the representations made in the subscription materials. However, in the Rule 506(c) phase, investors will be required to provide supporting documentation to verify their accredited status. This may include tax returns, bank statements, asset and liability summaries, or written confirmation from a licensed professional such as a CPA, attorney, or registered investment adviser. Alternatively, investors may utilize a third-party verification service acceptable to BMI.

Upon review and acceptance of all completed subscription materials and verification documentation (if applicable), the Manager will provide wire instructions for the transfer of funds. The minimum subscription amount is \$1,000,000 unless otherwise agreed by the Manager in its sole discretion. Once payment is received and the subscription is accepted, the investor will receive a confirmation and be formally admitted as a Member, subject to the terms and conditions of the Company's Operating Agreement. BMI reserves the right to reject any subscription in whole or in part for any reason, including failure to meet regulatory or documentation requirements. All investor information submitted during this process will be maintained in strict confidence and handled in accordance with applicable privacy laws.

Completed and signed subscription documents should be sent to BIOCELLULAR MEDICAL INVESTMENTS LLC to the following e-mail address: MFerebee@TFGfirm.com Attn: Melvin James Ferebee III Esq. If the Subscriber wishes to wire transfer the purchase of their Units, he or she shall wire immediately available funds pursuant to wire instructions the Manager will send immediately upon signing and submitting the subscription documents. If a Subscriber wishes to invest via an IRA, sign the subscription documents and follow the protocol prescribed by your plan administrator for submitting to them all necessary documentation such that they are able to wire the funds necessary to purchase the Units. If a subscription is rejected, subscription checks will be returned to subscribers within ten days of such rejection without deduction or interest. Upon acceptance by the Company of a subscription, a confirmation of such acceptance will be sent to the subscriber.

### **PLAN OF DISTRIBUTION**

The Units will be sold through Company, its Manager, and the Manager's members and affiliates, and at Company's election, through Placement Agents that are licensed as broker-dealers in the states in which they operate ("Placement Agents"), all on a "best efforts" basis. The Company may also utilize finders and pay referral fees to such finders. Units are being offered to a select group of Investors who meet the suitability standards set forth under "Investor Suitability" in this Memorandum. However, all final decisions as to the sale of the Units will be made by the Manager, which reserves the right in its sole discretion to revoke the offer and to refuse to sell to any Investor, or to limit the number of Units which may be purchased by any Investor, notwithstanding that the Investor may otherwise meet the suitability standards described herein. "Best efforts" means the Company and any Placement Agents that will sell the Units will not be obligated to sell or to purchase any amount of Units but will be obligated to make a reasonable and diligent effort (*i.e.*, their "best efforts") to sell as many Units as possible.

The terms of any arrangements between the Company and any Placement Agent will be provided for in an agreement with such Placement Agents, and the Company may pay these Placement Agents fees of up to ten percent (10%) of the subscription pricing of the Units sold by such Placement Agent. The terms of any arrangements between the Company and any finder will be provided for in an agreement with such finder, and the Company may pay these finders referral fees of up to ten percent (10%) of the subscription pricing of the Units sold by the Company to investors referred to the Company by such finder. In no event will the total of (i) all placement fees to be paid to Placement Agents and (ii) referral fees paid to all finders in connection with this Offering exceed ten percent (10%) of the gross proceeds received from the sale of the Units to subscribers introduced by such parties.

The Company, and/or the Manager may be required to indemnify the Placement Agents and finders against certain liabilities, including liabilities under the Securities Act, insofar as indemnification for liabilities arising under applicable securities laws may be permitted by law.

The Company and the Placement Agents and finders may offer the Units (and the Placement Agents and finders may receive placement fees in connection with the sale of Units) only in those states in which they are lawfully qualified or otherwise permitted to do so in accordance with the terms of this Offering. The Manager and its affiliates may purchase Units in the Company on the

same terms and conditions as other Investors, net of the management fee and certain of the organizational and offering costs. Any Units purchased by the Manager and/or its affiliates will be held for investment and not for resale.

## **DETERMINATION OF OFFERING PRICE OF UNITS**

The Offering price of the Units was determined on a basis that bears no inherent relationship to Company's assets, book value, net worth, cash flow, or any other generally recognized criteria of value. The Company did not obtain any independent valuation of its Units and makes no representation as to the actual value of the Units offered. The Company did not attempt to determine a fair market value of the Units but rather based the Offering price of the Units on the amount of capital the Company needed to raise to finance the Product. The Offering price does not necessarily bear any relationship to the Company's asset value or net book value.

## **DISTRIBUTIONS AND ALLOCATIONS**

### **Distribution Waterfall and Legacy Member Participation Plan**

Once the Company has Distributable Cash available, it will be allocated according to the following waterfall structure. Distributable Cash is defined as cash remaining after the payment of all Company operating expenses, liabilities, and reserves, as determined by the Manager in its reasonable discretion.

#### **Step 1: Return of Capital (ROC)**

Distributable Cash will first be used to return the capital contributions of the Class A2 and Class A1 Members in full. Thereafter, Class A Members shall receive a return of their capital contributions. No other distributions will be made until all capital has been returned to the Class A Members.

#### **Step 2: Preferred Return**

After capital has been returned, the Company will distribute cumulative, non-compounding preferred returns as follows:

1. Class A2 Members shall receive a 6% annual preferred return on their unreturned capital contributions.
  2. Class A1 Members shall receive a 3% annual preferred return on their unreturned capital contributions.
- Class A Members shall not be entitled to a preferred return.

#### **Step 3: Catch-Up to Class B Member**

**Catch-Up to Class B Member** – Third, 100% to the Class B Member until the Class B Member has received an amount equal to 40% of the aggregate preferred returns distributed to the Class A1 and Class A2 Members, calculated on a look-back basis.

#### **Step 4: Profit Sharing**

Once all prior steps have been satisfied, the remaining Distributable Cash will be distributed as follows:

1. 60% to Class A Members (A, A1, A2, and A3), allocated pro rata based on each Member's capital contributions.
2. 40% to the Class B Member.

#### **Step 5: Legacy Member Special Allocation**

Any Class B Member who was a founding participant in the Company and is subsequently removed from the Manager or resigns as an Officer due to **non-culpable reasons**, including advanced age, long-term illness, incapacity, retirement, or transition to a successor, shall be designated as a **Legacy Member**, subject to Manager approval.

A Legacy Member shall not retain any management or voting rights but shall be entitled to a **5% special allocation** of all Distributable Cash and Net Capital Proceeds (i.e., sale, refinance, or liquidation events), payable for the life of the Company.

This special allocation:

1. **Shall not reduce or impair the Class A or Class B Member distributions** described above, and will be made after those distributions are satisfied;
2. **Shall be non-transferable**, except to a named beneficiary or estate upon the death of the Legacy Member;
3. **May be subject to a vesting schedule or sunset provision**, as determined by the Manager at the time of designation, particularly if the Member did not serve a full term or contribute the agreed level of service or intellectual property.

“Non-culpable removal” shall mean removal or resignation not resulting from fraud, willful misconduct, gross negligence, breach of fiduciary duty, or material violation of law or the Operating Agreement. Any determination as to Legacy status shall be made by the Manager, documented in writing, and kept on record with the Company.

**Phantom Income Mitigation** The Company will endeavor to minimize allocations of phantom income, and may issue tax distributions to Members, including Legacy Members, if needed to offset taxable income where cash is not concurrently distributed.

The complete waterfall structure, including all Member classes and the Legacy Member allocation, shall be further detailed in the Company's Operating Agreement.

### **Allocations**

The Company has adopted a Commensurate Allocation Plan to ensure that all allocations of income, gain, loss, deduction, and distributions are proportionate to each Member's capital contribution and class-based entitlements. This Plan applies to all Class A Members, including Class A, A1, A2, and A3, and is structured to reflect the economic rights outlined in the Company's

distribution waterfall. Specifically, Class A2 Members are entitled to a 6% cumulative, non-compounding annual preferred return; Class A1 Members are entitled to a 3% cumulative, non-compounding annual preferred return; and Class A Members are entitled to return of capital but do not receive a preferred return. Class A3 Members, admitted under Rule 506(c), will receive rights consistent with the class that corresponds to their investment size and terms at the time of subscription.

Income and loss will be allocated to the Members in a manner consistent with Section 704(b) of the Internal Revenue Code and its implementing Treasury Regulations, with the intent that each Member's capital account reflects their economic entitlements under the Operating Agreement. Prior to satisfaction of preferred returns and return of capital, allocations will prioritize Class A2 and A1 Members to align with their stated preferences and capital at risk. After full satisfaction of return of capital and preferred return entitlements, all remaining profits and losses will be allocated among the Class A Members on a pro rata basis according to their respective capital contributions, in line with the Company's 60/40 residual distribution structure, with 60% allocated to Class A Members and 40% to the Class B Member.

Distributions of Distributable Cash and Net Capital Proceeds will follow the same order of priority. First, capital will be returned to Class A2, A1, and A Members in that order. Second, preferred returns will be distributed to Class A2 and A1 Members. Third, remaining Distributable Cash and any Net Capital Proceeds from a sale, refinancing, or liquidation will be allocated 60% to the Class A Members, pro rata, and 40% to the Class B Member.

The Manager may, in its discretion, adjust allocations or provide enhanced economic rights to certain Members whose capital contributions exceed a designated threshold, or to those who provide strategic value to the Company beyond their capital investment. This may include Members who contribute significant relationships, operational support, industry expertise, or institutional access that meaningfully advances the Company's mission or business plan. Any such adjustments will be made in good faith, documented in writing, and reflected in the Company's internal records or applicable side letters, while ensuring consistency with the overarching distribution waterfall and tax compliance standards.

To ensure tax allocations are consistent with this economic structure, the Manager may make corrective or "targeted allocations" permitted under Treasury Regulation §1.704-1(b)(2)(ii)(i), so that Members' final capital account balances mirror the actual distributions received. This may include allocations of gross income to Members with negative capital accounts or adjustments related to unpaid preferred returns. Capital accounts will be maintained in accordance with federal tax regulations and updated to reflect contributions, distributions, and revaluations.

In the event Members are allocated taxable income without receiving a cash distribution, the Manager may, in its discretion, issue tax distributions to help offset the resulting tax liabilities. These tax distributions, if made, will be treated as advances against future Distributable Cash.

In the event Members are allocated taxable income without receiving a cash distribution, the Manager may, in its discretion, issue tax distributions to help offset the resulting tax liabilities. These tax distributions, if made, will be treated as advances against future Distributable Cash.

### **Lock-Up Period and Mandatory Buyout Option**

To support the Company's long-term operational stability and strategic development, all Class A Members are subject to specific restrictions on the transfer of Membership Interests, limitations on distributions, and defined exit and buyback mechanics. These provisions ensure the preservation of capital during the Company's early stage, while also providing a structured pathway for liquidity and the recognition of founding contributions.

No distributions of Distributable Cash or Net Capital Proceeds shall be made to any Class A Member for the first two years following their admission to the Company. This distribution lock-up is intended to preserve capital for the Company's research and development, product commercialization, and infrastructure initiatives. After the two-year period, distributions may be made in accordance with the distribution waterfall and subject to the availability of funds, as determined by the Manager.

Each Class A Member is also subject to a three-year lock-up period commencing upon their admission to the Company. During this time, Members may not transfer, assign, pledge, or otherwise dispose of any part of their Membership Interests. Any attempted transfer in violation of this provision shall be null and void. The Manager may approve limited exceptions in its sole discretion for hardship, estate planning, or other compelling reasons, provided such transfers comply with applicable law and the Company's Operating Agreement.

Following the expiration of the three-year lock-up period, Members may request to exit the Company. If such request is made between the thirty-sixth and forty-seventh month following admission, the Company may, in its sole discretion, repurchase the Member's interest at one hundred twenty percent of its fair market value, as determined by an independent third-party valuation firm. If the exit occurs in the forty-eighth month or later, the Company may repurchase the interest at one hundred ten percent of its fair market value. The Company may elect to pay any such repurchase price in a lump sum or in installments over a period not to exceed twelve months.

If a Member is removed or resigns for cause, defined to include, but not be limited to, fraud, willful misconduct, gross negligence, breach of fiduciary duty, or a material violation of the Operating Agreement, the Company shall have the right to repurchase that Member's interest at book value. Book value shall be determined in accordance with generally accepted accounting principles (GAAP), using the Company's most recent internal financial records. No fair market premium shall be paid in connection with a removal for cause.

If a founding Member is removed or steps away from Company participation for reasons other than cause, including advanced age, incapacity, retirement, succession planning, or other non-culpable circumstances as determined by the Manager, that individual may be designated a Legacy Member. Legacy Members shall no longer have any governance or voting rights but shall continue to receive five percent of all Distributable Cash and Net Capital Proceeds for the life of the

Company. This economic interest shall be treated as a special allocation and shall not impair or reduce the entitlements of the Class A or Class B Members. The interest may be assigned to the estate or named beneficiary of the Legacy Member but shall not otherwise be transferable. The Manager may establish reasonable terms for the vesting, continuation, or termination of the Legacy Member's economic interest in accordance with the Company's objectives.

After the three-year lock-up period, Members may request redemption or propose a transfer of their interests, subject to the Manager's approval and the Company's right of first refusal. The Manager may impose reasonable conditions or limitations on such transfers to protect the Company's financial health, comply with regulatory requirements, or preserve continuity in management and operations. All redemptions and transfers must comply with applicable federal and state securities laws and the terms of the Company's governing documents.

These provisions are intended to balance the need for long-term capital preservation and strategic focus with fair treatment and recognition of the investors and founders whose early commitments support the Company's mission. The full terms are further described in the Operating Agreement and related Subscription Documents.

## **COMPANY OPERATIONS THE MANAGER AND THE MANAGEMENT TEAM**

The management of the Company is conducted by **EQUITABLE CLINICAL INITIATIVES LLC (ESCI)**, a Wyoming limited liability company that serves as both the Manager and the Class B Member of the Company. ESCI comprises members of the Management Team who bring substantial expertise across various fields. Together, they are responsible for overseeing the day-to-day operations, executing the strategic vision of the Company, and ensuring efficient resource deployment.

As the Manager, ESCI holds primary responsibility for managing the Company's affairs, including making key operational and financial decisions. The Manager is responsible for preparing annual reports to be sent to all Investors, advising them on the status of operations, accounting for and distributing Distributable Cash to Members, selecting certified public accountants to perform annual reviews of the Company, and ensuring that the Company's books, records, and accounts are maintained in accordance with the provisions of the Operating Agreement and tax basis accounting principles. Additionally, ESCI oversees the approval or disapproval of expenditures, maintains the Company's financial accounts, and ensures the timely preparation and filing of tax returns, providing tax information to the Members at the end of each calendar year.

The Management Team within ESCI combines expertise in business development, finance, legal matters, and bio-medical science to guide the Company toward its long-term objectives. Centralizing management within ESCI ensures that decisions are made with a unified strategic focus, allowing the Company to operate effectively and efficiently in a complex and competitive environment.

### **Fiduciary Responsibilities of the Manager**

The Manager is accountable to the Company as a fiduciary and consequently must exercise good faith and integrity in handling the Company's affairs. Where the question has arisen, courts have held that an investor may institute legal action: (i) on behalf of himself/herself and all other similarly situated investors (a class action) to recover damages for a breach by a manager of the manager's fiduciary duty; or, (ii) on behalf of the Company (a company derivative action) to recover damages from third parties. In addition: (i) investors may have the right, subject to procedural and jurisdictional requirements, to bring Company class actions in courts to enforce their rights under federal securities laws; and, (ii) investors who have suffered losses in connection with the purchase or sale of their interests may be able to recover for such losses from a manager where such losses resulted from the manager's violation of the anti-fraud provisions of the federal securities laws. Since the foregoing summary involves a rapidly developing and changing area of the law, investors who believe that a manager has breached its fiduciary duty should consult with their own counsel.

The Company must, upon request, give to any Member or his, her or its legal representative, complete information concerning the Company's affairs, and each investor and his, her or its legal representative may inspect and copy the Company's books and records at any time during normal business hours.

The Manager may not be liable to the Company or Members for errors in judgment or other acts or omissions not amounting to fraud, bad faith, or gross negligence since the Operating Agreement provides for indemnification of the Manager under certain circumstances. Accordingly, purchasers of Units may have a more limited right of action than they would if such limitations were not contained in the Operating Agreement. See "SUMMARY OF CERTAIN PROVISIONS OF THE OPERATING AGREEMENT."

**TO THE EXTENT THAT THE INDEMNIFICATION PROVISIONS PURPORT TO INCLUDE INDEMNIFICATION FOR LIABILITIES ARISING UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN THE OPINION OF THE SECURITIES AND EXCHANGE COMMISSION, SUCH INDEMNIFICATION IS CONTRARY TO PUBLIC POLICY AND THEREFORE UNENFORCEABLE.**

#### **COMPENSATION OF THE MANAGER AND AFFILIATES**

The Manager and its affiliates will be reimbursed for their direct and an allocable portion of their indirect expenses incurred in managing the Company but may retain outside consultants (individuals or firms) on an arm's length basis to provide administrative and strategic support to Company's operations.

After the Members have received cash distributions equal those disclosed herein and, in the Company, Operating Agreement, The Manager, also the Class B Member shall share in forty percent of the Distributable Cash proceeds.

The Manager and its affiliates will be reimbursed expenses incurred by them in connection with the organization of the Company and the Offering of the Units.

## **EXECUTIVE COMPENSATION AND SPECIAL DISTRIBUTIONS**

The Company's executive compensation structure shall be determined and administered by the Manager in its sole and reasonable discretion. The Manager shall have the authority to establish and modify compensation arrangements for executive officers, including but not limited to the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief Medical Officer, and any other appointed executive leadership or key personnel.

Until such time as the Company generates sufficient recurring revenue to support the fixed salary obligations outlined in the pro forma financial projections, the Manager may, on a periodic basis, authorize special distributions to the executive team in lieu of regular salaries. These special distributions shall be voted on by the Principals of the Manager and may be used to compensate executives for essential services rendered in support of business development, fundraising, research and development, regulatory filings, investor relations, strategic partnerships, and operational leadership.

Special distributions may include, but are not limited to:

1. Compensation for time and services contributed to the absence of a formal salary;
2. Reimbursement for out-of-pocket business expenses not otherwise reimbursed through company funds;
3. Bonus allocations tied to milestone achievements such as successful capital raises, regulatory filings, product launches, or strategic partnerships;
4. Supplemental stipends for executives providing professional services that reduce the Company's need to engage third-party providers (e.g., legal, financial, scientific, or strategic advisory work);
5. Equity-based or deferred distributions authorized by the Manager.

All such distributions shall be deemed priority disbursements and documented in the Company's financial records and tax reporting systems, but they shall not reduce, or delay Return of Capital or preferred return obligations owed to Class A Members. These distributions will be treated as non-dilutive and shall not increase the number of Membership Interests issued.

Once the Company reaches sustainable cash flow and meets or exceeds the revenue projections outlined in the pro forma, the Manager shall implement the executive salary schedule as contemplated therein. Salaries at that time may be adjusted based on available cash, strategic priorities, and performance benchmarks.

The Manager retains full discretion to amend the timing, amount, or structure of executive compensation as necessary to advance the Company's objectives, ensure operational continuity, and maintain compliance with applicable tax and corporate governance requirements.

## **CONFLICTS OF INTEREST**

The Company, Envara Omega Integrated Labs LLC, and its investment vehicle, Biocellular Medical Investments LLC (BMI), recognize the importance of maintaining transparency in all

transactions and relationships involving the Manager, Equitable Clinical Initiatives LLC (ECI), and its affiliates. However, certain conflicts of interest may arise due to the Manager's roles and responsibilities in EOIL and BMI.

The Manager and its affiliates, including BMI, will be responsible for overseeing the day-to-day operations of EOIL, including the strategic allocation of investment capital. Since ECI, as the Manager, holds a significant role in managing both BMI and EOIL, there is an inherent potential for conflicts of interest to arise in areas such as resource allocation, decision-making processes, and compensation structures.

One area of potential conflict is that the agreements between EOIL, BMI, and the Manager have not been formed through arm's-length negotiations. Instead, they have been created with the understanding that the Manager, ECI, will act in the best interest of both the Company and BMI investors. However, as part of their fiduciary duty, the Manager will be responsible for ensuring fairness in all transactions, avoiding self-dealing, and providing adequate disclosure to investors of potential conflicts.

Additionally, the Manager and its affiliates may be involved in other business ventures, including future bio-medical science investments and programs with similar objectives. EOIL and BMI will not have an interest in these other ventures. The Manager expects to invest in other similar programs and projects in the future, which may lead to competing interests for the Manager's time, resources, and strategic priorities. However, the Manager believes that it has sufficient resources to fully discharge its obligations to EOIL, BMI, and other investment programs without detriment to either party.

Further, certain transactions between EOIL, BMI, and affiliates of the Manager, such as loans or other financial arrangements, may not be at arm's length. The Manager will ensure that all such transactions are conducted on terms that are fair and reasonable to EOIL and BMI. To mitigate risks, ECI has committed to rigorous financial oversight, including the appointment of independent third-party auditors to review all transactions and financial statements related to EOIL and BMI.

Investors should also be aware that the Manager, ECI, has the discretion to engage independent consultants to assist with production, development, and marketing efforts for EOIL's therapeutic products. While these consultants may also provide services to other companies in the bio-medical sector, the Manager will ensure that their involvement does not compromise the performance of EOIL and BMI.

Finally, the Company may retain legal counsel for the Manager, which may not represent the interests of individual investors. As such, investors are encouraged to consult with their own legal and financial advisors regarding their investment in BMI and EOIL. Should a conflict arise between the Manager and the Company or its investors, the Manager will cause the Company to retain independent legal counsel to represent the interests of the Company.

## **RISK FACTORS**

**THE PURCHASE OF UNITS INVOLVES SUBSTANTIAL RISK AND IS THEREFORE SUITABLE ONLY FOR PERSONS WHO UNDERSTAND THE POSSIBLE CONSEQUENCES OF AN INVESTMENT IN THE COMPANY AND WHO ARE ABLE TO BEAR THE RISK OF LOSS OF THEIR ENTIRE INVESTMENT. PROSPECTIVE INVESTORS SHOULD CONSIDER THE FOLLOWING RISKS IN ADDITION TO FACTORS SET FORTH ELSEWHERE IN THIS MEMORANDUM AND SHOULD CONSULT WITH THEIR OWN LEGAL, TAX AND FINANCIAL ADVISORS WITH RESPECT TO SUCH RISKS OR OTHER FACTORS.**

**The purchase of Units is speculative and involves a high degree of risk. It is impossible to predict accurately the results to a purchaser from an investment in the Company because of general uncertainties in investing in real estate. Each prospective investor should carefully consider the following risks, and should consult with his/her own legal, tax and financial advisors with respect to these risks.**

### **Risks Related to the Company**

**Business Risks:** The Company and the Manager were recently formed and have no substantial operating or performance history for prospective investors to evaluate. As a newly established entity, the Company faces inherent risks and uncertainties regarding its ability to successfully implement its business plans and goals. The economic success of an investment in the Units depends solely upon the development, operation, and performance of the Company's Products and its ability to generate sufficient sales to meet its financial objectives. The Company's business plans are subject to risks typically associated with early-stage ventures in bio-medical research and development, particularly related to regulatory, operational, and market risks.

**Use of Proceeds and Timing of Development:** The Company is not obligated to commence R&D immediately upon receiving investor funds. Proceeds from the Offering may be used to cover organizational and Offering expenses before R&D begins. There is no specific time limit within which R&D must commence, which poses a risk that an investor's capital could be exposed to potential losses without generating returns during the interim periods.

**"Best Efforts" Offering and Limited Diversification:** This Offering is conducted on a "best efforts" basis, meaning the Company will endeavor to sell Units but does not guarantee any specific number of Units sold or the total proceeds raised. A smaller offering size may limit the Company's ability to spread investment risk, potentially exposing investors to greater risk.

**No Opportunity to Evaluate Investments:** At the time of investment, prospective investors may not have the opportunity to evaluate the economic merits of the Company's investments, as the Company may not have made material acquisitions or begun R&D. Investors must rely solely on the Manager's expertise to implement the Company's investment policies and structure the terms of its investments, without the ability to review operational or financial data prior to making an investment decision.

**Lack of Diversification in Business Operations:** The Company has been formed with the specific purpose of developing and distributing bio-medical products and therapeutic solutions. The

Company does not intend to engage in other business ventures or diversify its portfolio beyond the scope of its current objectives. This concentration increases the risk to investors, as the Company's success is wholly dependent on a single line of business.

**Reliance on Management:** All decisions regarding the business operations and the affairs of the Company will be made exclusively by the Manager, ECI. Class A Members will not have any authority over the business decisions of the Company. Investors must be willing to entrust full control of the Company's operations to the Manager and its management team. The success of the Company is heavily dependent on the expertise, experience, and continued involvement of the key personnel. The loss of any member of the management team could have a material adverse effect on the Company's prospects and operations.

**Limited Voting Rights for Class A Members:** Class A Members will have limited voting rights and will not have the authority to remove the Manager or terminate any contracts between the Company and its affiliates. While the Manager owes a fiduciary duty to the Company, the decision-making power lies solely with the Manager. Investors in Class A Units must accept that their control over the Company's operations will be limited.

**Potential for Investor Dilution:** Class A Unit holders do not have preemptive or anti-dilution rights. Any future issuance of additional equity interests could dilute the ownership percentage of current investors. The Company may amend the Company Agreement to allow for additional offerings, which may result in further dilution. Depending on the terms of subsequent offerings, these new equity interests may have rights superior to those of the Units offered in this Offering, further increasing the dilution risk.

**Timing and Uncertainty of Cash Distributions:** Any anticipated cash distributions to Class A Members are speculative and based on assumptions that may not reflect actual events. The Company has not guaranteed any specific timeline for distributions, and there is no assurance that actual performance will meet the assumptions underlying the projections. Investors should consult with their tax and financial advisors regarding the validity of the assumptions made in this Memorandum, as there is no guarantee of future profitability.

**Discretionary Cash Distributions:** The Manager retains sole discretion over the timing and amount of cash distributions to Class A Members. The Company Agreement allows the Manager to establish reserves for operational needs before any distributions are made. There is no guarantee that the Company will generate sufficient Distributable Cash to make distributions on a timely basis or at all. Cash distributions, if made, will depend on the Company's ability to successfully execute its business plan.

**Funding Distributions from Non-Operating Sources:** The Company may fund distributions from sources other than operating revenue during the early stages of its operations. This could include proceeds from the Offering or borrowings, which may reduce the capital available for R&D. Using non-operating sources for distributions could also diminish the Company's ability to make sustainable long-term distributions.

**Uncertainty in Funding Future Capital Needs:** The Company does not have established financing sources. If the Company requires additional capital to support operations or invest in the Product, there is no guarantee that such capital will be available. A lack of capital could prevent the Company from achieving its business objectives, resulting in decreased cash flow and reduced Company value. If reserves or operational cash flow are insufficient, the Company may need to seek financing, which may not be available or could come with unfavorable terms.

**Competing Demands on Management's Time:** The Manager and its key personnel are involved in other ventures that may compete for their time and attention. As a result, the Manager may not devote all of its working hours to the Company's operations. During times of increased demand or conflicting obligations, the Manager's attention may be diverted from the Company, which could adversely impact operations.

**Limited Financial Resources of the Manager:** The Manager and its members believe they have sufficient financial resources to meet their obligations, but a significant financial reversal could negatively impact the Company. The Manager has a nominal net worth and is dependent on its members for financial support, though there is no obligation for members to provide such resources. If the Manager experiences financial difficulty, it may adversely affect the Company's ability to meet its obligations.

### **Risks Related to the Units and the Offering**

**Determination of Unit Price.** The purchase price of the Units was arbitrarily determined by the Manager and is not based upon past or future earnings of the Company or the R&D, or any future value of the Product, and bears no relationship to the book value or other recognized criteria of evaluation of the Company. The Offering price was not negotiated with third parties and an independent appraiser did not determine the value of the Units. The offering price does not reflect the price at which the Units may be sold at a later time or their fair market value. The \$1,000,000 per Unit offering price assumes the Company's valuation to be \$33,000,000 if all 33 Units offered in this Offering are sold (\$33,000,000 if 33 Units are sold). The offering price does not bear any relationship to the Company's current or anticipated asset value or net worth. A prospective investor should not consider the purchase price of the Units in this offering to be an indication of the actual value of the Units, but instead each prospective investor should make an independent evaluation of the fairness of the purchase price.

**Speculative Investment.** The Company's business objectives are highly speculative, and there is no assurance the Company will satisfy those objectives. The Company cannot provide assurances that the investors will realize a substantial return on their purchase of the Units, if any, or that the investors will not lose their investment completely. For this reason, each prospective investor should read this Memorandum and all exhibits to this Memorandum and should consult with his or her attorney or business advisor.

**Private Offering Exemption - Lack of Agency Review.** This Offering is a private offering and, as such, is not registered under federal or state securities laws. Prospective investors will not have the benefit of review by the SEC or any state securities commission since this Offering. The terms

and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with those agencies.

**Private Offering Exemption - Compliance with Requirements.** The Units are being offered to investors and will be sold to investors in reliance upon private offering exemptions from registration provided in the Securities Act and Blue-Sky Laws. If the Company should fail to comply with the requirements of such exemptions, the investors would have the right to rescind their purchase of the Units if they so desired. It is possible that one or more investors seeking rescission would succeed. This might also occur under the applicable securities or Blue-Sky Laws and regulations in states where the Units will be offered without registration or qualification pursuant to a private offering or other exemption. If several the Class A 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 Units by the remaining Class A Members.

**Availability of Exemptions for Other Offerings.** Other offerings by Affiliates of the Manager have been made in reliance upon exemptions under federal and state securities laws; however, no assurance can be given that such exemptions were available or that the compliance requirements were met. If exemptions were not available for those offerings, the Managers of such programs could incur significant liability, including return of amounts paid. The management resources of the Manager could be adversely affected by liabilities incurred by those programs because the beneficial owners and officers of the Manager are also owners and officers of the Managers of those programs.

**No Legal Representation of Class A Members.** Under the Company Agreement, each of the Class A Members acknowledges and agrees that the legal counsel representing the Company, the Manager, and their Affiliates do not represent, and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing, any or all the Class A Members in any respect.

**Lack of Liquidity.** Neither the Company nor the Manager is under any obligation to repurchase Units from a Class A Member, and there will be no public market for the Units. The Units have not been registered under the Securities Act or the laws of any state and cannot be sold or otherwise transferred by Class A Members except in accordance with the Company Agreement and unless they are subsequently registered under applicable law or an exemption from registration is available. Moreover, sale of a Unit by a Class A Member may have adverse tax consequences. Therefore, Units should be purchased only as long-term speculative investment.

**Limited Transferability of Units.** Each subscriber for Units will be required to represent that (a) he or she is acquiring his or her Units for investment and without a view to distribution or resale, (b) that such subscriber understands the Units are not freely transferable and, in any event, that such subscriber must bear the economic risk of an investment in the Units for an indefinite period of time because the Units have not been registered under the Securities Act or certain applicable state Blue Sky Laws or other securities laws, and (c) that the Units cannot be sold unless they are subsequently registered or an exemption from such registration is available unless such subscriber complies with the other applicable provisions of the Company Agreement which contain

substantial restrictions on transferability. There will be no market for the Units and investors cannot expect to liquidate their investment in case of an emergency. Further, the sale of the Units may have adverse federal income tax consequences. Investors must obtain the prior written consent of the Manager, which consent may be denied for numerous reasons, to transfer the Units. There are no specified circumstances relating to the granting or withholding of the required prior written consent of the Manager. The Manager will observe the standards of a fiduciary to the Class A Members as a group in determining whether to grant or withhold its consent as to any request for a transfer. The Manager has reserved the right to charge a transfer processing fee of \$125.00 per transfer of Units, commencing with the third transfer of Units beneficially owned by the same investor in any given calendar year.

**Loss on Dissolution and Termination.** If the Company dissolves or terminates, the proceeds realized from the liquidation of the assets of the Company will be distributed among the Partners who are partners of record at the time of liquidation, but only after the satisfaction of the claims of creditors of the Company. The ability of a Class A Member to recover all or any portion of such Member's investment under such circumstances will depend on the amount of net proceeds realized from such liquidation and the amount of claims to be satisfied from such proceeds. There can be no assurance that the Company will recognize profits on such liquidation.

**Successive Owners of Limited Company Units.** As between successive owners of Units (if transfer is permitted), Net Income and Net Loss will be allocated (for income tax and other purposes) as provided in the Company Agreement, to the extent permitted under the Code, regardless of the dates upon which cash distributions are made to the Class A Members or the amount of any such cash distributions. The purchaser or seller of Units may, accordingly, 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 he held the Units 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.

**Liability of Class A Members.** Class A Members are not liable for the debts and obligations of a limited Company beyond the amount of the Capital Contributions they have made or are required to make under its Company Agreement.

**Limitation of Liability/Indemnification of the Manager.** The Manager and its Affiliates, attorneys, agents, and employees may not be liable to the Company or Class A Members for errors of judgment or other acts or omissions not constituting gross negligence or willful malfeasance because of certain indemnification provisions in the Company Agreement. A successful claim for such indemnification would deplete the Company's assets by the amount paid.

**Managing Broker-Dealer Agreement.** The Company may enter into a managing broker-dealer agreement with a duly licensed and registered broker dealer to offer, sell and distribute the Units. The Manager will endeavor to ensure that the managing broker-dealer engagement will be terminable at any time by either the Company or the broker dealer upon thirty (30) days prior written notice. If this engagement is terminated it could materially, adversely affect the effectiveness of the Offering.

**Lack of Investment Company Act Protection.** The Company intends to operate in such a manner as not to be an "investment company" subject to registration under the Investment Company Act of 1940 (the "Investment Company Act"). The Investment Company Act mitigates or eliminates conditions determined by Congress to be adverse to the interests of investors in investment companies. Although believed technically not to be an investment company, the Company's business may give rise to certain of these same conditions, including possible changes in management, control, or character of business without owner approval; possible irresponsible management; and possible inequitable distribution of control. Investors of the Units will not benefit from the various protective provisions mandated by the Investment Company Act, including requirements for independent board members, because the Company does not intend to register as an investment company.

### **Risks Related to Conflicts of Interest**

**Manager and Affiliate Conflicts:** The Manager and its affiliates will be subject to certain conflicts of interest arising from their role in managing the Company and from their involvement in related entities. The Company may enter into joint ventures with affiliates of the Manager or other investment vehicles managed or controlled by the Manager or its affiliates. Additionally, the Manager and its affiliates will receive compensation for administrative services provided to the Company, creating potential conflicts of interest. The Manager or its affiliates also reserve the right to purchase Units as Class A Members, which would allow them to participate in and potentially influence Class A voting rights. The Company may also enter into other transactions with the Manager or its affiliates, further creating potential conflicts.

**Acquisition and Retention of Products:** The Manager and its affiliates frequently encounter opportunities to acquire assets suitable for the Company due to their relationships and past experiences. This may lead to conflicts of interest in determining whether the Company or another entity controlled by the Manager should acquire a particular asset. Furthermore, the Manager and its affiliates may occasionally acquire assets on a temporary basis with the intention of transferring them to the Company or other investment programs or funds affiliated with the Manager. This practice presents an additional risk of conflicts between the Company, the Manager, and other affiliated entities. Nevertheless, the Manager has a fiduciary duty to act in the best interests of the Class A Members and will use its best efforts to ensure that the Company is treated equitably compared to other entities with similar investment objectives.

**Company and Investor Administration:** The Company anticipates entering into a Company Administration Agreement with an affiliate for administrative services such as the preparation of operating statements, financial reports, and tax filings. The affiliate will also manage lender relations and other administrative functions for an annual fee equal to 0.5% of the total Offering proceeds (the "Company Administration Fee"). The Company also expects to enter into an Investor Administration Agreement with a broker-dealer to provide investor administration services, such as reviewing weekly and monthly statements, maintaining investor records, preparing quarterly and annual reports, and managing the transfer of Units. The broker-dealer will receive an annual fee of 0.5% of the total Offering proceeds (the "Investor Administration Fee"). These fees will commence upon the date of the initial sales closing. Copies of the Company Administration

Agreement and Investor Administration Agreement will be made available to prospective investors upon request.

**Lack of Arm's-Length Negotiation:** None of the agreements between the Company and the Manager or its affiliates will be negotiated at arm's length. As a result, the terms of these agreements may not be as favorable to the Company as those negotiated with unrelated third parties. The Company acknowledges that agreements with related parties, such as the Manager or its affiliates, may contain terms that would not apply if the Company were entering into arms-length agreements with independent third parties. Nevertheless, the Manager is obligated to act in the best interests of the Company and its Members and will strive to maintain fairness in all related-party transactions.

### **Risks Related to Intellectual Property Claims from Early Contributors**

The Company's proprietary supplement formulation was developed through an iterative process that included input from various individuals prior to finalization. Although none of these contributors provided a protectable or enforceable intellectual property asset, and any expired intellectual property has since entered the public domain, there remains a risk that one or more individuals may assert claims to ownership, co-inventorship, or rights in the formulation or related business concept. While the Company has taken steps to ensure all proprietary rights reside solely with the Company, including planned assignment and release documentation, no assurance can be given that such claims will not arise.

Additionally, certain individuals involved in early-stage discussions made suggestions that were later revised, excluded, or materially altered during the formulation process. Although the Company believes the final formulation represents original and independent development, the risk of a future dispute remains. Any such claims, regardless of merit, could result in delays, increased legal expenses, or adverse effects on the Company's ability to commercialize the product or secure intellectual property protection.

### **Risks Related To Drug Research, Development, And The FDA Approval Process**

**The Company's lead drug candidate is in a preclinical or early clinical development stage and may never receive regulatory approval.** The Company's pharmaceutical product, FORMULA E, is currently under development and has not been approved for commercial sale by the U.S. Food and Drug Administration (FDA) or any other regulatory authority. Drug development is inherently uncertain, and there can be no assurance that the Company will successfully complete the preclinical studies, clinical trials, regulatory submissions, and other processes required to obtain FDA approval or approval from other applicable jurisdictions.

**Clinical trials may fail to demonstrate the safety or efficacy of the Company's product candidate or may produce unexpected results.** Clinical trials are expensive, time-consuming, and unpredictable. Even if initial results are promising, subsequent studies may fail to confirm safety or efficacy, or may reveal unacceptable side effects, toxicities, or pharmacokinetic profiles. Negative or inconclusive results at any stage could delay or preclude further development or regulatory approval, which would materially impact the Company's prospects.

**Regulatory delays or refusals may prevent or slow commercialization.** The FDA and other regulatory bodies have broad discretion in reviewing and approving new drug applications. Delays in the review process, requests for additional data, clinical holds, or outright denial of approval could result in substantial setbacks. Moreover, the FDA or foreign regulatory agencies may impose post-approval obligations or limitations that restrict commercial viability.

**High costs and long development timelines could outpace the Company's financial resources.** Bringing a pharmaceutical compound through all phases of development, preclinical, Phase I–III clinical trials, and regulatory approval, can take more than a decade and cost hundreds of millions of dollars. The Company does not currently have sufficient capital to fund this full process and will require additional financing. Failure to raise sufficient capital may result in development suspension or termination.

**The Company may face intellectual property disputes or may fail to adequately protect its proprietary technology.** The success of the Company's pharmaceutical pipeline depends in part on its ability to secure, maintain, and enforce patent and other intellectual property protections. There is no assurance that current or future patents will be upheld, that competing products will not emerge, or that third parties will not challenge or infringe the Company's IP.

**Even if approved, the product may fail to gain market acceptance.** Approval does not guarantee commercial success. Healthcare providers may be slow to adopt new therapies, insurers may refuse to cover them, or patients may be reluctant to switch from existing treatments. Reimbursement rates, competitive pricing, and public perception all affect the commercial potential of approved drugs.

**The Company is subject to post-approval compliance and surveillance obligations.** Even if FORMULA E receives FDA approval, the Company will be subject to ongoing regulatory requirements, including manufacturing inspections, pharmacovigilance (safety reporting), marketing restrictions, and potential product recalls. Failure to comply with these obligations could result in fines, warning letters, or product withdrawal.

**Changes in regulatory standards or enforcement practices may adversely affect the development or approval process.** The FDA and other global regulatory agencies frequently update their guidance, policies, and review priorities. Regulatory uncertainty or shifts in political or public health focus may result in unpredictable delays, additional requirements, or approval risks.

### **Risks Related To The Formulation, Manufacturing, And Commercialization Of Supplements And Vitamins**

**Supplements are subject to regulatory limitations on structure/function claims, marketing, and labeling.** Unlike pharmaceuticals, dietary supplements cannot be marketed to diagnose, treat, cure, or prevent diseases. The Company must comply with FDA and FTC regulations that restrict the types of claims it can make about its products. Failure to do so could result in enforcement actions, fines, product seizures, or reputational harm.

**Quality control and consistency in manufacturing are critical and may be difficult to achieve.** Nutraceutical products must be produced in compliance with current Good Manufacturing Practices (cGMPs), but unlike pharmaceuticals, supplements are not pre-approved by the FDA. The Company may face variability in ingredient quality, batch consistency, and testing standards that affect safety, efficacy, and shelf life.

**The supplement industry is highly competitive and price sensitive.** The wellness and supplement market includes thousands of brands competing for consumer attention, often with similar formulations. The Company's ability to differentiate its products through branding, packaging, clinical validation, or distribution channels will be critical to gaining market share. Price competition could erode margins or force reformulation.

**Distribution, e-commerce, and retail placement involve logistical and marketing challenges.** Establishing distribution for supplement products requires negotiating with online platforms, third-party logistics providers, and possibly retail buyers. The Company may incur significant marketing costs to educate consumers, acquire customers, and build brand awareness. Failure to establish effective distribution could delay revenue or increase burn rate.

**Supplements may face product liability risks even if not classified as drugs.** Although supplements are generally regarded as safe, they can still cause allergic reactions, side effects, or interactions with medications. If consumers experience adverse events, the Company may be exposed to litigation, insurance claims, or class actions. Even meritless claims can damage brand trust and require expensive defense.

**Shifting regulatory landscapes could increase compliance costs or restrict sales.** While supplements are currently subject to looser oversight than pharmaceuticals, the regulatory environment is evolving. Increased scrutiny from the FDA, FTC, or international bodies may lead to new labeling, testing, or certification requirements. Non-compliance, even if inadvertent, could lead to warning letters, fines, or bans from specific markets.

**Intellectual property protection for supplement formulas may be weak or unavailable.** Many supplement ingredients are derived from natural compounds and are not eligible for patent protection. Competitors may easily reverse-engineer formulations or offer similar products under different branding. Without strong IP barriers, long-term market share may be difficult to preserve.

**Consumer trends and preferences may shift rapidly.** Consumer interest in wellness products can be influenced by fads, media coverage, influencer marketing, or public health scares. The Company's ability to stay ahead of market trends and adjust formulations or branding accordingly will directly affect its sales trajectory and growth potential.

#### **Risks Related To Government Policy, Regulatory Environment, And Political Uncertainty**

**Changes in federal policy under the current administration may affect the Company's tax position, regulatory obligations, or ability to operate as planned.** The policies of the current United States presidential administration have introduced and may continue to introduce material changes to tax law, financial regulations, labor policy, healthcare oversight, trade, and business

compliance requirements. Proposed or enacted changes in corporate tax rates, deductions, or investment-related credits (including the research and development tax credit) may adversely affect the Company's net returns, operating costs, or the after-tax value of investor distributions.

**The federal regulatory climate remains in flux and may become more burdensome for early-stage or private companies.** Under the current administration, there has been increased emphasis on regulatory enforcement and agency oversight, particularly in sectors such as healthcare, pharmaceuticals, data privacy, labor compliance, and environmental policy. The Company may be subject to evolving rules or enforcement priorities from agencies such as the Securities and Exchange Commission (SEC), the Food and Drug Administration (FDA), the Federal Trade Commission (FTC), and the Department of Labor (DOL), among others. Compliance with new or revised regulations may impose unexpected operational burdens or legal exposure.

**Macroeconomic uncertainty tied to federal monetary and fiscal policy may impact investor sentiment, capital markets, and the Company's access to funding.** Rising interest rates, inflationary pressures, and federal budget deficits have created volatility in both equity and private capital markets. Federal Reserve policy and legislative fiscal initiatives may increase the cost of capital or reduce investor appetite for private placements. If capital becomes more expensive or scarce, the Company may be unable to raise the funding needed to execute its business plan on its intended timeline.

**Healthcare-related policy changes could directly or indirectly affect the Company's target markets.** The current administration has proposed or implemented initiatives intended to reduce healthcare costs, regulate drug pricing, and expand access to care. These changes may shift reimbursement dynamics, regulatory thresholds, or patient expectations. Although the Company's pharmaceutical and supplement products are not yet commercialized, any systemic policy shift, such as drug price negotiation, expanded public health programs, or altered FDA timelines, may impact the Company's long-term revenue model and regulatory strategy.

**Political and social polarization may introduce reputational risk or market access complications.** Increased political polarization and regulatory scrutiny across various sectors, including biotechnology, supplements, and wellness, may expose the Company to reputational risk, consumer backlash, or unwanted attention. Engagement with public-private partnerships, healthcare systems, or international governments may also be affected by geopolitical tensions or politicized narratives, particularly in sensitive markets such as Africa or underserved U.S. regions.

**Global instability tied to U.S. policy may affect international expansion or sourcing.** Trade policy, tariffs, export controls, or foreign aid restrictions shaped by U.S. diplomatic priorities may hinder the Company's ability to source raw materials, partner with international institutions, or distribute products across borders. Regulatory harmonization efforts with Europe, Africa, or Asia may be slowed or disrupted by shifting diplomatic positions or trade-related retaliation against U.S. businesses.

## **Risks Related to U.S. Federal Income Taxes**

**Company Taxation.** The Company has elected to be taxed as a Company under the applicable tax laws in which case the taxable income and loss of the Company will be reportable by, and taxable to, its Partners. The income tax consequences of an investment in the Company are complex. The tax consequences of each Class A Member's investment in the Company may differ, depending on the Class A Member's individual tax circumstances. The Company will not seek a ruling from the Internal Revenue Service ("IRS") as to any federal income tax consequence to the Class A Members of an investment in the Company. The Company cannot assure you that the statements in this Memorandum will not be challenged by the IRS or sustained by a court if challenged by the IRS. See "TAX CONSIDERATIONS" for a more detailed discussion of the tax rules and risks of an investment in the Company. Each prospective Class A Member is urged to consult with and rely on his own tax advisors concerning the Company's tax consequences to him and his individual situation.

**Allocations of Income, Gain, Loss, and Deductions.** The Company Agreement provides for the allocation of income, gain, loss and deductions among the Class A Members and the Manager. If an allocation of an item does not have "substantial economic effect" or is not otherwise in accordance with the "partner's interest in the Company", such item will be reallocated among the Partners based on their respective interests in the Company, considering all facts and circumstances. The Company believes that the allocations of items of income, gain, loss, and deduction in its Limited Company Agreement will be considered to have "substantial economic effect" under the applicable Treasury Regulations.

**Limitations on Losses.** A Class A Member may not deduct from taxable income his share of Company losses, if any, to the extent that such losses exceed the lesser of (i) the adjusted tax basis of its Company Interests at the end of the Company's taxable year in which the loss occurs and (ii) the amount for which such Class A Member is considered "at risk" at the end of that year (to the extent such "at risk" rules apply to such Class A Member). Additionally, passive loss limitations may apply, in which case a Class A Member can only deduct losses from the Company to the extent that such losses are not more than the Class A Member's income from passive activities or investments.

**Depreciation Deductions.** If a tax-exempt entity becomes a Class A Member, its proportionate share of Company property may be considered "tax-exempt use property", which must be depreciated on a straight-line basis, rather than an accelerated method. The use of a longer depreciation period for a portion of Company property would reduce the Company's depreciation deductions. If the tax-exempt Class A Member receives only "qualified allocations", the property will not be considered "tax-exempt use property". However, the Company anticipates that a portion of Company property will be tax-exempt use property because not all allocations to tax-exempt Class A Members will be qualified allocations.

**Company Taxable Income.** A Class A Member will be required to pay any federal income tax liability attributable to the allocation of its proportionate share of the taxable income earned by the Company, without regard to the amount of any distributions made by the Company. Therefore, it is possible that a Class A Member's taxable income from the Company, or his resultant income tax liability, may exceed his cash distributions from the Company.

**Audit Risks.** The Company's federal income tax returns may be audited by the IRS, which could result in an audit by the IRS of the federal income tax returns of one or more of the Class A Members. Any audit of the tax returns of the Class A Members could result in adjustments of items both related and unrelated to the Company. In the event of any of these adjustments, Class A Members might incur attorneys' fees, court costs and other expenses if they contest deficiencies asserted against them by the IRS, and they could be liable to the IRS for interest and penalties on any underpayment of taxes.

**Unrelated Business Taxable Income.** Qualified Plans, IRAs, Keogh plans, and other plans that are subject to ERISA are generally exempt from taxation, except to the extent that their UBTI from all sources exceeds \$1,000 during any year. Section 514 of the Code requires tax-exempt entities to recognize a portion of the total gross income derived from "debt-financed property" as "unrelated business taxable income". The Company has the right, and the Manager intends to cause the Company, to borrow money to acquire properties, which will trigger application of Section 514 of the Code for Qualified Plans and other tax-exempt Class A Members. Moreover, the Company's investment in a Joint Venture also may trigger application of Section 514 of the Code for Qualified Plans and other tax-exempt Class A Members. Qualified Plans and IRAs considering an investment in the Company are urged to consult their own tax advisors regarding the application to them of the unrelated business taxable income rules, including the \$1,000 annual exclusion and certain reporting obligations.

**Alternative Minimum Tax.** An investment in the Company could subject a Class A Member to the alternative minimum tax or increase the amount of his alternative minimum tax. Because the effect of the alternative minimum tax on a Class A Member depends on his overall tax situation, each prospective Class A Member is urged to consult with his own tax advisor regarding the possible application of this tax to him before he invests in the Company.

**Company's Withholding Obligations.** A Class A Member's cash distributions from the Company may be reduced if the Company is required, as determined in good faith by the Manager, to withhold and pay any Class A Member's tax obligations arising from the Class A Member's interest in the Company.

**Reallocations by IRS.** No assurances can be given that the IRS will not successfully challenge the allocations of income, gain, loss and deductions in the Company Agreement among the Class A Members and the Manager. Any reallocations of these tax items by the IRS could reduce the tax benefits or increase the taxable income allocated by the Company to the Class A Members.

**Investors Subject to ERISA - Special Considerations.** Fiduciaries of a pension, profit-sharing or other employee benefit plan subject to ERISA should consider whether an investment in the Company: (i) is subject to the "look-through rule" of the plan asset regulation under ERISA; (ii) satisfies the fiduciary standards of care established under ERISA; (iii) is subject to the unrelated business taxation rules under Section 511 of the Code; and (iv) constitutes a prohibited transaction under ERISA or the Code.

**ERISA Fiduciaries.** In some circumstances where an ERISA plan holds an interest in an entity, the assets of the entire entity are deemed to be ERISA plan assets unless an exception applies. This

is known as the "look-through rule." Under those circumstances, the obligations, and other responsibilities of plan fiduciaries, and of parties in interest and disqualified persons, under Title I of ERISA and Section 4975 of the Code, as applicable, may be applicable, and there may be liability under these and other provisions of ERISA and the Code. If the Manager, any other parties managing the Company's properties or the Company is deemed to be ERISA fiduciaries, the Company may be exposed to liability under ERISA, or the Code and its performance and results of operations could be adversely affected. The Company intends to satisfy the "real estate operating company" exception under the plan assets regulations. However, no assurances can be given that this exception will apply to the Company's assets and, if not, the Company's assets may be treated as plan assets of an investing plan subject to ERISA if equity participation by employee benefit plan investors is 25% or greater of any class of equity of the Company. In such an event, investment in the Company may be restricted to limit investment by benefit plan investors to less than 25% of any class of the Company's equity. Prior to making an investment in the Company, investors should consult with their legal and other advisors concerning the impact of ERISA and the Code on their investment and the Company's performance.

**Pension, Profit-Sharing Trusts, IRAs - Special Considerations.** Investors investing the assets of a pension, profit-sharing, 401(k), Keogh or other qualified retirement plan or the assets of an IRA in the Company should consider the following: (i) whether the investment is consistent with your fiduciary obligations under ERISA and the Code; (ii) whether the investment is made in accordance with the documents and instruments governing the plan or IRA, including the plan's investment policy; (iii) whether the investment satisfies the prudence and diversification requirements of ERISA; (iv) whether the investment could impair the liquidation of the plan or IRA; (v) whether the investment will produce unrelated business taxable income for the plan or IRA; (vi) whether the investment will impact the ability to value the assets of the plan annually in accordance with ERISA requirements; and (vii) whether the investment will constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

The present federal income tax treatment of an investment in the Company may be modified by legislative, judicial, or administrative action at any time and the changes may be retroactive. Any future revisions in federal income tax laws and their interpretations could reduce or eliminate certain tax advantages to the Class A Members of an investment in the Company or could raise the amount of taxes due on any Company operating income or capital gain income.

**IN VIEW OF THE COMPLEXITY OF THE TAX ASPECTS OF THE OFFERING, PARTICULARLY IN LIGHT OF CHANGES IN THE LAW AND POSSIBLE FUTURE CHANGES IN THE LAW AND THE FACT THAT CERTAIN OF THE TAX ASPECTS OF THE OFFERING WILL NOT BE THE SAME FOR ALL INVESTORS, PROSPECTIVE INVESTORS ARE STRONGLY ADVISED TO CONSULT THEIR TAX ADVISORS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATION PRIOR TO INVESTMENT IN THE COMPANY.**

**THE FOREGOING RISK FACTORS REFLECT MANY, BUT NOT ALL, OF THE RISKS INCIDENT TO AN INVESTMENT IN THE UNITS. EACH INVESTOR MUST MAKE HIS OWN INDEPENDENT EVALUATION OF THE RISKS OF THIS INVESTMENT**

**AND SHOULD READ THE ENTIRE CONTENTS OF THIS MEMORANDUM BEFORE DOING SO.**

### **SUMMARY OF CERTAIN PROVISIONS OF THE OPERATING AGREEMENT**

The following summarizes various provisions of the Limited Liability Company Operating Agreement (the “Agreement” or the “Operating Agreement”) that will govern the management of the Company's business. The Manager and each Member will be a party to the Operating Agreement. A copy of the Operating Agreement is attached to this Memorandum as Exhibit A. The following summary does not purport to be complete, and prospective purchasers of Units are encouraged to read the Agreement in full. Capitalized terms used in this section and not otherwise defined in this Memorandum are defined in the Agreement.

**Limited Liability Company Act in Delaware.** The Limited Liability Company Act in the State of Delaware (the “Delaware LLC Act”) provides for the organization of limited liability companies under Delaware law. In general, limited liability companies afford members both the limited liability enjoyed by corporate Members and the pass-through tax advantages of a partnership. The Manager intends that the Company will qualify for taxation as a partnership under federal and state income tax laws.

**Organization and Term of the Company.** The Company is organized under the Delaware LLC Act by the filing of Articles of Organization with the Delaware Secretary of State. The Company will continue until dissolved as provided in the Agreement or by applicable law.

**Management of Operations.** The operations of the Company will be managed by its Manager. The Manager will have full, exclusive, and complete discretion in the management and control of the business and affairs of the Company, subject only to the right of the Members to vote on certain matters. Except for certain voting rights by the Members, the Members will not participate in the management of the Company.

### **LIABILITY OF MEMBERS**

The members of the Company are generally referred to as the “Members”. In general, no member of the Company will be personally liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort or otherwise, solely by reason of being a member of the Company. With certain limited exceptions, a member of a limited liability company will only have such personal liability to the same limited extent a Member of a corporation may be personally liable for corporate liabilities or participation in tortious conduct. A manager generally has the same limited liability, except to the extent of its fiduciary duty to the members. See “FIDUCIARY DUTY OF MANAGEMENT.”

Under the Delaware LLC Act, a member is liable to the Company to the extent of such member's unpaid capital contribution. Further, such member's share of undistributed Company profits will be subject to creditors' claims. Under the Delaware LLC Act and the Agreement, members are not permitted to take part in the management or control of the Company's business, subject only to

their right to vote on certain matters upon which, generally, they are explicitly permitted to vote by the Operating Agreement

No distribution will be permitted and, as discussed below, any such distribution will be required to be returned by the recipient to the Company, if, after giving effect to the distribution, (i) the Company would not be able to pay its debts as they become due in the usual course of business or (ii) the Company's total assets would be less than the sum of its total liabilities, subject to certain adjustments.

A member or assignee of a member is obligated to return a distribution from the Company to the extent that (a) the member or assignee had actual knowledge of the facts indicating the impropriety of the distribution under the Delaware LLC Act and (b) immediately after giving effect to the distribution, all liabilities of the Company (other than liabilities to members or assignees on account of their interest in the Company) exceed the fair market value of the Company's assets. The fair market value of any property that is subject to a liability as to which recourse of creditors is limited to such property will be included in the limited liability company's assets only to the extent that the fair market value of the property exceeds this liability.

**Admission of Members.** Members who purchase Units will be admitted into the Company as Members for book, tax, accounting, and all other purposes as of the first day of the month following the month in which their subscription is accepted by the Manager.

**Withdrawal and Return of Contributions.** Prior to dissolution and liquidation of the Company, no Member will be entitled to withdraw any of his, her or its contribution to the capital of the Company. Except as described below in “**Allocations of Income, Gain, Deduction and Loss**” and “**Distributions of Cash and Other Assets**,” no Member has any priority over any other Member as to the return of his, her or its contribution to capital.

**Allocations of Income, Gain, Deduction and Loss.** Operating profits of the Company for each calendar year will be allocated among the Members, pro rata in accordance with their respective Participation Percentages, generally in accordance with cash available for distribution. Operating losses will generally be allocated sixty percent (60%) pro rata amongst the Class A Members and forty percent (40%) to the Class B Member. All allocations of profits and losses are subject to the requirements of Section 704(b) of the Internal Revenue Code of 1986, as amended. **See the**

**Agreement itself for more complete information with respect to Company allocations.**

**Distributions of Cash and Other Assets.** The Members will participate in certain distributions of cash generated by the Company. No distributions from any source will be made unless and until loans to the Company made by the Manager and the members have been paid in full, whether or not such loans would then otherwise be due. See “**DISTRIBUTIONS AND ALLOCATIONS**.” Except as explicitly provided in the Agreement, no member has any other right of withdrawal and waives any other such right.

**Compliance With Section 704(b) Regulations.** The Treasury Department has promulgated certain regulations setting forth criteria for when allocations of a partnership's income, gain, losses, or deductions (or items thereof) will be respected for federal income tax purposes. (As discussed

above, the Manager intends that the Company will be taxed as a partnership.) These regulations, which are extremely complex, establish criteria for how capital accounts are to be maintained, how and when company assets are distributed on liquidation, how gain with respect to non-recourse obligations must be allocated, and how certain persons with deficit balances in their capital accounts on liquidation of a Company must recontribute such deficit to the Company. The Manager believes that the Agreement is drafted to satisfy the foregoing criteria.

**Restrictions on Transfers of Members' Units and Withdrawals by Members from the Company.** In general, the Agreement expressly provides that, with certain limited exceptions, no Member may transfer his, her or its Units in the Company without the prior written consent of the Manager. The Manager may approve or disapprove the transfer in his, her or its sole discretion. No person has the right to become an assignee of a Member's Units, and no assignee of a Member's Units has the right to become a substituted member, unless and until certain conditions of the Agreement are met. Without compliance with such conditions, any non-substituted transferee or assignee will acquire an economic interest only and will be deemed to take only the rights of his, her or its transferor or assignor to share in Company distributions. Prior to dissolution and termination of the Company, no Member may withdraw from the Company except pursuant to a valid permitted transfer of his, her or its entire interest in the Company to a person who becomes a substituted Member.

**Members' Voting Rights.** Members are entitled to vote, at a meeting or by written consent, prior to any such action being taken to:

1. Do any act in contravention of this Agreement or do any act, other than one specified in another clause of this Section 7.2 (in which case the provisions of that clause shall prevail over this clause), which would (i) make it impossible to carry on the ordinary business of the Company, or (ii) change the nature of the Company's business;
2. confess a judgment against the Company;
3. possess Company property, or assign the Company's right in such property, for other than a Company purpose;
4. approve the merger or dissolution and winding up of the Company;
5. amend this Agreement, unless the amendment is ministerial;
6. admit a Person as an additional manager, unless the proposed new manager is an Affiliate of the Manager;
7. if there is no remaining Manager, elect to continue the business of the Company or admit a Manager, except upon removal of the last Manager; and
8. if there is no remaining Manager, admit a Manager or elect to continue the business of the Company following the removal of the last Manager.
9. authorize the Company to engage in production enhancement opportunities ancillary to the financing, development, production, distribution, licensing, sale, and exhibition of the products requiring the sale of investment Units by Company.

The matters specified in (1) through (9) also require the concurrence of any person who is then a Manager. Approval of the matter set forth in (9) requires the consent of at least ninety - percent (90%) of the Members, as measured by their respective Participation Percentages, subject to Section 7.2(b) of the Operating Agreement, and approval of the matters set forth in (1) through (9)

requires the consent of more than sixty six percent (66%) of the Members, as measured by their respective Participation Percentages. Except as otherwise specifically provided in the Agreement, members are not entitled to vote on any matter.

**Meetings.** Meetings of the Members may be called either by the Manager or by Members holding at least fifty percent (50%) of the Participation Percentages. Any Member may obtain from the Manager, at any time, a list of the names and addresses of all the Members. At any meeting of the Members, the presence in person or by proxy of a Majority-In-Interest of the Members shall constitute a quorum. A meeting of the Members may be called for voting on any matter upon which -the Members are entitled to vote.

**Accounting.** The Manager will maintain the books and records of the Company. The books and records and other information pertaining to the Company will be available for inspection by any Member during reasonable times at the principal office of the Company.

**Reports.** The Manager will provide the Members with all tax information necessary for the preparation of their federal and state income tax returns within 90 days after the close of each calendar year. Within ninety (90) days after the close of each calendar year of the Company, the Manager will distribute a report of the activities of the Company during the Company year then ended.

**Manager's and Members' Independent Activities.** The Agreement permits the Manager and Members to engage in other activities they choose whether such activities are competitive with the Company or otherwise, without having any obligation to offer any interest in such activities to the Company or to any party to the Agreement.

## **Withdrawal and Buyout**

### **Voluntary Withdrawal After Three Years**

Beginning after thirty-six (36) months from the date of admission, a Class A Member may submit a written request to voluntarily withdraw from the Company. Approval of such withdrawal is at the sole discretion of the Manager. If approved, the Company shall repurchase the withdrawing Member's Interest at one hundred twenty percent (120%) of its fair market value, as determined by an independent third-party valuation firm selected by the Manager. The Company may, at the Manager's discretion, structure payment of the buyout in a lump sum, in installments, through a combination of cash and promissory note, or by other commercially reasonable methods that balance the Company's liquidity and the Member's interests. The transaction shall close within sixty (60) days of approval unless otherwise agreed in writing.

### **Mandatory Buyout at Year Four**

Beginning on the fourth anniversary of a Class A Member's admission to the Company, the Manager shall have the right, in its sole and exclusive discretion, to initiate a mandatory buyout of such Member's interest. In this case, the Company shall repurchase the Interest at one hundred ten percent (110%) of its fair market value, as determined by an independent third-party valuation.

The Manager may elect to satisfy the purchase price through flexible means, including but not limited to a lump-sum payment, structured installment payments, issuance of a promissory note, or other creative arrangements, subject to mutual agreement or a commercially reasonable plan determined by the Manager.

### **Termination for Cause**

If a Class A Member is removed or terminated for cause at any time, due to fraud, gross negligence, willful misconduct, breach of fiduciary duty, or material violation of this Agreement, the Company shall have the right to repurchase that Member's Interest at book value. Book value shall be calculated in accordance with generally accepted accounting principles (GAAP), using the Company's most recent internal financial records. No premium or fair market adjustment shall be applied in such instances.

### **Closing and Release of Rights**

Upon completion of any buyout or approved withdrawal, the affected Member shall cease to hold any economic or governance rights with respect to the repurchased Membership Interest, except for rights or obligations expressly designated in this Agreement to survive such transaction. The Manager may impose reasonable documentation and closing conditions to effectuate the transaction in accordance with applicable law and this Agreement.

## **REPORTS TO MEMBERS**

The Manager will maintain adequate books, records and accounts for the Company and keep the Members informed by means of written reports. In addition, Members will receive within ninety (90) days after the end of each year an annual report containing information regarding the Company's operations. The Manager will timely file the Company's income tax returns and will mail to each Member by March 31 of each year the information necessary for inclusion in his, her or its federal income tax return.

## **ADDITIONAL INFORMATION**

This Memorandum does not purport to restate all of the relevant provisions of the documents referred to or pertinent to the matters discussed herein, all of which must be read for a complete description of the terms relating to an investment in the Company. Such documents are available for inspection during regular business hours at the office of the Company, and upon written request, copies of documents not annexed to this Memorandum will be provided to prospective investors. Each prospective investor is invited to ask questions of, and receive answers from, representatives of the Company. Each prospective investor is invited to obtain such information concerning the terms and conditions of this Offering, to the extent the Company possesses the same or can acquire it without unreasonable effort or expense, as such prospective investor deems necessary to verify the accuracy of the information referred to in this Memorandum. Arrangements to ask such questions or obtain such information should be made by communicating with Pressley Hambrick at the executive office of the Company. The telephone number is 214-382-8831.

The Offering of the Units is made solely by this Memorandum and the exhibits hereto. The prospective investors have a right to inquire about and request and receive any additional information they may deem appropriate or necessary to further evaluate this Offering and to make an investment decision. Representatives of the Company may prepare written responses to such inquiries or requests if the information requested is available. These of any oral representations or any written documents other than those prepared and expressly authorized by the Company in connection with this Offering are not to be relied upon by any prospective investor.

**ONLY INFORMATION OR REPRESENTATIONS CONTAINED HEREIN MAY BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM IN CONNECTION WITH THE OFFER BEING MADE HEREBY, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS MEMORANDUM. THE INFORMATION PRESENTED IS, AS OF THE DATE ON THE COVER HEREOF UNLESS ANOTHER DATE IS SPECIFIED, AND NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION PRESENTED SUBSEQUENT TO SUCH DATE(S).**

#### **TAX CONSIDERATIONS**

It is not feasible to comment on all aspects of Federal, state, and local tax laws that may affect each Member of the Company. Therefore, unless otherwise noted, the following summary is limited to the Federal income tax consequences of an investment intended for profit in the Company by an investor who is an individual United States citizen not residing abroad. Additional considerations not addressed in this discussion may apply to tax-exempt entities, corporations, non-resident foreign investors, and other taxpayers that are not taxed as individuals for Federal income tax purposes. Furthermore, this discussion is necessarily general, and the applicability or effect of matters discussed may vary depending upon individual circumstances. Investment in the Company may also have state and local tax consequences that are also not addressed in this discussion. Because it is impractical to comment on all aspects of federal, state, and local tax laws that may affect the tax consequences of participating in the Company, each prospective Member should satisfy himself as to the income and other tax consequences of this investment by obtaining advice from his own tax counsel.

The following discussion is based on the existing provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury Regulations promulgated or proposed thereunder (the "Regulations"), judicial decisions and current administrative rulings and practices of the IRS, all as of the date of this Memorandum, and the assumption that the Company will be organized, owned and operated in accordance with the Operating Agreement and applicable state laws and in the manner described in this Memorandum. No rulings have been or will be requested from the IRS concerning any of the tax matters described herein. Accordingly, there can be no assurance

that the IRS or a court will not disagree with any of the statements or with the positions taken by the Company for Federal income tax reporting purposes.

Any of the statutes, Regulations, rulings, or judicial precedents upon which this discussion is based could be changed at any time. Any such changes may or may not be retroactive with respect to transactions prior to the date of such changes and could significantly modify the statements and opinions set forth herein.

**TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, WE INFORM YOU THAT ANY U.S. FEDERAL TAX ADVICE CONTAINED IN THIS MEMORANDUM (INCLUDING ANY ATTACHMENTS OR EXHIBITS): (I) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE; AND (II) WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN. WE ADVISE YOU TO CONSULT YOUR OWN TAX ADVISOR CONCERNING THE IMPACT THAT YOUR OWNERSHIP OR DISTRIBUTION OF UNITS MAY HAVE ON YOUR SPECIFIC CIRCUMSTANCES REGARDING FEDERAL INCOME TAX LIABILITY AND THE APPLICATION OF STATE AND LOCAL INCOME AND OTHER TAX LAWS TO YOUR OWNERSHIP OR DISPOSITION OF UNITS.**

1) Tax Classification of Company. An organization classified as a partnership for Federal income tax purposes is not a taxable entity, but rather a conduit through which net taxable income or loss, as well as certain items of income, gain, loss, deduction, and credit are determined and passed through to partners. Thus, the tax classification of the Company as a partnership allows the Members, rather than the Company, to report their respective share of Company taxable income or loss on their individual return and to pay tax thereon. In the case of losses of the Company, partnership classification allows the Members, subject to certain limitations discussed below, to utilize such deductions and losses to offset income from other sources.

Regulations have been issued which provide that eligible business entities may elect to be treated either as a partnership or as an association for Federal income tax purposes. These Regulations provide that an eligible business entity, such as the Company, will be treated as a partnership unless it affirmatively elects to be treated as an association taxable as a corporation. The Company will not elect to be treated as an association taxable as a corporation for Federal income tax purposes. However, there is no assurance that the IRS will not assert in the future that the Company should be classified as a publicly traded partnership and thus taxed as a corporation.

A partnership is taxable as a corporation for Federal income tax purposes even though under applicable Regulations such partnership is otherwise classified as a partnership if such partnership is classified as a publicly traded partnership. A “publicly traded partnership” is defined as a partnership whose interests are (i) traded on an established securities market, or (ii) readily tradable in a secondary market (or the substantial equivalent thereof). For this purpose, an established securities market includes any national or local securities exchange in any over-the-counter market. The legislative history indicates that partnership interests are tradable on a secondary market (or the substantial equivalent thereof) if a partner “has a readily available, regular and ongoing opportunity to sell or exchange his or her interest.”

The Company should not be considered a publicly traded partnership because, among other reasons, (i) the Units are not anticipated to become tradable on an established securities market, (ii) there is no person presently willing to provide the Members with the opportunity to sell or exchange their Units in the Company on a regular, continuous and ongoing basis, (iii) there is not a readily available information source regarding the sale, purchase or exchange of Units, and (iv) none of the Units in the Company will be issued in transactions registered under the Federal securities laws, and the Company is not expected to have more than 100 members.

If, however, the IRS successfully challenged the tax status of the Company, the Members would be treated as its shareholders with the results, among others, that distributions by the Company would be corporate distributions (which would be dividends to the extent of current and accumulated earnings and profits), the Company would be subject to regular corporate taxes, and the Company's items of income, deduction, loss, or credit would not be passed through to the Members. In addition, most of the tax benefits discussed below would not be available to the Members and their after-tax investment return, if any, would be reduced.

2) Federal Tax Consequences of Company Operations. As discussed above, the Company will not be subject to Federal income tax as an entity. Rather, each Member will be required to report on his or her Federal income tax return his or her allocable share of the income, gains, losses, deductions, credits, and tax preference items of the Company for the Company's taxable year ending with or within his or her taxable year. Because Members will be required to report their share of Company taxable income without regard to whether they receive cash distributions attributable to that income, Members may be liable for Federal income taxes with respect to Company income even though they have not received cash distributions from the Company sufficient to pay such taxes. In order to mitigate this possibility, the Operating Agreement requires the distribution of cash to the Members to cover their tax liability with respect to the Company's income, to the extent the Company has cash available for distribution.

3) Limitations on Company Deductions Tax Basis. A Member is allowed a deduction attributable to his or her share of Company losses only to the extent such losses do not exceed his or her tax basis in his or her Units. Generally, the tax basis of any Member in his or her Units will be equal to the cost of the Units (i.e., the amount actually paid), plus his or her share of certain Company liabilities, as discussed below. Such basis will be increased by (a) the Member's distributive share of Company income (including capital gain and tax-exempt income, if any), and (b) any increase in the Member's share of Company liabilities. Such basis will be decreased (but not below zero) by (x) the Member's share of Company distributions, (y) the Member's distributive share of Company loss and any expenditures that are neither deductible nor properly chargeable to capital account and (z) any decrease in the Member's share of Company liabilities. A Member's tax basis in his or her Units will include his or her share of the Company's nonrecourse liabilities (i.e., liabilities as to which no Member has any liability). The Regulations provide that each Member's share of a nonrecourse debt of the Company equals the sum of (i) the Member's share of Company minimum gain, as determined under the Operating Agreement, (ii) the amount of gain allocable to such member under Section 704(c) of the Code, if any, upon the sale of the property subject to the nonrecourse debt, and (iii) to the extent not allocated to any of the Members after application of clauses (i) and (ii) above, an amount of such excess nonrecourse liabilities in accordance with the ratio in which profits are shared under the Operating Agreement.

However, such liabilities are included in basis only to the extent that they do not exceed the fair market value of the property securing such liabilities.

If current recognition of a Member's distributive share of Company losses would reduce the tax basis of his or her Units below zero, the recognition of such losses must be deferred until such time as the Member's basis in his or her Units increases above zero.

A) Passive Loss Limitation. The Code restricts the ability of Members who are individuals, estates, trusts, personal service corporations, and (to a lesser extent) closely held C corporations to use passive losses from the Company to offset income from other sources. Specifically, under the Code, losses from most rental activities and losses from business activities in which such a taxpayer does not materially participate ("Passive Losses") are allowable only to the extent of his or her income from such activities.

Passive Losses in any year cannot be used to offset active business income or portfolio income (such as dividends, interest, royalties, and non-business capital gains), including portfolio income passed through to a taxpayer from a non-participatory activity, but can only be used to offset income from other passive activities. Passive Losses which are not deductible in any year may be carried over to succeeding years and used to offset income from passive activities in such succeeding years, and any remaining suspended Passive Losses may be deducted upon the taxpayer's disposition of his or her entire interest in the passive activity. Members which are closely held C corporations may use their share of Passive Losses from the Company to offset net active income, but not portfolio income. Incidental investment income of the Company, such as interest earned on invested funds, will likely constitute portfolio income and thus, would not be offset by the Company's or any other Passive Losses of a Member. Any interest expense attributable to Company borrowings, or to indebtedness incurred by a Member to acquire or carry his or her Units, will be allocated among all of the assets of the Company using any reasonable method, and thus a significant portion of the interest expense will be subject to the limitations on the deductibility of Passive Losses.

A special provision of the passive activity loss limitation rules applies to publicly traded partnerships. If this special provision were to apply to the Company, a Member could only deduct his or her share of Passive Losses attributable to the Company against his or her share of passive activity income from the Company. The definition of "publicly traded partnership" for purposes of this special provision is the same as the definition of "publicly traded partnership" in Section 7704 of the Code. See "TAX CONSIDERATIONS, Tax Classification of Company." Because it is anticipated that no public trading or public markets will develop for the Units, the Company should not be a publicly traded partnership for purposes of this special provision of the passive activity loss limitation rules.

B) At Risk Limitation. Section 465 of the Code generally provides that a taxpayer cannot deduct losses arising from an activity to the extent such losses exceed the aggregate amount with respect to which the taxpayer is "at risk" in such activity, that is, generally the sum of the amount of capital contributed by him or her to the activity and his or her share of any activity-related liabilities, as to which the lender has recourse against him or her. However, in the case of real estate activities, the Code permits "qualified nonrecourse financing" attributable

to the activity to be included in the taxpayer's at-risk amount. Such qualified financing includes nonrecourse indebtedness that is secured by the real property used in the activity and the lenders of which are unrelated persons as defined in the Code (or, if the lenders are related persons, the financing is commercially reasonable and on substantially the same terms as loans involving unrelated persons) who are actively and regularly engaged in the business of lending money.

A Member will have an initial at-risk amount equal to his or her Capital Contribution, assuming the Member uses his or her personal funds to purchase the Units or borrows the purchase price on a recourse basis from a lender unrelated to the Company. This initial at-risk amount will increase by such Member's share of (i) income and gains of the Company, and (ii) qualified nonrecourse financing of the Company. On the other hand, such initial at-risk amount will decrease by (i) such Member's share of the Company's deductions and losses, and (ii) the amount of cash and other distributions made to the Member. A Member may carry forward any amounts disallowed by the at-risk limitation and deduct such amounts in later years when such Member's at-risk amount has increased (subject to the application of the other limitations described herein).

If a Member's at-risk amount is reduced below zero by, for example, distributions, such Member will recognize ordinary income to that extent. The amount of ordinary income recognized under this rule cannot exceed the excess of Company deductions and losses previously claimed over any ordinary income previously recognized under this rule.

4) Deductibility of Fees. The Company may make various payments for management services, overhead and direct expense reimbursements and other services and fees. The nature, amount, timing, and deductibility of such payments will be dependent upon the applicable principles of tax law and the various determinations that the Manager must make, based upon his best judgment. Such determinations will include (i) the basic characterization of the payment, (ii) the reasonableness of payment for the services provided, (iii) the tax year or years of deductibility, and (iv) the period of depreciation, amortization, or recovery of capitalized payments.

All such deductions and the characterization, amount and timing of deductibility therefore are subject to challenge by the IRS, based upon either factual or legal principles. Any disallowance or reductions of deductions claimed by the Company will reduce or eliminate the Company's loss deductions and each Member's allocable share thereof for the tax year of allowance. To the extent a deduction is postponed to a subsequent tax year or years, such postponed deduction will have the effect of causing or increasing Company loss deductions in such subsequent tax year or years.

A) Organization and Offering Fees. Except as herein provided, the expenses of the organization of the Company must be capitalized and are not currently deductible. The Company may elect to deduct up to \$5,000 of its organization expenses, as defined in the Code, reduced by the amount such organizational expenses exceed \$50,000. The remainder of any organization expenses may be amortized by the Company over 180 months. In general, organization expenses subject to amortization include legal costs of drafting the Operating Agreement and related Company organizational documents and costs of perfecting the organization of the Company. Offering expenses are non-deductible and non-capitalizable. Offering expenses generally include legal and accounting fees in preparation of the Memorandum, printing, mailing, telephone, qualification fees and sales commissions, if any. The IRS may challenge the amount of expenses that the Company characterizes as organization expenses, and/or

attempt to re-characterize Company payments as non-deductible offering or syndication expenses. No opinion has been obtained regarding the proper treatment of such fees and expenses because of the inherent factual nature of the issues involved.

B) Management Fees. To the extent a third party provides management services to the Company, it is anticipated that the Company will deduct any management fees paid for such services as ordinary and necessary business expenses because of the nature of the services to be performed. However, because of the factual nature of the issue, no assurance can be given that the deduction of such management fees will not be successfully challenged by the IRS. The proper characterization of any management fees will depend on the nature of the actual services performed, the reasonableness of the fees when compared to fees received by others who perform similar services and the nature of the expenses actually incurred. In this connection, the Company believes any such fees will be commercially reasonable and in accordance with industry standards for persons providing comparable services. Should the IRS disallow deductions for any such management fees or require any of the expenses deducted by the Company to be capitalized, any losses of the Company would be decreased, and income would be increased.

5) Depreciation, Cost Recovery and Amortization Deductions. The Code permits a taxpayer to claim depreciation (cost recovery) deductions with respect to property used in a trade or business or held for the production of income. As a general rule, the cost of acquiring or constructing an asset, including the cost incident to such acquisition or construction, may be included in such asset's depreciable basis.

The Company will claim depreciation, cost recovery and amortization deductions with respect to the business and related improvements to the extent permitted by the applicable Code provisions. Although such deductions will reduce the Company's income, they will also reduce the Company's tax basis in the business, thereby increasing the potential gain (or decreasing the potential loss) to the Company upon the ultimate disposition of the business.

The capitalized cost of any nonresidential real properties acquired by the Company attributable to buildings or structures is treated as "nonresidential real property" under the Code and is depreciated over a 39-year recovery period using the straight-line method and mid-month convention under the Modified Accelerated Cost Recovery System ("MACRS"). The capitalized costs of Company personal property associated with the nonresidential real property will be recovered under MACRS utilizing the recovery method and period appropriate for each such class of property.

In computing MACRS deductions for the tax year in which property is placed in service and the year of disposition, averaging conventions are used to establish when the recovery period begins and ends. After depreciation for a full tax year is computed using the appropriate method, the appropriate averaging convention is applied to arrive at the amount of deductible depreciation.

6) Limitations on Deductibility of Interest. **Section 163(d) of the Code substantially limits the deductibility of interest on funds borrowed to purchase or hold property held for investment. "Investment interest" generally is deductible by a non-corporate taxpayer only to the extent of "net investment income." With certain limitations, excess investment interest not allowed as a deduction in one taxable year may be carried forward and deducted in**

**subsequent taxable years. The deductibility of interest also affects a Member's potential alternative minimum tax liability. Tax Considerations** These restrictions are applied on a Member-by-Member basis. Each Member is advised to consult with his tax advisor to determine whether his investment in the Company will cause the disallowance of a deduction for any portion of his investment interest.

7) Investment interest is broadly defined as interest which is paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment. Investment income and expense generally do not include any income and expense from a passive activity. However, net passive income from the rental of "non-depreciable" property will be treated as investment income. Interest related to a passive activity is not investment interest, but interest paid by a Member or the Member's share of interest of the Company allocable to portfolio income will be subject to the limitation. See "TAX CONSIDERATIONS, Section C, Passive Loss Limitation." A Member may incur investment interest expense either as a result of financing the purchase price of his Units or through an allocation of interest expenses incurred by the Company, if any (i.e., if the Company has borrowings). The Company would be treated as engaged in an investment activity for purposes of the investment interest limitation to the extent the Company borrows funds to acquire and hold investment property. On the other hand, to the extent that the Company is engaged in a trade or business, interest expense incurred to finance such activity would not be subject to the investment interest limitations. The Manager believes that the Company will be deemed to be engaged in a trade or business by virtue of its R&D, production, financing, and distribution activities. Therefore, interest expense on any borrowings incurred for that purpose (none are anticipated) would not be subject to the investment interest limitations. Any interest expense (other than investment interest expense) incurred by the Company and allocated to a Member will be added to his loss from the Company and, accordingly, reduce the amount of his passive income or increase the amount of his passive loss from the Company. Interest expense allocated to a Member by the Company will be treated as a passive loss. Interest expense incurred by any Member on the financing of his Units should be treated as investment interest.

8) Cash Distributions. In determining his or her Federal income tax, each Member must take into account his or her distributive share of the Company's income, gains, losses, deductions, credits, and preference items irrespective of any cash distributions received by him or her during the taxable year. Cash distributions received by a Member generally will not be taxable as income to the extent that they do not exceed his or her tax basis in his or her Units immediately prior to distribution. Instead, the amount received will reduce his or her tax basis in such Units (but not below zero). Cash distributions in excess of such basis generally will be considered to be gain from the sale or exchange of the Member's Units taxable in accordance with rules described below. See "TAX CONSIDERATIONS, Section K, Transfer of Units." A Member's share of any decrease in the Company's nonrecourse liabilities will be treated as a cash distribution.

9) Tax Liability in Subsequent Years. After some years of Company operation, a Member's share of taxable income may exceed cash distributions to him or her. Such situation typically arises at the point in time when non-deductible loan principal payments exceed cost recovery deductions. This is principally due to (i) the decline in the amount of cost recovery deductions available in subsequent years and (ii) the annual increases in the amount of non-deductible principal amortization payments and the corresponding decreases in the amount of

deductible interest payment which occur with a level payment mortgage. To the extent a Member's tax liabilities exceed cash distributions, such excess would represent a non-deductible out-of-pocket expense to the Member.

10) Disposition of Company Property.

A) General – Sale of Properties. Upon the sale, exchange or other disposition of Company property, gain or loss is measured by the difference between the amount realized by the Company and its adjusted tax basis in the property. The amount realized will generally equal the sum of the cash received, the net fair market value of any property received and the outstanding balance of any indebtedness encumbering the property being disposed of and any other indebtedness of the Company that is assumed. For this purpose, a foreclosure of a mortgage loan encumbering the property would be deemed to be a disposition of such property. In such event, the Company would recognize gain in an amount equal to the excess of the outstanding principal balance of such loan over its adjusted tax basis in the property even though the Company might realize an economic loss upon such a foreclosure.

B) Depreciation Subject to Recapture. A gain on the sale or other disposition of depreciable personal property of the Company is taxed as ordinary income to the extent of the excess of the lower of (i) the property's recomputed basis or (ii) the amount realized, over the adjusted basis of the property. A property's "recomputed basis" is the property's adjusted basis plus previously allowed or allowable depreciation or amortization (including the Code Section 179 expense deduction).

Company property constituting nonresidential real property will be depreciated under the straight-line MACRS method. Therefore, recapture of depreciation on such property is not required (except a limited amount in the case of corporations) since no depreciation in excess of straight-line depreciation could have been claimed.

C) Section 1231 Gain or Loss. After characterizing gain and loss from the sale of Company property as active or passive, it is also necessary to characterize it as ordinary or capital. Gains or losses from the sale by the Company of its property held for more than one year and not held primarily for sale to customers will be gains and losses as described in Section 1231 of the Code, except to the extent of recapture of cost recovery deductions which will be ordinary gain to the extent of such recapture. Company sales of inventory properties will result in ordinary gain or loss.

A Member's distributive share of net Section 1231 gain or loss will be combined with any Section 1231 gains or losses realized by the Member in that taxable year from sources other than the Company. The Member's net Section 1231 gain will be treated as long-term capital gain, except to the extent of unrecaptured net Section 1231 losses of the Member for the five most recent prior years. For this purpose, Section 1231 losses are deemed recaptured, resulting in ordinary income treatment accorded Section 1231 gain, in the chronological order in which losses arose. A Member's net Section 1231 loss will be an ordinary loss but will be subject to the 5-year recapture rule described in the immediately preceding sentence.

Under the Operating Agreement, revenues and costs are allocated among the Members in proportion to their respective capital account balances. The Operating Agreement also provides that, to the extent permitted by law, all tax deductions are allocated to the party who was charged with the expenditure giving rise to the deductions, and tax credits, if any, are allocated in the same ratio as revenues are shared when the credit arises.

The allocation provisions of the Operating Agreement will be recognized for Federal income tax purposes if they are considered to have “substantial economic effect” or are in accordance with the Members’ interests in the Company.

In accordance with applicable Regulations, the allocations under the Operating Agreement will have “economic effect” if (a) the allocation is reflected as an appropriate increase or decrease in each Member’s capital account, (b) liquidation proceeds are distributable throughout the term of the Company, in accordance with the Members’ positive capital account balances, and (c) any Member with a deficit in his or her capital account following the distribution of liquidation proceeds is required to restore the amount of such deficit to the Company (either for distribution to other Members in accordance with their positive capital account balances, or for payment to creditors). Even in the absence of an obligation to restore deficit capital accounts upon the liquidation of the Company, if the Operating Agreement contains a provision that satisfies the “alternate test of economic effect” set forth in the Regulations issued under Section 704(b) of the Code, allocation provisions will be respected as having economic effect.

Under the “alternate test for economic effect” the unlimited capital account deficit makeup obligation is waived if (i) the Operating Agreement contains a “qualified income offset” provision, and (ii) the allocation does not cause or increase a deficit balance in a Member’s capital account (as specially adjusted for certain items, including reasonably anticipated future distributions), as of the end of the Company taxable year to which the allocation relates. A qualified income offset provision requires that in the event of any unexpected distribution (or specified adjustments or allocations) there must be an allocation of income or gain to such member’s capital account that eliminates the resulting deficit as quickly as possible.

The Operating Agreement of the Company is designed to make allocations in accordance with the Members’ interests in the Company. However, allocations under the Operating Agreement of deductions attributable to Company nonrecourse debt will not have economic effect on any Member since no Member bears the risk of loss in the event of nonpayment by the Company of such indebtedness. Accordingly, allocations of Company nonrecourse deductions must be made in accordance with the Members’ interest in the Company.

A special allocation must not only have economic effect to be respected, but such economic effect must also be substantial. In general, the economic effect of allocation is substantial if there is a reasonable possibility that the allocation will affect substantially the dollar amounts to be received by the Members from the Company, independent of tax consequences.

The Company believes that the allocations of Income and Loss under the Operating Agreement should generally be respected as being in accordance with the Members’ interests in the Company, and that the allocations of any deductions attributable to nonrecourse indebtedness under the

Operating Agreement should be deemed to be in accordance with the Members' interests in the Company.

The Units will not be readily marketable, and a Member may thus be unable to sell or otherwise transfer his or her Units. A Member who sells or transfers his or her Units (other than by gift or at death) will recognize gain or loss in an amount equal to the difference between the amount realized by the Member and his or her tax basis in the transferred Units. For these purposes, a Member's share of Company indebtedness attributable to the transferred Units will be included in the amount realized on the disposition. Therefore, any gain recognized on the disposition of a Membership Unit at a time when a mortgage loan is outstanding could exceed the actual cash proceeds from the disposition. Assuming that the Company and the Member are not dealers in the Company property or Units, gain or loss recognized by a Member on the sale or exchange of that portion of his or her Units which has been held for more than twelve months generally will be taxable as long-term capital gain or loss. However, any gain attributable to "inventory items" and "unrealized receivables" of the Company, as those terms are defined in Section 751 of the Code, will be treated as ordinary income. "Unrealized receivables" include, among other things, the Member's proportionate share of the amounts that would be recaptured as ordinary income if the Company sold its assets at their fair market value at the time the Member transferred his or her Units. See "TAX CONSIDERATIONS, Section I, Disposition of Company Property." Under the Regulations, gain attributable to "inventory items" and "unrealized receivables" is determined separately by allocating a portion of the amount realized to such ordinary income assets and using the basis such ordinary income assets would have had if distributed to the transferor Member. As a result, a Member may realize ordinary income in respect of such ordinary income assets even though he or she realizes an overall net loss on the transfer of his or her Units. Upon a Member's sale of a portion of his or her Units, such Member would be required to allocate his or her aggregate tax basis between the Units sold and the Units retained based on the relative fair market values of such Units on the date of sale.

In the absence of an election under Section 754 of the Code, discussed below, it is possible that on the sale or liquidation of his or her Units, a Member will realize ordinary income in the form of depreciation recapture with respect to depreciation claimed by the Company during the time he or she was not a Member. Any loss recognized upon the sale of a Membership Unit generally will be treated as a capital loss.

A gift of a Member's Units (including a transfer to a charitable organization) may result in gain to the donor if the donor Member's share of Company liabilities exceeds the adjusted tax basis of his or her Units. Accordingly, a Member should consult his or her personal tax advisor as to the income tax and gift tax consequences of such a gift.

The Code imposes information-reporting requirements with respect to transfers of partnership and limited liability company interests. The transferor is required to notify the Company within 30 days of the exchange. Such notification must include the names and addresses of the transferee and transferor, the date of the exchange and the taxpayer identification number of the transferor and, if known, of the transferee. The transferor transferring an interest in the Company may be required to attach a statement to his or her income tax return disclosing the fact that he or she has transferred such interest during the taxable year for which the return is filed.

11) Election under Section 754. The Code provides for an adjustment to the basis of partnership property upon certain distributions of property to a partner, the death of a partner and certain transfers of partnership interests, provided that an election has been made by the partnership pursuant to Section 754 of the Code. Any such election, once made, is irrevocable without the consent of the IRS. The general effect of such an election (in conjunction with Section 743 of the Code) is to treat the transferee of an interest in a partnership as though he or she had acquired a direct interest in the partnership's assets. A Section 754 election is advantageous if the price paid by the transferee for a partnership interest (or value of the partnership interest for Federal estate tax purposes) is higher than the transferor's "share" of the aggregate basis of partnership property immediately prior to the transfer since, pursuant to the election, the transferee would take a new stepped-up basis in his or her "share" of partnership property. Conversely, a Section 754 election is disadvantageous if the price paid by a transferee for a partnership interest is lower than the transferor's "share" of the aggregate basis of partnership property immediately prior to the transfer. Section 734 of the Code generally complements the adjustments made pursuant to Section 743 of the Code by requiring the partnership to adjust the basis of retained assets to reflect certain distributions to partners that are treated for tax purposes similarly to sales or exchanges.

12) One consequence of the absence of such an election is that upon a sale of the Company property subsequent to a transfer of a Member's Units, profits, and losses taxable to the transferee of the Units will be measured by the difference between his or her share of the amount realized and his or her share of the Company's tax basis in the property (which will equal the transferor's share of the adjusted basis in the property less any depreciation since the transfer). As a consequence, the transferee Member may be subject to tax, which may be levied at ordinary rates, upon a portion of the Company's sale proceeds that is actually a return of capital to him or her. In that case, the transferee Member would have a matching capital loss upon liquidation of the Company. In addition, the failure to make a Section 754 election may cause the amount of depreciation available to a transferee Member to be reduced and thus increase the amount of income that would be taxable to the transferee Member. Therefore, the absence of a Section 754 election may reduce the price at which such Units may subsequently be sold. The Operating Agreement provides that the Manager has the sole discretion to determine whether a Section 754 election will be made upon the transfer of Units.

13) Liquidation of the Company. In general, upon the termination and liquidation of the Company, a Member will recognize gain only to the extent that the cash distributed to him or her exceeds the adjusted tax basis of such Member's Units in the Company at the time of liquidation. A reduction in a Member's share of Company liabilities will be deemed to be a cash distribution to the Member. If any property other than cash is distributed, the tax basis of a Member's share of the distributed properties will be an amount equal to the adjusted basis of such Member's Units in the Company, reduced by any cash distributed to such Member in the same transaction and by any decrease in such Member's proportionate share of liabilities of the Company that was included in the tax basis of such Member's Units in the Company. The Member will recognize a loss upon liquidation of the Company only if the liquidating distribution consists solely of cash, or of cash and unrealized receivables and/or inventory items and then only to the extent that the adjusted basis of his or her Units exceeds the amount of money received and the Company's basis in such unrealized receivables and inventory items.

14) Alternative Minimum Tax. The alternative minimum tax (“AMT”) is a Federal tax imposed against a targeted group of deductions and exemptions under the regular income tax regime known as tax preference items which are recaptured in whole or in part and are subject to tax. Except to the extent of depreciation that exceeds the straight-line amount on the Company’s depreciable personal property, it is not anticipated that Members will be allocated any tax preference items. However, due to other adjustments required to comprise the alternative minimum taxable income, as described below, each Member should consult his or her tax advisor with respect to the possible effects of the alternative minimum tax.

Exempt Employee Trusts, Individual Retirement Accounts and Other Tax-Exempt Entities. Certain entities, including trusts formed as part of corporate pension or profit-sharing plans that are qualified under Section 401(a) of the Code, individual retirement accounts (“IRAs”), Keogh plans and certain charitable and other organizations described in Section 501(c) of the Code, generally are exempt from Federal income tax. However, such entities are subject to tax on their “unrelated business taxable income” (“UBTI”) in excess of \$1,000 in any year at the regular trust or, in the case of certain entities, corporate Federal income tax rates. UBTI generally does not include dividends, interest, gain from the sale of property held for investment and certain types of rents from real property. However, UBTI generally includes a percentage of the gross income (less the same percentage of applicable deductions) derived from property that is subject to “acquisition indebtedness,” based upon the ratio of the amount of acquisition indebtedness with respect to such property to the adjusted tax basis of such property. Acquisition indebtedness generally includes the amount of any mortgage or lien to which the property is subject at the time of its acquisition and the amount of any debt incurred after the acquisition or improvement of the property if the debt would not have been incurred but for such acquisition or improvement and the incurrence of the debt was reasonably foreseeable at the time of the acquisition or improvement. Under Section 514(c)(9) of the Code, if the applicable requirements are met, acquisition indebtedness does not include debt on real property acquired by certain educational institutions and Section 401(a) qualified trusts.

It is anticipated that income and gain from the Company will be taxed as UBTI to tax exempt Members because the Company is expected to be engaged in a trade or business by virtue of its participation in the development and distribution of the Product . See “ERISA Considerations”, below. Further, if a tax-exempt Member sells its Units, a portion of the gain recognized on such sale (including the amount of such gain treated as depreciation recapture or as otherwise allocable to Section 751 items) will be treated as UBTI. See “TAX CONSIDERATIONS, Transfer of Units.”

15) Company Tax Returns and Possible Audit. **The Company will file an information return for each taxable year on Form 1065, as well as all necessary state and local returns. As soon as practical after the close of its taxable year, but not later than 90 days after the close of its taxable year, Company will furnish to each Member copies of (a) the Company’s Schedule K-1 of Form 1065 indicating the Member’s distributive share of tax items and (b) such additional information as is reasonably necessary to permit the Member to prepare his or her own Federal income tax returns and state and local tax returns in states where the Company is organized, is qualified to do business or owns property.** The Company has selected December 31 year end as its taxable year. While the Company will rely on qualified advisers in

determining what deductions will be claimed on Company tax returns, costs may be incurred for which the federal income tax treatment is unclear. Thus, there can be no assurance that Company tax returns will not be adjusted by tax authorities, which in turn could lead to adjustments in the individual returns of the Members. The period in which such adjustments could be made with respect to Company items is generally three years from the later of the date on which the Company return is filed or the last day prescribed by law for filing.

Although a partnership, such as the Company, is not required to pay any Federal income tax, tax audits are conducted, and the tax treatment of partnership items is determined at the partnership level in a unified partnership proceeding.

16) Tax Years Beginning in 2018 and After. The Bipartisan Budget Act of 2015 (the “BBA”) includes major changes in the way the IRS will audit entities that are classified as partnerships for federal income tax purposes. The new rules repealed the prior regime of the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) and generally apply to tax years beginning after December 31, 2017. Although certain eligible partnerships may elect out of the regime on an original timely filed return, partnerships that are required to furnish more than 100 Schedule K-1s or that have a partner that is a trust or a partnership (as is common in many organizational structures) are ineligible to make this election.

A) Default Regime, Partnership Pays. Under the BBA, the IRS can assess an entity-level tax on an imputed underpayment (generally calculated at the higher of the maximum corporate or individual income tax rate) against a partnership in the adjustment year (e.g., the year a notice of the final partnership audit adjustment (“FPAA”) is mailed). Therefore, under the new rules, if the audit of a partnership’s 2018 return is concluded in 2022 and results in a tax assessment, the economic cost of the tax assessment will be indirectly borne by the partners in 2022, who may differ from the partners in 2018.

The payment of any tax, interest, and penalties by the partnership is treated as a non-deductible payment.

The imputed underpayment is determined by netting all adjustments for the year under audit (the “reviewed year”). In the case of a reallocation of items among partners, the BBA provides that only the positive adjustments are taken into account. Thus, future audits could focus both on the determination of taxable income and the manner in which those items were allocated among the partners. The imputed underpayment may then be subject to modification, for instance, to eliminate the portion allocable to a partner that is tax-exempt and to adjust for a lesser rate of tax in the case of a corporate partner or in the case of capital gains and qualified dividends in the case of an individual partner. Under the default regime, there are currently no rules that address the extent to which the imputed understatement may affect other items, such as a partner’s basis in its assets or a partner’s basis in its partnership interest.

B) Alternate Regime, Partnership Elects to Push Out. Partnerships subject to the BBA will have the option to elect, within 45 days of the notice of an FPAA, to pass the underpayment adjustment to the partners of the reviewed year, which will effectively shift the tax burden to those partners. The partners of the reviewed year then must redetermine their tax for the reviewed year, the year the adjustment was furnished (the “statement year”), and all intervening

years (making appropriate adjustments to tax attributes) and increase these partners' tax in the statement year.

It is unclear how the alternative regime applies to tiered structures. The BBA currently has no mechanism for a partnership (or S corporation) that receives notice of adjustment to correspondingly push that adjustment out to its partners (or shareholders) in the reviewed year, leading to questions regarding if and how adjustments can be pushed through to the partners of the reviewed year.

C) Partnership Representative. The BBA requires a partnership to designate a partnership representative that has the sole authority to act on behalf of the partnership. The partnership representative does not need to be a partner but will have broad authority under the BBA.

17) Tax Shelter Registration. The tax shelter registration requirements of the Code provide that a tax shelter organizer must register a tax shelter with the IRS. The IRS then assigns the tax shelter a registration number, which each investor must report on a form attached to his or her Federal income tax return for any year in which he or she claims any income, gain, deduction, loss, or credit with respect to the tax shelter.

For purposes of the tax shelter registration rules, a "tax shelter" is generally defined as an investment with respect to which any person could reasonably infer that the ratio of (i) the aggregate amount of the potentially allowable deductions and 350% of the potentially allowable credits attributable to the investment to (ii) the amount of the money and the adjusted basis of property contributed by the investor to the investment (the "Tax Shelter Ratio") exceeds 2-to-1 as of the close of any of the first five years ending after the date of the investment. When computing the Tax Shelter Ratio, the Regulations provide that the aggregate amount of gross deductions must be considered and determined without regard to the gross income derived, or to be derived, from the investment.

Recent legislation has greatly expanded reporting rules applicable to tax shelters primarily related to listed transactions and other reportable transactions and substantially increases the penalties for non-compliance.

Based upon the intended operations of the Company, the Company believes that the deductions which are represented as potentially allowable to a Member will not result in any Member having a Tax Shelter Ratio greater than 2- to-1. Accordingly, the Company does not intend to register with the IRS as a tax shelter.

18) Substantial Understatement Penalty and Interest. A penalty of 20% is imposed against any underpayment of tax if such underpayment was a substantial understatement of income tax liability. A substantial understatement is defined as an underpayment that exceeds the greater of 10% of the tax liability required to be shown on the return for a tax year or \$5,000 (\$1,000,000 in the case of a corporation). Except in the case of a "tax shelter," the amount of understatement is reduced by the amount of the understatement attributable to tax treatment of any item if (i) there is substantial authority for such treatment or (ii) the relevant facts are adequately disclosed in the return and there is a reasonable basis for the tax treatment. The applicable Regulations provide that the substantial authority standard is less stringent than "a more likely than not" standard (that is,

greater than a 50% likelihood of being upheld in litigation), but stricter than a reasonable basis standard. A taxpayer may also be relieved of the substantial understatement penalty if the taxpayer had reasonable cause for his or her reporting position and the taxpayer acted in good faith. If the IRS successfully challenges any tax position taken by the Company and asserts that a Member did not meet the test for reducing his or her understatement by the amount attributable to that position, then, depending upon a given Member's individual tax situation, the IRS challenge may result in the creation of or an increase in a substantial understatement penalty for such Member.

In the case of understatements attributable to "tax shelter" items, the substantial understatement penalty may be avoided by a non-corporate taxpayer only if it can be established that, in addition to having substantial authority for his or her position, he or she reasonably believed the treatment claimed was, more likely than not, the proper treatment of the item. A "tax shelter" item is one that arises from a partnership (or other form of investment), a significant purpose of which is the avoidance or evasion of Federal income tax. The Company does not believe that tax avoidance is a significant purpose of the Company and does not anticipate that these provisions would apply to any understatement attributable to the disallowance of a Company item. Members are cautioned, however, to consult their tax advisors with respect to the possible application of the substantial understatement penalty.

The interest rate for underpayment of tax is set quarterly at the Federal short-term rate, plus three percentage points (five percentage points for corporate underpayments exceeding \$100,000). Furthermore, interest paid on tax deficiencies will not be deductible.

Interest, compounded daily and adjusted quarterly, is due on any tax deficiency ultimately determined to be owing. If deductions and credits which are claimed by the Company are denied, in whole or part, by the IRS, if the IRS's determination is sustained in the event of litigation, the Members will be liable for interest on the resulting deficiencies.

19) State and Local Income Taxes. Prospective investors should also consider the state and local tax consequences of an investment in the Company. Assets owned by the Company will be subject to normal ad valorem taxes assessed by the county and other local political jurisdictions within which the Company's assets are situated. A Member generally will be subject to income tax in Delaware on the income from the Company. A Member's distributive share of the Company's taxable income or loss may also be subject to tax in the state of domicile of the Member. Members will generally be required to file tax returns in those states in which the Company's property is located as well as returns in their state of domicile. Certain tax benefits which are available to Members for Federal income tax purposes may not be available to Members for state and local tax purposes, and in this regard, investors are urged to consult their own tax advisors. Furthermore, the treatment of particular items under the state and local income tax laws may vary materially from the federal income tax treatment. The Company intends to supply Members with information regarding their income tax obligations, if any, in the jurisdictions in which the Company operates. Investors are urged to consult with their own tax advisors regarding requirements of state and local tax laws and any applicable tax rates.

The Company may operate in states that impose a tax on each Member's share of the income derived from the Company's activities in such state. In addition, to the extent that the Company operates in certain jurisdictions, estate or inheritance taxes may be payable to those jurisdictions

upon the death of a Member. Accordingly, a Member might be subjected to income, estate or inheritance taxes in states and localities in which the Company does business, as well as in his own state.

To the extent that a Member pays tax to a state in which he is not a resident by virtue of Company operations within that state, he or she may be entitled to a deduction or credit against tax owed to his or her state of residence with respect to the same income, and he or she should consult his tax advisor in that regard. In addition, payment of state income taxes presently constitutes a deduction for federal income tax purposes, assuming that the taxpayer itemizes deductions, although such taxes are not deductible in computing the alternative minimum tax liability of a non-corporate taxpayer.

20) Importance of Obtaining Professional Advice. **THE FOREGOING ANALYSIS IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. THE TAX MATTERS RELATING TO THE COMPANY AND ITS PLANNED TRANSACTIONS ARE COMPLEX AND ARE SUBJECT TO VARYING INTERPRETATIONS. MOREOVER, THE EFFECT OF EXISTING INCOME TAX LAWS AND POSSIBLE CHANGES IN SUCH LAWS WILL VARY WITH THE PARTICULAR CIRCUMSTANCES OF EACH INVESTOR. ACCORDINGLY, INVESTORS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR A COMPREHENSIVE EXPLANATION OF SUCH PROVISIONS AND THEIR APPLICATION TO THE TRANSACTIONS DESCRIBED HEREIN AND TO THE INVESTORS' PARTICULAR CIRCUMSTANCES.**

## ERISA CONSIDERATIONS

**General Fiduciary Obligations.** Trustees and other fiduciaries of qualified retirement plans or IRAs that are set up as part of a plan sponsored and maintained by an employer, as well as trustees and fiduciaries of Keogh Plans under which employees, in addition to self-employed individuals, are participants (together, "ERISA Plans"), are governed by the fiduciary responsibility provisions of Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA"). An investment in Units by an ERISA Plan must be made in accordance with the general obligation of fiduciaries under ERISA to discharge their duties (i) for the exclusive purpose of providing benefits to participants and their beneficiaries; (ii) with the same standard of care that would be exercised by a prudent man familiar with such matters acting under similar circumstances; (iii) in such a manner as to diversify the investments of the plan, unless it is clearly prudent not to do so; and (iv) in accordance with the documents establishing the plan. Fiduciaries considering an investment in the Units should accordingly consult their own legal advisors if they have any concern as to whether the investment would be inconsistent with any of these criteria.

Fiduciaries of certain ERISA Plans which provide for individual accounts (for example, those which qualify under Section 401(k) of the Code, Keogh Plans and IRAs) and which permit a beneficiary to exercise independent control over the assets in his, her or its individual account, will not be liable for any investment loss or for any breach of the prudence or diversification obligations which results from the exercise of such control by the beneficiary, nor will the beneficiary be deemed to be a fiduciary subject to the general fiduciary obligations merely by virtue of his, her

or its exercise of such control. On October 13, 1992, the Department of Labor issued regulations establishing criteria for determining whether the extent of a beneficiary's independent control over the assets in his, her or its account is adequate to relieve the ERISA Plan's fiduciaries of their obligations with respect to an investment directed by the beneficiary. Under the regulations, the beneficiary must not only exercise actual, independent control in directing the particular investment transaction, but also the ERISA Plan must give the participant or beneficiary a reasonable opportunity to exercise such control and must permit him/her to choose among a broad range of investment alternatives.

**Prohibited Transactions.** Trustees and other fiduciaries making the investment decision for any qualified retirement plan, IRA, or Keogh Plan (or beneficiaries exercising control over their individual accounts) should also consider the application of the prohibited transactions provisions of ERISA and the Code in making their investment decision. Sales and certain other transactions between a qualified retirement plan, IRA or Keogh Plan and certain persons related to it (e.g., a plan sponsor, fiduciary, or service provider) are prohibited transactions. The particular facts concerning the sponsorship, operations and other investments of a qualified retirement plan, IRA or Keogh Plan may cause a wide range of persons to be treated as parties in interest or disqualified persons with respect to it. Any fiduciary, participant or beneficiary considering an investment in Units by a qualified retirement plan IRA or Keogh Plan should examine the individual circumstances of that plan to determine that the investment will not be a prohibited transaction. Fiduciaries, participants, or beneficiaries considering an investment in the Units should consult their own legal advisors if they have any concern as to whether the investment would be a prohibited transaction.

**Special Fiduciary Considerations.** Regulations issued on November 13, 1986, by the Department of Labor (the "Final Plan Assets Regulations") provide that when an ERISA Plan or any other plan covered by Code Section 4975 (e.g., an IRA or a Keogh Plan which covers only self-employed persons) makes an investment 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 of 1940, the underlying assets of the entity in which the investment is made could be treated as assets of the investing plan (referred to in ERISA as "plan assets"). Programs which are deemed to be operating companies or which do not issue more than twenty-five percent (25%) of their equity interests to ERISA Plans are exempt from being designated as holding "plan assets." The Manager anticipates that the Company would be characterized as an "operating company" for the purposes of the regulations, and that it would therefore not be deemed to be holding "plan assets."

Classification of the assets of the Company as "plan assets" could adversely affect both the plan fiduciary and management. The term "fiduciary" is defined generally to include any person who exercises any authority or control over the management or disposition of plan assets. Thus, classification of Company assets as plan assets could make the management a "fiduciary" of an investing plan. If assets of the Company are deemed to be plan assets of investor plans, transactions which may occur in the course of its operations may constitute violations by the management of fiduciary duties under ERISA. Violation of fiduciary duties by the Manager could result in liability not only for management but also for the trustee or other fiduciary of an investing ERISA Plan. In addition, if assets of the Company are classified as "plan assets," certain transactions that the

Company might enter into in the ordinary course of its business might constitute “prohibited transactions” under ERISA and the Code.

**Reporting of Fair Market Value.** Under Code Section 408(i), as amended by the Tax Reform Act of 1986, IRA trustees must report the fair market value of investments to IRA holders by January 31 of each year. The Service has not yet promulgated regulations defining appropriate methods for the determination of fair market value for this purpose. In addition, the assets of an ERISA Plan or Keogh Plan must be valued at their “current value” as of the close of the plan's calendar year in order to comply with certain reporting obligations under ERISA and the Code. For purposes of such requirements, “current value” means fair market value where available. Otherwise, current value means the fair value as determined in good faith under the terms of the plan by a trustee or other named fiduciary, assuming an orderly liquidation at the time of the determination. The Company does not have an obligation under ERISA or the Code with respect to such reports or valuation although the Manager will use good faith efforts to assist fiduciaries with their valuation reports. There can be no assurance, however, that any value so established (i) could or will actually be realized by the IRA, ERISA Plan or Keogh Plan upon sale of the Units or upon liquidation of the Company, or (ii) will comply with the ERISA or Code requirements.

## **RESEARCH AND DEVELOPMENT (R&D) TAX CREDIT OPPORTUNITY FOR BMI INVESTORS**

The federal Research and Development (R&D) tax credit provides a powerful incentive for innovation-driven businesses and offers investors a valuable tool to improve after-tax returns. Biocellular Medical Investments LLC (“BMI”) expects to engage in substantial qualified research activities in connection with the development of pharmaceutical compounds, nutraceutical products, and healthcare-related innovations. These activities may qualify for both federal and state R&D tax credits under Internal Revenue Code Sections 41 and 174.

Qualified research expenditures (QREs) generally include wages for researchers, contract research costs, laboratory supplies, and associated overhead tied to R&D. Based on the scope of BMI's planned scientific initiatives, the Company anticipates generating meaningful R&D tax credits. The amount of these credits will depend on the level of qualifying expenditures in any given year.

As an illustrative example, if BMI were to incur \$20 million in QREs during a fiscal year, it could potentially generate up to \$2 million in federal R&D tax credits, assuming a 10 percent credit rate. An investor contributing \$3 million to such an initiative, representing 15 percent of the total research spend, might be allocated 15 percent of the credits, or \$300,000. This credit could offset a corresponding amount of the investor's federal income tax liability, offering a direct and measurable tax benefit.

State-level R&D credit programs may provide additional savings. In jurisdictions that offer their own credits, the combined federal and state benefit could exceed the federal credit percentage alone. Most jurisdictions also allow unused credits to be carried forward for multiple years, enabling long-term tax planning opportunities for investors.

BMI may specially allocate a portion of these credits to key investors under the Company's Operating Agreement, in compliance with Internal Revenue Code Section 704(b) and applicable Treasury Regulations. These special allocations are designed to align tax benefits with the strategic value investors provide and will be clearly disclosed and documented. Investors are encouraged to consult their tax advisors to assess how R&D tax credit allocations may affect their specific tax positions and planning.

By structuring investments to take advantage of these tax incentives, BMI seeks to enhance investor outcomes while funding breakthrough biomedical innovation.

### **SPECIAL ALLOCATIONS**

Certain key investors in BMI may be entitled to receive special allocations of items of income, gain, loss, deduction, and federal tax credits, including but not limited to Research and Development (R&D) tax credits, as authorized under Section 704(b) of the Internal Revenue Code and the applicable Treasury Regulations.

These allocations are intended to align with the economic arrangement among Members and to recognize the strategic contributions of key investors who provide substantial value to the Company beyond mere capital contributions. Such value may include, without limitation, underwriting early-stage research and development, providing technical or scientific expertise, facilitating strategic partnerships, or contributing intellectual property that supports qualified research activities.

The Company expects to incur substantial Qualified Research Expenditures (QREs) in connection with its development of pharmaceutical compounds and nutraceutical formulations. These activities may generate federal R&D tax credits under Section 41 of the Internal Revenue Code. To the extent permitted by law, the Company may specially allocate a disproportionate share of these tax credits or related deductions to key investors, in recognition of their role in supporting the Company's innovation pipeline and operational success.

For illustrative purposes, if BMI earns \$2,000,000 in R&D tax credits in a given tax year, the Company may allocate \$1,000,000 (50%) of such credits to a key investor who contributed only \$3,000,000 to a \$20,000,000 total capital raise, if the investor was critical in enabling the research activity that generated the credits. This exceeds the investor's pro rata entitlement based solely on capital contributed but is permitted under Section 704(b) so long as the allocation has substantial economic effect and is reflected in the Member's capital account and Schedule K-1.

These special allocations will be disclosed in the Company's Operating Agreement and shall be made in a manner consistent with Substantial Economic Effect under Treasury Regulation §1.704-1(b)(2). If necessary, the Company may include curative allocations or adjustments to ensure compliance with the Internal Revenue Code and to reflect each investor's adjusted capital account and tax basis.

Key investors should be aware that allocated tax credits may be used to offset their federal income tax liabilities or payroll tax obligations (to the extent allowed under Section 41(h)) but may also

be subject to limitations including the passive activity loss rules, Alternative Minimum Tax, and the general business credit limitations under IRC §38. Each investor is advised to consult with independent tax counsel to evaluate the implications of any special allocations.

## **TAX PLANNING VS MONEY MANAGEMENT**

As part of BMI's comprehensive approach to supporting its investors, the Company has partnered with Certified Public Accountants (CPAs) who specialize in strategic tax planning. These professionals play a critical role in helping investors maximize the tax benefits associated with their investment in BMI, particularly through mechanisms such as the federal Research and Development (R&D) tax credit, capital gains management, and the strategic timing of deductions. Working closely with each investor, our tax advisors help craft personalized strategies tailored to the investor's financial position, ensuring that tax planning aligns with both individual objectives and the long-term goals of BMI.

It is important to distinguish between tax planning and money management. Money management focuses on asset allocation, investment strategy, and long-term portfolio growth, while tax planning is centered on the minimization of tax liabilities through proactive structuring and regulatory awareness. Effective tax planning involves analyzing current tax laws and optimizing structures to take advantage of benefits such as R&D tax credits, special allocations under Section 704(b) of the Internal Revenue Code, and timing of income or loss recognition. While money management is geared toward increasing investment performance, tax planning ensures that the returns an investor realizes are preserved after taxation.

At BMI, we view tax planning as a fundamental part of our investor support model. By identifying opportunities to reduce taxable income, claim available credits, and structure investments with tax efficiency in mind, we can help significantly increase after-tax returns. For example, the ability to allocate R&D tax credits to qualifying investors may result in substantial savings, which would not otherwise be realized without sophisticated guidance. The CPAs working with BMI bring deep experience in these areas and collaborate regularly with our management team to ensure that investor tax strategies remain compliant, optimized, and responsive to federal and state-level changes.

Importantly, the strategies implemented are not limited to a fixed list. Our tax partners will continuously evaluate each investor's profile and financial goals, adjusting plans as needed in light of changes to the tax code, regulatory landscape, or investor circumstances. This dynamic and customized approach enables BMI to offer more than just strong investment opportunities—it empowers investors to pursue lasting financial efficiency and tax-optimized wealth creation.

## **TAX ADVANTAGED DONATION STRATEGY**

Biocellular Medical Investments LLC intends to implement a supplement donation strategy that serves three core purposes: raising capital without diluting equity, generating tax benefits for both the Company and certain key investors, and increasing brand awareness in communities affected by sickle cell disease and related conditions. Under this model, a wholly owned subsidiary of BMI, BMI Wellness Manufacturing LLC, will manufacture proprietary nutraceutical supplements

derived from BMI's pharmaceutical research platform. These supplements, which comply with FDA regulations for over-the-counter dietary products, will be donated to qualified nonprofit organizations serving medically underserved populations.

The donation program will be structured to comply with Internal Revenue Code Section 170(e)(3), which permits a deduction equal to the lesser of the supplement's cost basis or fair market value, provided that the donated inventory is used for the care of the ill, needy, or infants. To ensure compliance, BMI will work with third-party appraisal firms to establish a defensible fair market value and will administer the donation logistics through a separate affiliate, BMI Philanthropic Holdings LLC. This entity will coordinate with nonprofit recipients, track contribution documentation, and facilitate proper allocation of the resulting tax attributes.

This structure also allows the Company to allocate a portion of the resulting deductions to investors who provide critical capital for the production and donation of the supplements. Under Internal Revenue Code Section 704(b) and the applicable Treasury Regulations, BMI may make special allocations to these key investors to reflect their contribution to this initiative. These allocations will be reflected on the investors' Schedule K-1s, providing them with substantial tax savings without altering their ownership stake in the Company.

For example, if BMI Wellness Manufacturing LLC produces 100,000 bottles of supplement at a cost of \$10 per unit and the fair market value is determined to be \$39 per unit, the total cost basis would be \$1,000,000 and the total fair market value would be \$3,900,000. If these supplements are donated to a qualifying nonprofit, BMI may deduct \$1,000,000. An investor contributing this \$1,000,000 toward production may be allocated the corresponding tax deduction, resulting in an estimated tax savings of \$370,000 to \$500,000 depending on applicable tax rates. At the same time, the Company will have raised the capital to fund its operations, without issuing additional equity, and placed its supplement directly into communities that reflect its pharmaceutical target market. The donation also builds goodwill, brand recognition, and market presence as BMI prepares for broader distribution and future regulatory approvals of its pharmaceutical products.

By integrating charitable impact with investor tax optimization and strategic capital raising, this supplement donation strategy aligns BMI's financial model with its mission to create innovative, accessible healthcare solutions while maximizing investor value.

### **The FDA Approval Process Overview**

The process of obtaining FDA approval for a new drug is not only lengthy and costly, but also intersects with a complex framework of federal and state regulatory regimes that impose overlapping obligations on pharmaceutical developers. At the federal level, the U.S. Food and Drug Administration (FDA), under the authority of the Federal Food, Drug, and Cosmetic Act (FDCA), governs every stage of drug development—from preclinical testing and clinical trials to manufacturing, labeling, marketing, and post-market surveillance. The FDA's Center for Drug Evaluation and Research (CDER) is responsible for reviewing and approving New Drug Applications (NDAs), ensuring that only those drugs proven to be safe and effective for their intended use reach the market.

The regulatory process begins with preclinical studies, followed by the submission of an Investigational New Drug (IND) application. Once accepted, the drug enters three clinical phases. Phase I focuses on safety and dosage, Phase II evaluates efficacy, and Phase III involves large-scale testing to establish statistical reliability. If all phases are successfully completed, the company submits an NDA, triggering a formal FDA review that typically takes 10 to 12 months. Expedited pathways, such as Fast Track, Breakthrough Therapy, Accelerated Approval, and Priority Review, are available under certain conditions, such as when a drug addresses a serious unmet medical need.

In addition to federal oversight, state-level regulations also play a significant role in pharmaceutical compliance. Every U.S. state maintains its own pharmacy board or drug control authority, which may require separate registration, reporting, and disclosure obligations for drug manufacturers, distributors, and dispensers operating within their jurisdiction. States also regulate the sale and distribution of prescription drugs, marketing practices, pricing disclosures, and licensing of sales representatives. For example, some states impose sunshine laws that go beyond federal disclosure requirements, mandating detailed reporting of payments or other transfers of value to healthcare providers.

Moreover, some states have adopted their own consumer protection statutes and false advertising laws that can apply to pharmaceutical marketing and labeling, even after a drug has received FDA approval. Failure to comply with state laws can result in enforcement actions, civil penalties, and class action litigation. In addition, certain states require registration of all drug product labels and may impose additional scrutiny on drugs that are considered high-cost or are subject to public health controversies.

Beyond U.S. borders, any drug intended for global distribution must also comply with international regulatory regimes, such as the European Medicines Agency (EMA), Health Canada, and regulatory agencies in Africa, Latin America, and Asia. While these processes often mirror the FDA in structure, they may differ significantly in data requirements, clinical trial localization, and timing. For developers like BMI who intend to distribute both pharmaceutical and nutraceutical products internationally, early regulatory planning must consider harmonization strategies and local compliance protocols to avoid delay or duplication of effort.

Importantly, failure to properly manage both federal and state regulatory obligations can result in serious consequences, including warning letters, import bans, product recalls, or criminal liability under the FDCA or state consumer protection statutes. In the post-approval phase, federal and state enforcement can also arise under laws such as the False Claims Act, Anti-Kickback Statute, and state Medicaid fraud statutes if the drug is misbranded, improperly promoted, or involved in fraudulent reimbursement practices.

Therefore, a successful FDA approval and commercialization strategy must be built not only on strong scientific and clinical foundations, but also on proactive, well-coordinated legal and regulatory compliance across multiple jurisdictions. For BMI, this means engaging expert regulatory counsel, experienced CRO partners, and local compliance advisors to navigate the patchwork of laws that govern every step of the drug development and distribution life cycle.

While the complexity of these regimes poses significant challenges, it also reinforces the value and credibility of a properly approved pharmaceutical product once regulatory hurdles are cleared.

**EXHIBIT “A”**

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**  
of  
**BIOCELLULAR MEDICAL INVESTMENTS LLC**

Dated as of April 5, 2025

THE MEMBERSHIP UNITS REPRESENTED BY THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH MEMBERSHIP UNITS MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT AND LAWS OR EXEMPTIONS THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN. THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF A MEMBERSHIP UNIT UNTIL THE CONDITIONS HEREIN HAVE BEEN FULFILLED WITH RESPECT TO SUCH TRANSFER.

## RECITALS

**WHEREAS**, Biocellular Medical Investments LLC, a Delaware limited liability company (the “Company”), was formed in or around November 2024 pursuant to the Delaware Limited Liability Company Act (the “Delaware LLC Act”) for the purpose of raising capital through an exempt securities offering under Regulation D, Rule 506(b) and 506(c), to invest in the development, regulatory approval, and commercialization of pharmaceutical and nutraceutical products, with a particular focus on orphan drug pathways, hemoglobinopathy therapies, and global health initiatives (the “Offering”), and to engage in such other lawful activities as may be determined by the Manager in furtherance of the Company’s mission and objectives, including through partnerships, subsidiaries, and public-private collaborations; and

**WHEREAS**, the Members, the Manager, and the Company now desire to establish the governance framework of the Company and to set forth their respective rights, responsibilities, and obligations with respect to the Company and its operations, capital structure, distributions, and investment activities;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members, the Manager, and the Company agree as follows:

## ARTICLE I. CERTAIN DEFINITIONS

1.1 Certain Definitions. Unless the context otherwise specifies or requires, capitalized terms used herein shall have the respective meanings assigned thereto in Addendum I, attached hereto and incorporated herein by reference, for all purposes of this Agreement (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references herein to Articles or Sections are to Articles or Sections of this Agreement.

**ARTICLE II.  
FORMATION; NAME; PLACE OF BUSINESS**

2.1 Formation of LLC; Certificate of Formation. The Members of the Company hereby:

- (a) authorize and ratify the formation of the Company by the Manager as a limited liability company pursuant to the Delaware LLC Act, and further authorize and ratify the filing of the Certificate with the Office of the Secretary of State of the State of Delaware as required under the Delaware LLC Act;
- (b) confirm and agree to their status as Members of the Company;
- (c) execute this Agreement for the purpose of confirming the existence of the Company and establishing the rights, duties, and relationship of the Members; and
- (d) agree (i) that if the laws of any jurisdiction in which the Company transacts business so require, the Manager also shall file, with the appropriate office in that jurisdiction, any documents necessary for the Company to qualify to transact business under such laws; and (ii) to execute, acknowledge, and cause to be filed, in the place or places and manner prescribed by law, any amendments to the Certificate as may be required, either by the Delaware LLC Act, by the laws of any jurisdiction in which the Company transacts business or by this Agreement, to reflect changes in the information contained therein or otherwise to comply with the requirements of law for the continuation, preservation, and operation of the Company as a limited liability company under the Delaware LLC Act.

2.2 Name of LLC. The name under which the Company shall conduct its business is “BIOCELLULAR MEDICAL INVESTMENTS LLC.” The business of the Company may be conducted under any other name permitted by the Delaware LLC Act that is selected by the Manager, in its sole and absolute discretion. The Manager promptly shall execute, file, and record any assumed or fictitious name certificates required by the laws of the State of Delaware or any state in which the Company conducts business.

2.3 Place of Business. The location of the principal place of business of the Company shall be as determined by the Manager. The Manager may change the principal place of business of the Company to such place or places within the United States as the Manager may from time to time determine, in its sole and absolute discretion, provided that the Manager shall give written notice of the change to the Members within thirty (30) days after the effective date of the change and, if necessary, the Manager shall amend the Certificate in accordance with the applicable requirements of the Delaware LLC Act. The Manager may, in its sole and absolute discretion, establish and maintain such other offices and additional places of business of the Company, either within or without the State of Delaware , as it deems appropriate.

2.4 Registered Office and Registered Agent. The street address of the initial registered office of the Company and, the Registered Agent, A Registered Agent, Inc., shall be 8 The Green, Suite A, Dover Delaware 19901.

**ARTICLE III.  
PURPOSES AND POWERS OF THE COMPANY**

3.1 Purposes. The purposes of the Company shall be:

- (a) To oversee, support, and strategically guide the growth of Biocellular Medical Investments LLC's (BMI) varied direct and indirect missions, including but not limited to the financing, development, production, licensing, marketing, and distribution of pharmaceutical compounds such as FORMULA E, a vitamin E-based therapy intended to treat sickle cell disease and other hemoglobinopathies; the formulation and commercialization of a robust line of nutraceutical supplements targeting blood health, immune function, cognitive clarity, and cellular repair; the promotion of equitable access to healthcare innovations through global public-private partnerships; and the investment in and administration of ancillary businesses or aligned verticals that enhance healthcare delivery, global research capabilities, and socioeconomic participation across underserved and historically marginalized communities.;
- (b) To enter into, perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;
- (c) To acquire, hold, own, operate, manage, finance, encumber, sell, or otherwise dispose of and otherwise use the Company Assets; and
- (d) To enter into any lawful transaction and engage in any lawful activities in furtherance of the foregoing purposes and as may be necessary, incidental, or convenient to carry out the business of the Company as contemplated by this Agreement.

3.2 Powers. The Company shall have the power to do any and all acts and things necessary, appropriate, advisable, or convenient for the furtherance and accomplishment of the purposes of the Company, including, without limitation, to engage in any kind of activity and to enter into and perform obligations of any kind necessary to or in connection with, or incidental to, the accomplishment of the purposes of the Company, so long as said activities and obligations may be lawfully engaged in or performed by a limited liability company under the Delaware LLC Act.

**ARTICLE IV.  
TERM OF THE COMPANY**

4.1 Term. The Company commenced on the date upon which the Certificate was duly filed with the Office of the Secretary of State of the State of Delaware and shall continue until dissolved and liquidated in accordance with the provisions of Article XI.

**ARTICLE V. CAPITAL**

5.1 Units. Subject to the terms of this Agreement, the Company is authorized to issue equity interests in the Company designated as "Units," which shall constitute limited liability

company interests under the Act. The Units authorized by this Agreement are the following: Class A Units (held by Class A Members).

5.2 Initial Capital Contribution. Each Member shall make the initial capital contributions to the Company (each, an “*Initial Capital Contribution*”), in accordance with the amounts set forth on **Exhibit “1”** hereto, as amended from time to time. Upon the making of such contributions, such amounts shall be credited to the Members’ respective Capital Accounts. Each Member understands and assumes the risk of investing in the Company and shall be without recourse, including against the Company’s assets, should he lose his investment. The Manager shall have discretion as to the date at which the subscriptions for Class A Interests shall be closed.

5.3 Additional Capital Contributions. Upon the agreement of the Manager and such Member, a Member may make an additional Capital Contribution (an “Additional Capital Contribution”). The Participation Percentages of the Members shall be adjusted to reflect any Additional Capital Contribution at the time it is made.

5.4 Admission of Members. Each Member shall be admitted into the Company as a Member for tax, book, accounting, voting and all other purposes on the first day of the month following the month during which the Member's subscription for Units is accepted by the Manager, unless the Manager in its discretion selects a different admission policy that is reasonable and consistent with applicable law and regulation. As soon as practicable after the execution of this Agreement with respect to each new Member, the Manager shall issue a certificate of membership to each Member acknowledging such Person’s status as a Member.

5.5 Capital Accounts. A separate capital account (a “Capital Account”) shall be established and maintained for each Member. The Capital Account of each Member shall be (a) increased by the amount of any contributions made to the Company by the Member, (b) increased or decreased by items of Net Income or Net Loss allocated to the Member pursuant to Article VI, and (c) decreased by any distributions made to the Company by the Member.

5.6 No Interest on Capital Contributions or Capital Accounts. No Member shall be entitled to receive any interest on its Capital Contributions or its outstanding Capital Account balance, except as otherwise expressly set forth in Section 6.3 below.

5.7 Advances to LLC. No Member shall advance funds or make loans to the Company in excess of the amounts required hereunder to be contributed by it to the capital of the Company without the express written consent of the Manager. Any such approved advances or loans by a Member shall not result in any increase in the amount of such Member’s Capital Account or entitle it to any increase in its Participation Percentage. The amounts of such advances or loans shall be a debt of the Company to such Member and shall be payable or collectible only out of the Company Assets in accordance with terms and conditions agreed upon by all Members.

5.8 Liability of Members and the Manager. Except as otherwise provided in the Delaware LLC Act, the debts, obligations, and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and none of the Members or the Managers shall be obligated personally for any such debt, obligation, or liability of the Company solely by reason of being a Member or a Manager. The

failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Delaware LLC Act or this Agreement shall not be grounds for imposing personal liability on the Members or the Managers for liabilities of the Company.

5.9 Return of Capital. Except upon the dissolution of the Company or as may be specifically provided in this Agreement, no Member shall have the right to demand or to receive the return of all or any part of its Capital Account or its Capital Contributions to the Company.

5.10 Classes of Members. The Company shall have multiple classes of Members, including Class A, Class A1, Class A2, Class A3, and Class B Members (collectively “the Class A Members”). Class A, Class A1, and Class A2 Members shall collectively represent investors in the Regulation D, Rule 506(b) capital raise, with allocations based on the size of their investment: Class A Members contributing between \$0 and \$49,999.99, Class A1 Members contributing between \$50,000 and \$99,999.99, and Class A2 Members contributing \$100,000 or more.

Class A3 Members shall represent investors who are admitted in the event the Company elects to transition to a Regulation D, Rule 506(c) capital raise, and such Members shall be subject to accredited investor verification as required by applicable law. Class B Members shall consist of the founders, principals, and strategic partners responsible for managing the Company’s operations, executing the business plan, and guiding strategic direction.

Each class shall possess such rights, obligations, preferences, and privileges as set forth in the Operating Agreement and other governing documents, with all allocations, distributions, and governance matters subject to the terms therein.

The Company also hereby authorizes the creation of a separate class of membership interests designated as "Class L Members." The designation of a Member as a Class L Member shall occur automatically, by operation of law, upon the satisfaction of certain conditions by a founding Member, as determined solely by the Manager and as defined herein.

5.11 Voting Rights. Only Class A Members shall have voting rights; provided, however, that the Agreement may not be amended to reduce or otherwise materially adversely affect the Manager’s rights to fees, distributions, and authority on account of the Class A Units without the written consent of the Manager. Except as provided in this Section 5.11, and notwithstanding anything in this Agreement to the contrary, any reference to Member votes shall be deemed to refer to Class A Members. Except as may otherwise be provided in this Agreement, the Act, or the Articles of Organization, each of the Class A Members hereby waives their right to vote on any matters, other than as set forth in this Agreement. All other decisions will rest with the Manager.

## **ARTICLE VI. ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS; TAXES**

6.1 Allocation of Income and Loss With Respect to Units Transferred  
Each Member’s distributive share of income, gain, loss, deduction, or credit (or items thereof) of the Company as shown on the annual federal income tax return prepared by the Company’s accountants or as finally determined by the United States Internal Revenue Service or the courts,

and as modified by the capital accounting rules of Section 704(b) of the Code and the Income Tax Regulations thereunder, as applicable, shall be determined as follows:

6.1.1 Allocations. Except as otherwise provided in this Section 6.1:

- (a) items of income, loss, deduction, or credit (or items thereof) shall be allocated among the Members in accordance with their Percentage Interest outlined herein. Except that items of loss or deduction allocated to any Member pursuant to this Section 6.1 with respect to any taxable year shall not exceed the maximum amount of such items that can be so allocated without causing such Member to have a deficit balance in his or its Capital Account at the end of such year, computed in accordance with the rules of paragraph (b)(2)(ii) (d) of Section 1.704-1 of the Income Tax Regulations. Any such items of loss or deduction in excess of the limitation set forth in the preceding sentence shall be allocated as follows and in the following order of priority:
  - (1) first, to those Members who would not be subject to such limitation, in proportion to their Percentage Interests; and
  - (2) second, any remaining amount to the Members in the manner required by the Code and Income Tax Regulations.
- (b) items of income and gain (or items thereof) shall be first allocated to the Class A Members in the same manner that losses were allocated pursuant to Section 6.1.1 (a) in order to reverse any loss allocations.

Subject to the provisions of this Agreement, the items specified in this Section 6.1 shall be allocated to the Members as necessary to eliminate any deficit Capital Account balances and thereafter to bring the relationship among the Members' positive Capital Account balances in accord with their pro rata interests.

- 6.1.2 Allocations With Respect to Property. Solely for tax purposes, in determining each Member's allocable share of the taxable income or loss of the Company, depreciation, depletion, amortization and gain or loss with respect to any contributed property, or with respect to revalued property where the Company's property is revalued pursuant to paragraph (b)(2)(iv)(f) of Section 1.704-1 of the Income Tax Regulations, shall be allocated to the Members in the manner (as to revaluations, in the same manner as) provided in Section 704(c) of the Code. The allocation shall take into account, to the full extent required or permitted by the Code, the difference between the adjusted basis of the property to the Member contributing it (or, with respect to property which has been revalued, the adjusted basis of the property to the Company) and the fair market value of the property determined by the Members at the time of its contribution or revaluation, as the case may be.

- 6.1.3 Minimum Gain Chargeback. Notwithstanding anything to the contrary in this Section 7.1, if there is a net decrease in Company Minimum Gain or Company Nonrecourse Debt Minimum Gain (as such terms are defined in Sections 1.704-2(b) and 1.704-2(i)(2) of the Income Tax Regulations, but substituting the term “Company” for the term “Partnership” as the context requires) during a Company taxable year, then each Member shall be allocated items of Company income and gain for such year (and, if necessary, for subsequent years) in the manner provided in Section 1.704-2 of the Income Tax Regulations. This provision is intended to be a “minimum gain chargeback” within the meaning of Sections 1.704-2(f) and 1.704-2(i)(4) of the Income Tax Regulations and shall be interpreted and implemented as therein provided.
- 6.1.4 Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Treasury Regulations, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate the deficit balance in his Capital Account created by such adjustments, allocations or distributions as promptly as possible; *provided* that an allocation pursuant to this Section 6.1.4 shall be made only if and to the extent that a Member would have such a deficit balance after all other allocations provided for in this Article have been tentatively made as if this Section 6.1.4 were not in the Agreement.
- 6.1.5 Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any taxable year which is in excess of the sum of (i) the amount such Member is obligated to restore, if any, pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations, each such Member shall be specially allocated items of partnership income and gain in the amount of such excess as quickly as possible; *provided* that an allocation pursuant to this Section 6.1.5 shall be made only if and to the extent that a Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article have been tentatively made as if Section 6.1.4 and this Section 6.1.5 were not in this Agreement.
- 6.1.6 Depreciation Recapture. Subject to the provisions of Section 704(c) of the Code and of this Agreement, gain recognized (or deemed recognized under the provisions hereof) upon the sale or other disposition of Company property, which is subject to depreciation recapture, shall be allocated to the Member who was entitled to deduct such depreciation.
- 6.1.7 Loans. If and to the extent any Member is deemed to recognize income as a result of any loans pursuant to the rules of Sections 1272, 1273, 1274, 7872

or 482 of the Code, or any similar provision now or hereafter in effect, any corresponding resulting deduction of the Company shall be allocated to the Member who is charged with the income. Subject to the provisions of Section 704(c) of the Code and this Agreement, if and to the extent the Company is deemed to recognize income as a result of any loans pursuant to the rules of Sections 1272, 1273, 1274, 7872 or 482 of the Code, or any similar provision now or hereafter in effect, such income shall be allocated to the Member who is entitled to any corresponding resulting deduction.

- 6.1.8 Tax Credits. Tax credits shall generally be allocated according to Section 1.704-1(b)(4)(ii) of the Income Tax Regulations or as otherwise provided by law. Investment tax credits with respect to any property shall be allocated to the Members pro rata in accordance with the manner in which Company profits are allocated to the Members.
- 6.1.9 Change of Pro Rata Interests. Except as provided herein or as otherwise required by law, if the proportionate interests of the Members in the Company are changed during any taxable year, all items to be allocated to the Members for such entire taxable year shall be prorated on the basis of the portion of such taxable year which precedes each such change and the portion of such taxable year on and after each such change according to the number of days in each such portion, and the items so allocated for each such portion shall be allocated to the Members in the manner in which such items are allocated as provided herein during each such portion of the taxable year in question.
- 6.1.10 Effect of Special Allocations on Subsequent Allocations. Any special allocation of income or gain shall be taken into account in computing subsequent allocations of income and gain pursuant to this Section 6.1 so that the net amount of all such allocations to each Member shall, to the extent possible, be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of this Section 6.1 if such special allocations of income or gain hereunder had not occurred.
- 6.1.11 Nonrecourse and Recourse Debt. Items of deduction and loss attributable to Member nonrecourse debt within the meaning of Section 1.7042(b)(4) of the Income Tax Regulations shall be allocated to the Members bearing the economic risk of loss with respect to such debt in accordance with Section 1704-2(i)(1) of the Income Tax Regulations. Items of deduction and loss attributable to recourse liabilities of the Company, within the meaning of Section 1.752-2 of the Income Tax Regulations, shall be allocated among the Members in accordance with the ratio in which the Members share the economic risk of loss for such liabilities.
- 6.1.12 State and Local Items. Items of income, gain, loss, deduction, credit, and tax preference for state and local income tax purposes shall be allocated to

and among the Members in a manner consistent with the allocation of such items for federal income tax purposes in accordance with the foregoing provisions of this Section 6.1.

## 6.2 Distributions.

- 6.1 Notwithstanding the Company's authority to make distributions at times and in amounts determined solely by the Manager, no distributions shall be made for a period of two years following the initial closing of the Offering. This hold period is intended to preserve working capital and ensure financial stability during the early operational stage.

After the two-year hold period has expired, and subject to the availability of cash as determined by the Manager in its discretion, the Company will begin making distributions of Distributable Cash. Distributable Cash shall mean the Company's available cash after payment of all operating expenses, taxes, liabilities, and reasonable reserves as determined by the Manager. Distributable cash shall be allocated as follows:

- (a) **Return of Capital:** First, one hundred percent of Distributable Cash shall be distributed pro rata to the Class A Members (including Class A, A1, A2, and A3) until they have received a full return of their unreturned capital contributions.
- (b) **Preferred Return:** Second, following the full return of capital, any remaining Distributable Cash shall be distributed to Class A Members with preferred rights as follows:
- (1) Class A1 Members shall receive a cumulative, annualized three percent (3%) Preferred Return on their unreturned capital.
  - (2) Class A2 Members shall receive a cumulative, annualized six percent (6%) Preferred Return on their unreturned capital.
  - (3) Class A Members shall also receive any stated preferred return as provided for in the Operating Agreement.
- (b) **Catch-Up to Class B Member:** Third, one hundred percent (100%) of the remaining Distributable Cash shall be distributed to the Class B Member until the Class B Member has received an amount equal to forty percent (40%) of the total Preferred Returns distributed to Class A1 and Class A2 Members, calculated on a cumulative, look-back basis.
- (c) **Residual Split:** Fourth, any remaining Distributable Cash shall be distributed as follows:

(1) Sixty percent (60%) shall be distributed pro rata to the Class A Members based on their respective Participation Percentages.

(2) Forty percent (40%) shall be distributed to the Class B Member.

Distributions shall not exceed fifty percent (50%) of annualized net revenues in any given year, and the Manager shall retain discretion to withhold distributions if doing so is necessary to support the ongoing operations, reserves, or financial health of the Company. The Manager will use best efforts to commence distributions promptly after the hold period and maintain regularity thereafter, subject always to the Company's financial condition.

## 6.2 Taxes.

- (a) Reports. Within ninety (90) days following the close of each Fiscal Year, the Company shall prepare and mail to each Member a report containing all information necessary for the Member to include its share of taxable income or loss (or items thereof) in its income tax return.
- (b) Nonrecourse Loans. For Federal income tax purposes, any loss attributable to a nonrecourse loan made to the Company by a Member (i.e., any loss that would be economically borne by such Member in his, her or its capacity as lender) shall be allocated to such Member in accordance with Treas. Reg. §1.704-1(b)(4)(iv)(g). If any allocation of loss is made pursuant to the preceding sentence, subsequent income and gain of the Company shall first be allocated to such Member until the amount of income and gain so allocated equals the amount of loss previously allocated to the Member pursuant to the preceding sentence.
- (1) For federal income tax purposes, any loss attributable to a nonrecourse loan made to the Company other than by a Member shall be allocated pursuant to Treas. Reg. §1.704-1(b)(4)(iv) according to the Member's interests in the Participation Percentages in the Company.
- (c) Contributions of Property. In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, depreciation, amortization, gain and loss, as determined for tax purposes, with respect to any contributed property the book value of which differs from its adjusted basis for federal income tax purposes, shall, for tax purposes, be allocated between the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its book value.

- (d) Purpose of Tax Allocations. Allocations pursuant to this Section 6.4 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, the capital account of any Member or such Member's share of profit, loss, other items, or distributions pursuant to any provision of this Agreement. The provisions of this Section 6.3 relating to federal income tax treatment of an item shall apply for state and local income tax purposes to the extent permitted under applicable law. Any elections or other decisions relating to such allocations shall be made by the Manager pursuant to Section 7.1(d) of this Agreement.
  
- (e) Tax Matters. Unless otherwise specified, all references to provisions of the Code shall be to such provisions as enacted by the Bipartisan Budget Act of 2018, as such provisions may subsequently be modified. Pressley Hambrick shall be the Company's designated "partnership representative" within the meaning of Code Section 6223 (the "Tax Representative") with sole authority to act on behalf of the Company for purposes of Subchapter C of Chapter 63 of the Code and any comparable provisions of state or local income tax laws. If any "partnership adjustment" (as defined in Code Section 6241(2)) is determined with respect to the Company, the Tax Representative shall promptly notify the Members upon the receipt of a notice of final partnership adjustment and shall take such actions as directed by the Manager within ten (10) business days after the receipt of such notice. If any such "partnership adjustment" is finally determined with respect to the Company and the Tax Representative has not caused the Company to make the election under Code Section 6226, the Members shall take such actions requested by the Tax Representative, including filing amended tax returns and paying any tax due in accordance with Code Section 6225(c)(2). The obligations of each Member and former Member under this Section 6.3 shall survive (a) the Transfer or redemption by such Member of his or her Units, (b) the dissolution and termination of the Company, and (c) any other termination of this Agreement.
  
- (f) Modifications. If the Manager determines that any of the provisions of this Section 6.4 do not comply with the rules of Treas. Reg. §1.704-1(b)(3) for allocating income, gain, loss, and deductions of the Venture in accordance with the Members' interests in the Company, the Manager may make any modifications required to cause such provisions to comply with such rules.

## **ARTICLE VII. MANAGEMENT**

7.1 Management by the Manager. The Members hereby unanimously agree that the responsibility for management of the business and affairs of the Company shall be delegated to a manager pursuant to Section 18-402 of the Delaware LLC Act, subject to the limitations set forth in Section 7.2. The Manager shall have full, exclusive, and complete authority, power, and

discretion to manage and control the business, affairs, and properties of the Company. This includes, without limitation, the authority to enter into contracts, execute documents, and take actions on behalf of the Company; oversee the day-to-day operations and strategic direction of the business; determine the timing, terms, and conditions of capital raises, including private placements under Regulation D or other exemptions; negotiate and execute agreements for the research, development, manufacture, licensing, sale, distribution, or commercialization of any products, supplements, or intellectual property owned or controlled by the Company; retain, appoint, and remove officers, employees, consultants, or other agents of the Company; establish and oversee subsidiary entities, joint ventures, and partnerships; manage legal, regulatory, and compliance matters, including filings with the SEC, FDA, and other applicable authorities; initiate, defend, or settle litigation and arbitration proceedings; manage accounting, bookkeeping, financial reporting, audit, and tax compliance functions; approve budgets, operating plans, and the deployment of capital; make distributions of available cash, as provided under the terms of this Agreement; determine appropriate reserve levels; maintain Company records and accounts; open and manage bank accounts; authorize the payment of debts, obligations, and liabilities; engage independent contractors and advisors; and generally perform all acts necessary, advisable, convenient, or incidental to carrying out the business and purposes of the Company. The Manager may delegate any of the foregoing functions as it deems appropriate in its sole discretion, provided that it shall retain ultimate authority and responsibility for the management of the Company.

7.2 Withdrawal; Resignation; Removal. The initial Manager of the Company shall serve as the Manager for the life of the Company unless a change is approved by a majority vote of the principals of the Manager entity or unless the Manager is removed for cause, as defined herein. The Manager shall not be subject to removal by the Members except upon a final, binding, and non-appealable determination by a court of competent jurisdiction that the Manager has engaged in fraud, gross negligence, willful misconduct, or a material and uncured breach of fiduciary duty or a material uncured breach of its obligations under this Operating Agreement. For the purposes of this provision, "cause" shall mean any such conduct that materially harms or jeopardizes the Company and remains uncured for more than thirty (30) days following written notice of the breach. In the absence of a valid cause determination as described above or an affirmative vote of the principals of the Manager entity, the Manager shall not be subject to removal or replacement under any other circumstances. The Initial Manager, designated by the Members is EQUITABLE CLINICAL INITIATIVES LLC ("ECI"), a Wyoming limited liability company, to serve as the initial Manager of the Company.

- (a) Additional or Substitute Managers. Persons may be admitted to the Company as additional or substitute Managers with the consent of the Manager only, and (i) without the consent of any Member, if the proposed additional or substitute Manager is an Affiliate of the Manager, or (ii) if the proposed additional or substitute Manager is not an Affiliate of the Manager, with the consent of the Class B Member.
- (b) Member Approval Rights. Notwithstanding Section 7.1, the Manager (acting on behalf of the Company) shall not have the right, power, or authority to take the following actions, and no such action will be taken

without the approval of the Manager and the Members holding more than ninety percent (90%) of the outstanding Units:

- (1) do any act in contravention of this Agreement;
- (2) do any act, other than one specified in another clause of this Section 7.2 (in which case the provisions of that clause shall prevail over this clause), which would (i) make it impossible to carry on the ordinary business of the Company, or (ii) change the nature of the Company's business;
- (3) confess a judgment against the Company;
- (4) possess Company property, or assign the Company's right in such property, for other than a Company purpose;
- (5) approve the merger or dissolution and winding up of the Company;
- (6) amend this Agreement, unless the amendment is ministerial;
- (7) admit a Person as an additional manager, unless the proposed new manager is an Affiliate of the Manager;
- (8) if there is no remaining Manager, elect to continue the business of the Company or admit a Manager, except upon removal of the last Manager; and
- (9) if there is no remaining Manager, admit a Manager or elect to continue the business of the Company following the removal of the last Manager.
- (10) authorize the Company to engage in production enhancement opportunities ancillary to the financing, development, production, distribution, licensing, sale, and exhibition of the Product requiring the sale of investment Units by Company.

(c) Third Party Reliance. Third parties dealing with the Company shall be entitled to rely conclusively upon the power and authority of the Manager.

(d) Fiduciary Relationship. No Manager shall be liable to the Company or its Members for monetary damages for breach of fiduciary duty as a Manager or otherwise liable, responsible or accountable to the Company or its Members for monetary damages or otherwise for any acts performed, or for any failure to act; provided, however, that this provision shall not eliminate or limit the liability of a Manager (i) for any breach of the Manager's duty of loyalty to the Company or its Members, (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the Manager received any improper personal benefit.

(e) Reimbursement. All expenses incurred with respect to the organization, operation, and management of the Company shall be borne by the Company. The Manager shall be entitled to reimbursement from the Company for direct expenses allocable to the organization, operation, and

management of the Company. The Manager shall not, in its capacity as such, be entitled to any fees for services rendered for or on behalf of the Company.

- (f) No Individual Authority. Except as otherwise expressly provided in this Agreement, no Member, acting alone, shall have any obligation to act for, or undertake or assume any obligation or responsibility on behalf of, the other Member or the Company.

7.3 Other Activities. The Manager, any Member or any of their respective Affiliates may have other business interests or may engage in other business ventures of any nature or description whatsoever, whether currently existing or hereafter created, and may compete, directly or indirectly, with the business of the Company. No Manager, Member or any of their respective Affiliates shall be obligated to offer the Company or any Member the right to participate in such other business interests, ventures or competitive activities or shall incur any liability to the Company as a result of its pursuit of such other business interests, ventures, or competitive activities. Neither the Company nor the other Members shall have any right to participate in such other business ventures or to receive or share in any income or profits derived therefrom.

7.4 Certain Transactions. The Company is expressly permitted in the normal course of its business to enter into transactions with the Manager, any Member or any of their respective Affiliates; provided that the price and other terms of such transactions are fair to the Company and are not less favorable to the Company than those generally prevailing with respect to comparable transactions between unrelated parties.

7.5 Indemnification of the Members, Managers, Officers, and any Affiliate. Right of Indemnification. In accordance with Section 18-108 of the Delaware LLC Act, the Company shall indemnify and hold harmless each Member, Manager and their respective Affiliates (individually, in each case, an “Indemnitee”) to the fullest extent permitted by law from and against any and all losses, claims, demands, costs, damages, liabilities joint or several), expenses of any nature (including attorneys’ fees and disbursements), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which the Indemnitee may be involved or threatened to be involved, as a party or otherwise, arising out of or incidental to the business or activities of or relating to the Company, regardless of whether the Indemnitee continues to be a Member, a Manager, an officer or any Affiliate thereof at the time any such liability or expense is paid or incurred; provided, however, that this provision shall not eliminate or limit the liability of an Indemnitee (i) for any breach of the Indemnitee’s duty of loyalty to the Company or its Members, (ii) for acts or omissions which involve intentional misconduct or a knowing violation of law, or (iii) for any transaction from which the Indemnitee received any improper personal benefit.

- (a) Advances of Expenses. Expenses incurred by an Indemnitee in defending any claim, demand, action, suit, or proceeding subject to this Section 7.5 shall, from time to time, upon request by the Indemnitee, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on

behalf of the Indemnitee to repay such amount if it shall be determined in a judicial proceeding or a binding arbitration that such Indemnitee is not entitled to be indemnified as authorized in this Section 7.5.

- (b) Other Rights. The indemnification provided by this Section 7.5 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, vote of the Manager as a matter of law or equity, or otherwise, both as to an action in the Indemnitee's capacity as a Member, a Manager, an officer or any Affiliate thereof, and as to an action in another capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns, and administrators of the Indemnitee.
- (c) Insurance. The Company may purchase and maintain insurance on behalf of the Manager and such other Persons as the Manager shall determine against any liability that may be asserted against or expense that may be incurred by such Persons in connection with the offering of interests in the Company or the business or activities of the Company, regardless of whether the Company would have the power to indemnify such Persons against such liability under the provisions of this Agreement.
- (d) Effect of Interest in Transaction. An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.5 or otherwise by reason of the fact that the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted or not expressly prohibited by the terms of this Agreement.
- (e) No Third Party Rights. The provisions of this Section 7.5 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

## **ARTICLE VIII. MEMBERS**

### **8.1 Meetings of Members.**

- (a) Meetings of the Members for any purpose may be called by the Manager or by Members holding more than fifty percent (50%) of the outstanding Units. Notice of a meeting shall be issued by the Manager within 10 days after receipt of a written request for such meeting signed by Members owning more than fifty percent (50%) of the then outstanding Units. Any such request shall state the purpose of the proposed meeting and the matters proposed to be acted on at such meeting. Meetings shall be held at the

principal office of the Company or at such other place as may be designated by the Manager or, if the meeting is called upon the request of the Members, at such place as may be designated by such Members. In addition, the Manager may, and, upon receipt of a request in writing signed by Members owning more than fifty percent (50%) of the outstanding Units, shall, submit any matter on which the Members are entitled to act to the Members for a vote by written consent without a meeting.

- (b) Notification of any meeting to be held pursuant to Section 8.1(a) shall be given not less than 15 days or more than 60 days before the date of the meeting to each Member. Such notification shall state the place, date, and hour of the meeting, and shall indicate that the notification is being issued at or by the direction of the Manager or Members calling the meeting. The notification shall state the purpose or purposes of the meeting.
- (c) For the purpose of determining the Members entitled to vote on, or to vote at, any meeting of the Members, or any adjournment thereof, or to vote by written consent without a meeting, the Manager or the Members requesting such meeting or vote may fix, in advance, a date as the record date for any such determination of Members. Such date shall not be more than 50 days nor less than 10 days before any such meeting or submission of a matter to the Members for a vote by written consent.
- (d) Each of the Members or the duly appointed attorney-in-fact of such Member shall be entitled to cast one vote for each Unit owned by such Member: (i) at a meeting, in person, by written proxy or by a signed writing directing the manner in which it desires that its vote be cast, which writing must be received by the Manager prior to such meeting or (ii) without a meeting, by a signed writing directing the manner in which it desires that its vote be cast, which writing must be received by the Manager prior to the date on which the votes of the Members are to be counted. Only the votes of Members of record on the record date established pursuant to Section 8.1(c) or, if there is no such record date, the notification date, whether at a meeting or otherwise, shall be counted. The laws of the State of Delaware pertaining to the validity and use of corporate proxies shall govern the validity and use of proxies given by Members.

8.2 Action by Members Without Meeting. Any action that could be taken at a meeting of the Members may be taken without a meeting if one or more written consents setting forth the action so taken are signed by Members holding more than fifty percent (50%) of the Units in person or by proxy or such higher percentage as required under this Agreement.

8.3 Grant of Proxy Authorized. For any matter on which a Member is entitled to vote, the Member may vote by proxy executed in writing by the Member or by its attorney-in-fact or

agent. Such proxy shall be effective when received by the Board. Each proxy must be signed by the Member or its attorney-in-fact. No proxy shall be valid after the expiration of 12 months from the date thereof unless otherwise provided in the proxy. Each proxy shall be revocable at the pleasure of the Member executing it unless otherwise provided in the proxy.

**ARTICLE IX.**  
**BANK ACCOUNTS; BOOKS AND RECORDS; STATEMENTS; TAXES; FISCAL YEAR**

9.1 Bank Accounts. All funds of the Company shall be deposited in its name in such checking and savings accounts, time deposits, certificates of deposit or other accounts at such banks as shall be designated by the Manager from time to time, and the Manager shall arrange for the appropriate conduct of such account or accounts.

9.2 Books and Records. The Manager shall keep, or cause to be kept, accurate, full, and complete books and accounts showing assets, liabilities, income, operations, transactions, and the financial condition of the Company. Such books and accounts shall be prepared on the accrual basis of accounting. Any Member or its designee shall have access thereto at any reasonable time during regular business hours and shall have the right to copy said records at its expense.

9.3 Financial Statements and Information.

- (a) Preparation in Accordance with GAAP. All financial statements prepared pursuant to this Section 9.3 shall present fairly the financial position and operating results of the Company and shall be prepared in accordance with generally accepted accounting principles on the accrual basis for each Fiscal Year of the Company during the term of this Agreement.
- (b) Annual Reports. Within one ninety (90) days after the end of each Fiscal Year during the term of this Agreement, the Manager shall prepare and submit or cause to be prepared and submitted to the Members (i) a report of the activities of the Company during the Fiscal Year.
- (c) Other Reports. The Manager shall provide to the Members such other reports and information concerning the business and affairs of the Company as may be required by the Delaware LLC Act or by any other law or regulation of any regulatory body applicable to the Company.

9.4 Accounting Decisions. All decisions as to accounting matters, except as specifically provided to the contrary herein, shall be made by the Manager.

9.5 Where Maintained. The books, accounts, and records of the Company at all times shall be maintained at the Company's principal office.

9.6 Fiscal Year. The fiscal year of the Company for financial, accounting, Federal, state, and local income tax purposes shall initially be the fiscal year commencing on January 1 and

ending on December 31 (the “Fiscal Year”). The Manager shall have authority to change the beginning and ending dates of the Fiscal Year if the Manager, in its sole and absolute discretion, deems such change to be necessary or appropriate to the business of the Company, and shall give written notice of any such change to the Members within thirty (30) days after the occurrence thereof.

**ARTICLE X.**  
**TRANSFER AND CONVERSION OF UNITS AND THE ADDITION,  
SUBSTITUTION AND WITHDRAWAL OF MEMBERS**

10.1 Transfer of Units.

- (a) Definition of Transfer. The term “transfer,” when used in this Article 10 with respect to Units, shall include any sale, assignment, gift, pledge, hypothecation, mortgage, exchange, or other disposition, except that such term shall not include any pledge, mortgage, or hypothecation of or granting of a security interest in any Units in connection with any financing obtained on behalf of the Company.
  
- (b) Void Transfers. No Units may be transferred, except in accordance with the terms and conditions set forth in this Article 10. Any transfer or purported transfer of any Units not made in accordance with this Article 10 shall be void ab initio.

10.2 Restrictions on Transfers.

- (a) Consent Required. No Member may transfer any of its Units or its Capital Account without the express written consent of the Manager.
  
- (b) Substitution. Any transferee of Units shall become a substituted Member only upon (i) the express written consent of the Manager in the exercise of its sole and absolute discretion; (ii) the transferee agreeing to be bound by all the terms and conditions of the Certificate and this Agreement as then in effect; and (iii) receipt of any necessary regulatory approvals. Unless and until a transferee is admitted as a substituted Member, the transferee shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder. A Member who has transferred all of its Units shall cease to be a Member and thereafter shall have no further powers, rights, and privileges as a Member hereunder except as provided in Section 7.5.
  
- (c) Dealing with Members. The Company, each Member, the Manager and any other Person or Persons having business with the Company need deal only with Members who are admitted as Members or as substituted Members of the Company, and they shall not be required to deal with any other Person by reason of transfer by a Member or by reason of the death of a Member,

except as otherwise provided in this Agreement. In the absence of the substitution (as provided herein) of a Member for a transferring or a deceased Member, any payment to a Member or to a Member's executors or administrators shall acquit the Company and the Manager of all liability to any other persons who may be interested in such payment by reason of an assignment by, or the death of, such Member.

- (d) Transferred Economic Interest. Notwithstanding the foregoing, any Member may transfer its economic interest in its Units to a transferee which, directly or indirectly, controls, is controlled by, or under common control with, such Member; provided, however that such transfer shall give the transferee only the right to receive distributions, income, gain and loss allocable to such Member's Units to which such Member would otherwise be entitled.

10.3 No Right to Withdraw. No Member shall have the right to resign or otherwise withdraw from the Company during the first three (3) years following the date of such Member's admission to the Company, except with the express written consent of the Manager. After the three-year period, a Member may voluntarily withdraw from the Company by providing no less than sixty (60) days' prior written notice to the Manager, subject to the terms of any applicable buyout or redemption provisions contained in this Agreement, including but not limited to those governing valuation and payout timing. Notwithstanding the foregoing, the Company shall have the right to condition such withdrawal upon terms that ensure a fair and orderly transition and shall not be obligated to return capital or make any distributions until sufficient Distributable Cash is available.

10.4 Buyout Option. The Company, through the discretion of the Manager, shall have the right, but not the obligation, to repurchase the Class A Membership Interests ("Target Interests") of any Class A Member ("Selling Member") at any time following the fourth anniversary of such Member's admission to the Company. This discretionary buyout may occur regardless of the level of distributions received by the Selling Member.

10.5 Triggering Event and Purchase Price. For purposes of this Agreement, a "Triggering Event" shall include any of the following occurrences: (i) a voluntary withdrawal by a Class A Member occurring at any time on or after the third (3rd) anniversary of such Member's admission to the Company, regardless of whether for good cause or no cause, (ii) the Company's election to exercise its discretionary buyout option with respect to any Class A Interests beginning in year four (4) or thereafter, (iii) the termination of a Class A Member for cause, (iv) the termination of the Class B Member for cause, or (v) the Death of a Member. For purposes of this provision, "for cause" shall mean the commission of fraud, gross negligence, willful misconduct, material breach of fiduciary duty, misappropriation of Company funds, or any other act or omission that materially harms the Company, its assets, business relationships, regulatory standing, or reputation, including any act that would reasonably constitute "cause" under prevailing Delaware law.

Upon the occurrence of a Triggering Event, the purchase price for the applicable Membership Interests shall be determined as follows: (a) in the case of a voluntary withdrawal by a Class A

Member in year three (3), the purchase price shall be one hundred twenty percent (120%) of the fair market value of such Interests; (b) in the case of a buyout initiated by the Company beginning in year four (4), the purchase price shall be one hundred ten percent (110%) of the fair market value of such Interests; (c) in the case of a termination for cause of any Member, whether Class A or Class B, the purchase price shall be the book value of the applicable Interests. Fair market value shall be determined by an independent third-party appraiser jointly selected by the Manager and the affected Member, or if the parties are unable to agree, by an appraiser appointed by the Delaware Court of Chancery. Payments shall be made in cash or via wire transfer of immediately available funds, and unless otherwise mutually agreed in writing, completed within sixty (60) days of delivery of written notice initiating the buyout.

10.6 Closing and Effect of Sale. The closing of the purchase and sale of the Target Interests shall take place at a time and location to be mutually agreed upon by the Class B Member and the Selling Member, but in no event later than sixty (60) days after the delivery of the notice referred to in Section 10.5. Upon the closing of the sale of the Target Interests, the Selling Member shall cease to have any rights or obligations as a member of the Company with respect to the Target Interests, except for any rights or obligations that are expressly stated to survive the termination of membership.

10.7 Non-culpable Removal and Legacy Member Status. Each of the founding members of the Company is acknowledged to serve as a principal of the Manager and as an officer of the Company. In the event any such founding member is removed or resigns under circumstances constituting a “Non-culpable removal,” the Company shall confer upon such member the status of a Legacy Member and shall issue to such individual a Class L Membership Interest. The Class L Membership Interest will entitle the Legacy Member to receive a five percent (5%) special allocation of all Distributable Cash and Net Capital Proceeds, including but not limited to proceeds from sales, refinancings, and liquidation events, for the life of the Company. This allocation shall not impair or dilute the rights and distributions otherwise due to the Class A Members and shall be carved exclusively from the Class B Member’s economic interest. The Company acknowledges that this mechanism is designed to preserve the financial participation of founding members who contributed materially to the early development of the Company, while aligning with standard practices for long-term equity alignment in similar ventures.

The Class L Membership Interest shall carry no voting or management rights and shall be solely economic in nature. It shall not be transferable except to a named beneficiary or the estate of the Legacy Member upon death. The Manager may, at its discretion, apply a vesting schedule or sunset provision to the Class L Interest, particularly in cases where the departing officer has not completed a full service term or failed to deliver the level of service, intellectual property, or strategic value initially contemplated. The Legacy Member designation, including all related terms, shall be determined solely by the Manager, documented in writing, and preserved in the Company’s records. The issuance of the Class L Membership Interest will be properly documented and maintained in accordance with the Company’s Operating Agreement and applicable law.

Each of the founding members of the Company is acknowledged to serve as a principal of the Manager and as an officer of the Company. In the event any such founding member is removed or resigns under circumstances constituting a “Non-culpable removal,” the Company shall confer

upon such member the status of a Legacy Member and shall issue to such individual a Class L Membership Interest. The Class L Membership Interest will entitle the Legacy Member to receive a five percent (5%) special allocation of all Distributable Cash and Net Capital Proceeds, including but not limited to proceeds from sales, refinancings, and liquidation events, for the life of the Company. This allocation shall not impair or dilute the rights and distributions otherwise due to the Class A Members and shall be carved exclusively from the Class B Member's economic interest. The Company acknowledges that this mechanism is designed to preserve the financial participation of founding members who contributed materially to the early development of the Company, while aligning with standard practices for long-term equity alignment in similar ventures.

The Class L Membership Interest shall carry no voting or management rights and shall be solely economic in nature. It shall not be transferable except to a named beneficiary or the estate of the Legacy Member upon death. The Manager may, at its discretion, apply a vesting schedule or sunset provision to the Class L Interest, particularly in cases where the departing officer has not completed a full service term or failed to deliver the level of service, intellectual property, or strategic value initially contemplated. The Legacy Member designation, including all related terms, shall be determined solely by the Manager, documented in writing, and preserved in the Company's records. The issuance of the Class L Membership Interest will be properly documented and maintained in accordance with the Company's Operating Agreement and applicable law.

10.8 Fitness Evaluation and Interim Management Provision. To preserve the professionalism, operational stability, and integrity of the Company's leadership, any Member of the Class B Member, whether or not serving as an Officer of the Company, who is over the age of seventy-five (75) or engages in conduct that could reasonably be expected to materially harm the Company's business operations, investor confidence, or public reputation, may be subject to a mandatory mental and psychological fitness evaluation. Triggering conduct includes, without limitation, erratic or irrational behavior, excessive or inappropriate alcohol consumption at professional or public events, vulgar or offensive speech in Company or investor settings, public misconduct, disregard of fiduciary obligations, or any other act that casts doubt on the individual's mental or emotional fitness to serve in an executive or governance capacity.

This provision shall be activated by an affirmative vote of at least twenty percent (20%) of the principals of the Manager, and the Company shall, at its expense, engage a qualified and independent licensed psychiatrist or psychologist, approved by the Manager, to conduct a full mental and psychological fitness evaluation. Failure to comply within a reasonable timeframe shall result in immediate suspension from all Company roles and responsibilities, pending further action. If the individual subject to the evaluation is the Chief Executive Officer, and is deemed unfit or otherwise unable, unwilling, or unavailable to serve, the Chief Operating Officer shall assume the responsibilities of the Chief Executive Officer, receiving the higher of their then-current compensation or the Chief Executive Officer's compensation at the time of transition, unless and until a new Chief Executive Officer is formally appointed by majority vote of the principals of the Manager.

If the Chief Operating Officer is the subject of this provision, the Executive Assistant to the Chief Operating Officer shall assume the Chief Operating Officer's responsibilities on an interim basis

and shall serve in that role until formally voted in or replaced by majority vote of the principals of the Manager. If the Chief Financial Officer is the subject of this provision, the Company shall engage fractional Chief Financial Officer services from either Pierre Tax and Wealth Management LLC or Sabre Capital LLC, or another qualified third-party financial services provider. If the Chief Medical Officer, Chief Legal Officer, or Legal Counsel is the subject of this provision, the Manager shall make a good faith effort to appoint a replacement within thirty days to avoid regulatory or operational disruption. This provision ensures that key leadership positions remain filled with capable individuals, and that any conduct which may jeopardize the Company's mission, performance, or governance is addressed promptly and effectively.

10.9 Death of a Non-Founding Member. In the event of the death of any Member, such Member's Units shall automatically transfer to the estate or legal heirs of the deceased Member in accordance with applicable law, subject to the terms and restrictions set forth in this Agreement. The transferee(s) of such Units shall only be entitled to the economic rights associated with the Units, including the right to receive distributions of Distributable Cash and Net Capital Proceeds allocable to such Units, unless and until such transferee(s) are admitted as a substituted Member pursuant to Section 10.2(b). The Manager shall not be obligated to recognize any such transferee(s) as a substituted Member absent full compliance with all admission procedures, including the execution of documentation acknowledging and agreeing to be bound by the terms of this Agreement, and, where applicable, the receipt of any regulatory approvals. In the interim, the Company shall be entitled to treat the deceased Member's legal representative, executor, administrator, or trustee as the holder of the economic interest associated with the Units for purposes of distributions and reporting. The Company, the Manager, and the other Members shall not be liable to any other person claiming an interest in the Units by reason of the deceased Member's estate, and any payments made in good faith to the recognized legal representative shall fully discharge the Company of any further obligation with respect to such Units. The Manager reserves the right, in its sole discretion, to repurchase the Units of a deceased Member at fair market value, as determined in accordance with the valuation procedures set forth in Section 10.5, for purposes of preserving management continuity and long-term capitalization structure.

## **ARTICLE XI. DISSOLUTION AND LIQUIDATION**

11.1 Events Causing Dissolution. In order to preserve the continuity and integrity of the Company's operations, particularly given that the Class B Member is a management entity comprised of the founding Members and executive officers, the Company shall not be subject to dissolution or termination solely due to the retirement, withdrawal, bankruptcy, or dissolution of the Manager, nor due to the death or incapacity of any individual officer or principal, including Pressley Hambrick or Melvin Ferebee. In the event that the Manager, as an entity, ceases to serve in its role for reasons other than removal, the Company shall continue its operations so long as (i) there remains at least one duly appointed Manager in office, or (ii) the Members holding more than fifty percent of the outstanding Units elect in writing, within sixty days, to continue the business of the Company and, if necessary, to designate a successor Manager. Internal changes in governance, ownership, or control within the Class B Member shall not constitute a triggering event for dissolution under the Delaware Limited Liability Company Act, nor shall the Company be required to recognize such changes as impairing the rights or role of the Manager.

The Company may only be dissolved upon a written election by both the Manager and Members holding more than fifty percent of the outstanding Units, or upon the sale, exchange, or disposition of all or substantially all of the Company's assets. However, if the Company receives a purchase money note or deferred consideration in connection with such a disposition, it shall remain in existence solely to administer and liquidate those interests. If the sole Manager is removed and no successor is appointed within sixty days, the Members holding a majority of the Units shall have the authority to elect a new Manager to maintain operations. A court-ordered dissolution shall only result in termination if such judgment is final, unappealed, and no corrective action is taken within the statutory period. The acquisition of all outstanding Units by a single person or entity shall not require dissolution unless determined by the Manager to be in the best interests of the Company. This provision is intended to ensure that operational disruptions, including those tied to the structure or personnel of the Class B Member, do not compromise the Company's business continuity, or undermine investor protections.

11.2 Cancellation of Certificate. Upon the dissolution of the Company, the Certificate shall be canceled in accordance with the provisions of the Delaware LLC Act, and the Manager (or any other person or entity responsible for winding up the affairs of the Company) shall promptly notify the Members of such dissolution.

11.3 Distributions Upon Dissolution.

- (a) Upon the dissolution of the Company, the Manager (or any other person or entity responsible for winding up the affairs of the Company) shall proceed without any unnecessary delay to sell or otherwise liquidate the Company Assets and pay or make due provision for the payment of all debts, liabilities, and obligations of the Company.
- (b) The Manager (or any other person or entity responsible for winding up the affairs of the Company) shall distribute the net liquidation proceeds and any other liquid assets of the Company after the payment of all debts, liabilities and obligations of the Company (including, without limitation, all amounts owing to a Member under this Agreement or under any agreement between the Company and a Member entered into by the Member other than in its capacity as a Member in the Company), the payment of expenses of liquidation of the Company, and the establishment of a reasonable reserve in an amount estimated by the Manager to be sufficient to pay any amounts reasonably anticipated to be required to be paid by the Company, which shall be distributed to the Members first, pro rata, in proportion to the positive balances, if any, in their respective Capital Accounts until such Capital Accounts are reduced to zero sums, and, second, the remaining LLC Assets, if any, shall be distributed to the Members, pro rata, in accordance with their respective Participation Percentages.

11.4 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets

pursuant to this Section 11.4 in order to minimize any losses otherwise attendant upon such a winding up.

## **ARTICLE XII. MISCELLANEOUS PROVISIONS**

12.1 Compliance with Delaware LLC Act. Each Member agrees not to take any action or fail to take any action that, considered alone or in the aggregate with other actions or events, would result in the termination of the Company under the Delaware LLC Act.

12.2 Additional Actions and Documents. Each of the Members hereby agrees to take or cause to be taken such further actions, to execute, acknowledge, deliver, and file or cause to be executed, acknowledged, delivered, and filed such further documents and instruments, and to use best efforts to obtain such consents, as may be necessary or as may be reasonably requested to fully effectuate the purposes, terms, and conditions of this Agreement, whether before, at or after the closing of the transactions contemplated by this Agreement.

12.3 Notices. All notices, demands, requests or other communications which may be or are required to be given, served or sent by a Member pursuant to this Agreement shall be in writing and shall be hand delivered (including delivery by courier), mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by telegram, telex, facsimile or electronic transmission, addressed to the recipient at the most recent address for such recipient as reflected on the books and records of the Company. Each Member may designate by notice in writing a new address to which any notice, demand, request, or communication may thereafter be so given, served, or sent. Each notice, demand, request or communication which shall be delivered, mailed or transmitted in the manner described above shall be deemed sufficiently given, served, sent or received for all purposes at such time as it is delivered to the addressee (with an affidavit of personal delivery, the return receipt, the delivery receipt or (with respect to a telex) the answer back being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

12.4 Severability. The invalidity of any one or more provisions hereof or of any other agreement or instrument given pursuant to or in connection with this Agreement shall not affect the remaining portions of this Agreement or any such other agreement or instrument or any part thereof, all of which are included subject to the condition that they are held valid in law; and in the event that one or more of the provisions contained herein or therein should be invalid, or should operate to render this Agreement or any such other agreement or instrument invalid, this Agreement and such other agreements and instruments shall be construed as if such invalid provisions had not been inserted.

12.5 Survival. It is the express intention and agreement of the Members that all covenants, agreements, statements, representations, warranties, and indemnities made in this Agreement shall survive the execution and delivery of this Agreement.

12.6 Waivers. Neither the waiver by a Member of a breach of or a default under any of the provisions of this Agreement, nor the failure of a Member, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right, remedy, or privilege hereunder,

shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights, remedies, or privileges hereunder.

12.7 Exercise of Rights. No failure or delay on the part of a Member or the Company in exercising any right, power, or privilege hereunder and no course of dealing between the Members or between a Member and the Company shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which a Member or the Company would otherwise have at law or in equity or otherwise.

12.8 Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon and shall inure to the benefit of the Members and their respective heirs, devisees, executors, administrators, legal representatives, successors, and assigns.

12.9 Limitation on Benefits of this Agreement. Subject to Section 7.5, it is the explicit intention of the Members that no person or entity other than the Members and the Company is or shall be entitled to bring any action to enforce any provision of this Agreement against any Member or the Company, and that the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Members (or their respective successors and assigns as permitted hereunder) and the Company.

12.10 Amendment Procedure. Except for adjustments to the Member's Participation Percentages as set forth in Section 5.3 and subject to the Manager's unilateral right to amend the Agreement for purposes of establishing the Class L Membership Interest and those provisions ancillary thereto, this Agreement may only be modified or amended by the unanimous written consent of the Members.

12.11 Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or entity may require.

12.12 Headings. Article, Section, and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction, or scope of any of the provisions hereof.

12.13 Governing Law. This Agreement, the rights, and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by, and construed in accordance with the laws of the State of Delaware (but not including the choice of law rules thereof).

12.14 Execution in Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

12.15 Announcements. Except as required by law or applicable stock exchange regulation, no party hereto shall make any announcement, press release or other public statement relating in any manner to this Agreement, the terms hereof or the relationship of the parties hereto without first obtaining the consent of the Manager to the disclosure proposed to be made. The Manager shall not unreasonably withhold its consent to any request made by a party pursuant to this Section 12.15. The Manager and Members shall use their best efforts to consult and coordinate with each other before making any announcement, press release or other public statement as required by law or applicable stock exchange regulation.

12.16 Authorized Signatory. The Manager and the Members hereby authorize and appoint Pressley M. Hambrick IV to act as the authorized signatory on behalf of the Company. In this capacity, Mr. Hambrick shall have full authority to execute and deliver all agreements, instruments, documents, certifications, and other writings necessary or appropriate in connection with the business and affairs of the Company, including but not limited to, subscription agreements, investor documents, bank forms, vendor and consultant contracts, financing documents, regulatory filings, and any other agreements or acknowledgments required to carry out the purpose of the Company or to comply with applicable laws, rules, or regulations.

This authorization shall remain in full force and effect unless and until revoked in writing by the Manager or by a vote of the Members holding a majority of the outstanding Units. Any party dealing with the Company may rely upon this provision as conclusive evidence of Mr. Hambrick's authority to bind the Company with respect to the foregoing matters and shall not be required to inquire into the validity or necessity of any such action. The Manager may also delegate additional signatory authority as needed to facilitate Company operations, provided such delegations are recorded in the Company's records.

12.17 Entire Agreement. This Agreement (including the Schedules hereto) contains the entire agreement between the Members with respect to the transactions contemplated herein, and supersedes all prior oral or written agreements, commitments, or understandings with respect to the matters provided for herein and therein.

IN WITNESS WHEREOF, the undersigned have duly executed this Limited Liability Company Operating Agreement or have caused this Limited Liability Company Operating Agreement to be duly executed on their behalf as of the day and year first set forth above.

**MANAGER:**

EQUITABLE CLINICAL INITIATIVES LLC, a Wyoming limited liability company

By: \_\_\_\_\_  
Name: Pressley M. Hambrick IV  
Title: Authorized Signatory

**COMPANY:**

BIOCELLULAR MEDICAL INVESTMENTS LLC, a  
Delaware limited liability company

By: EQUITABLE CLINICAL INITIATIVES LLC, a  
Wyoming limited liability company

By: \_\_\_\_\_  
Name: Pressley M. Hambrick IV  
Title: Authorized Signatory

### ADDENDUM I: DEFINITIONS

**Additional Capital Contribution:** As defined in Section 5.2.

**Affiliate:** Any Person directly or indirectly controlling, controlled by, or under common control with the Person in question; if the Person in question a corporation is, any executive officer or director of the Person in question or of any corporation directly or indirectly controlling the Person in question. As used in this definition of “Affiliate”, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

**Agreement:** This Limited Liability Company Operating Agreement, as it may be further amended or supplemented from time to time.

**Manager:** As defined in Section 7.1.

**Capital Account:** As defined in Section 5.5.

**Capital Contribution:** As defined in Section 5.2.

**Certificate:** The Certificate of Formation, and any and all amendments thereto, filed on behalf of the Company with the Office of the Secretary of State of the State of Delaware as required under the Delaware LLC Act.

**Code:** The Internal Revenue Code of 1986, as in effect and hereafter amended, and, unless the context otherwise requires, applicable regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

**Company:** As defined in the preamble.

**Company Assets:** “Company Assets” shall mean all assets, properties, rights, and interests of any kind, whether tangible or intangible, owned or held by Biocellular Medical Investments LLC (BMI), directly or indirectly, now or in the future. This includes, without limitation, all cash, cash equivalents, accounts, deposits, securities, and other financial instruments; equity interests or debt instruments in any subsidiary, affiliate, joint venture, or portfolio company; intellectual property such as patents, trademarks, copyrights, trade secrets, proprietary information, technical data, and formulations, including those related to pharmaceutical compounds and nutraceutical supplements; research and development data, clinical and preclinical trial results, scientific analyses, and all related regulatory filings or applications; licenses, permits, authorizations, or approvals from regulatory authorities including but not limited to the FDA, EMA, and similar agencies; manufacturing equipment, real and personal property, leasehold interests, inventory, raw materials, and finished goods; goodwill, customer relationships, branding assets, marketing materials, and distribution rights; and any other property or interests used or intended to be used in the conduct or expansion of the Company’s business, including activities supporting healthcare infrastructure, pharmaceutical and supplement development, commercialization, or distribution.

**Delaware LLC Act:** The Delaware Limited Liability Company Act (Stats.1994, Ch.1200), as amended from time to time.

**Fiscal Year:** As defined in Section 9.6.

**LLC Assets:** All assets and property, whether tangible or intangible and whether real, personal, or mixed, at any time owned by or held for the benefit of the Company, including, without limitation, the assets of any television broadcast stations owned by the Company.

**Member:** As defined in the preamble.

**Net Income and Net Loss.** For a period as determined for federal income tax purposes, the taxable income or loss, respectively, computed with the following adjustments:

items of gain, loss and deduction relating to LLC Assets shall be computed based on the Carrying Values of the Company Assets rather than upon their Adjusted Bases, and in the case of depreciation, amortization, or other cost recovery deductions, computed using the same method and useful life used by the Company in computing such deductions for federal income tax purposes;

- (a) tax-exempt income of the Company shall be treated, for purposes of this definition only, as gross income; and
- (b) expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as such expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the regulations under the Code shall be treated, for purposes of this definition only, as deductible expenses.

**Non-culpable Removal:** Removal or resignation not resulting from fraud, willful misconduct, gross negligence, breach of fiduciary duty, or material violation of law or the Operating Agreement. Any determination as to Legacy status shall be made by the Manager, documented in writing, and kept on record with the Company.

**Participation Percentage:** A Member's percentage share of the total outstanding Units, which shall be equal to the percentage that the number of Units held by such Member bears to the sum of all outstanding Units.

**Person:** Any individual, corporation, association, partnership, limited liability company, joint venture, trust, estate, or other entity or organization.

**Unit:** A membership interest in the Company and includes all of the interest of a Member in the Company, including, without limitation, such Member's (i) right to a distributive share of the income, gain, losses, and deductions of the Company in accordance with this Agreement, and (ii) right to a distributive share of LLC Assets.

**EXHIBIT "1"**

<b>Name</b>	<b>Class</b>	<b>Minimum Capitalization</b>	<b>Percentage Interest</b>
EQUITABLE CLINICAL INITIATIVES LLC	<b>B</b>	<b>\$0</b>	<b>100%</b>

**EXHIBIT “B”**

**SUBSCRIPTION AGREEMENT**

**BIOCELLULAR MEDICAL INVESTMENTS LLC CONFIDENTIAL**

## SUBSCRIPTION DOCUMENTS: HOW TO SUBSCRIBE

In order to invest in the units of limited liability company interests (the “Units”) that are being offered by **BIOCELLULAR MEDICAL INVESTMENTS LLC**, a Delaware limited liability company (the “Company”), please complete, sign, and return this Subscription Booklet in accordance with the instructions contained herein. No person is authorized to receive this booklet unless it is preceded or accompanied by a copy of the Company's Confidential Private Placement Memorandum dated April 5, 2025. Reproduction or circulation of this booklet, in whole or in part, is prohibited except as the Company may specifically approve.

1) *Subscription Agreement.* Each subscriber must complete, date and sign one copy of the Subscription Agreement. PLEASE DO NOT SIGN THE SUBSCRIPTION AGREEMENT UNTIL YOU HAVE READ AND UNDERSTAND IT AND ARE CERTAIN YOU CAN MAKE ALL OF THE REPRESENTATIONS AND WARRANTIES CONTAINED THEREIN.

**Individual Investors:** Investors that are natural persons must complete all information on the signature page labeled “Individual Investor.”

**Corporation, Partnership, or other Entity Investors:** Investors that are corporations, partnerships or other types of entities must complete all information on the signature page labeled “Partnership, Corporation, Trust or Other Entity.” In certain instances (as described on the signature page), the entity investor must also submit completed “Individual Investor” signature pages from each equity holder of the entity investor.

2) *Subscription Payment.* Payment for the Units subscribed must be made at the time the subscriber submits the Subscription Agreement to the Company. Subscription funds will be deposited directly into an escrow account to be established by the Company or an escrow agent (“Escrow Agent”), and shall be held until (i) receipt of one irrevocable subscription of Units, at which time the funds either remain in or are transferred to the Company’s operating account by the Escrow Agent (with interest earned, but less escrow charges, if any) or (ii) if sooner, April 5, 2026 (the date which is twelve months from the Offering Date) subject to extensions authorized by the Company. Subscribers may make payment by either delivering a check made payable to "BIOCELLULAR MEDICAL INVESTMENTS LLC", to the Escrow Agent at the address set forth on retention or instituting a wire transfer to the account provided at the time of subscription.

3) *Submission of Documents.* Unless you are otherwise instructed at the time the Confidential Private Placement Memorandum is delivered to you, all completed documents should be delivered to the Company to MFerebee@TFGFirm.com Attn: Melvin James Ferebee III Esq. If you have any questions relating to an investment in the Company, please contact Mr. Ferebee at 346-877-2763. If you have any questions relating to the process of completing this Subscription Booklet, please contact the Company’s legal counsel, Melvin James Ferebee III Esq., at (346) 877-2763.

4) *Acceptance of Subscription.* Subscriptions will be accepted in the sole discretion of the Company, and the Company reserves the right to reject tendered subscriptions in whole or in

part for any reason or for no reason. If your subscription is accepted, you will receive a copy of your Subscription Agreement executed by the Company.

**BIOCELLULAR MEDICAL INVESTMENTS LLC  
SUBSCRIPTION AGREEMENT**

Ladies and Gentlemen:

The undersigned (the “Subscriber”) hereby tenders this subscription to BIOCELLULAR MEDICAL INVESTMENTS LLC, a Delaware limited liability company (the “Company”), on the following terms and conditions:

1. **Subscription.** Subscriber hereby subscribes to purchase the number of units of limited liability company interests (the “Units”) set forth above the name of the Subscriber on the signature page of this Subscription Agreement. The Units are being offered in increments of \$1,000,000 and are subject to the terms of the offering (the “Offering”) described in the Company's Confidential Private Placement Memorandum dated November 6, 2024 (the “Memorandum”). The minimum subscription is \$25,000; however, the Manager reserves the right to reduce the minimum subscription amount, including accepting investments as low as \$1.00, particularly in connection with the Company’s Rule 506(b) Friends and Family raise. All such exceptions shall be properly documented by the Manager.
  
2. **Payment of Purchase Price; Delivery of Document.** With respect to the Units for which Subscriber is subscribing, Subscriber is either submitting a check payable to the order of "BIOCELLULAR MEDICAL INVESTMENTS LLC" to the Escrow Agent or is initiating a wire transfer, in the amount set forth on the signature page and concurrently with the Subscriber’s submission of this Subscription Booklet. Subscriber understands that the execution of this Subscription Agreement constitutes an offer to subscribe for the number of Units set forth above the name of Subscriber on the signature page of this Subscription Agreement, on the terms and conditions specified herein. The Escrow Agent and wire transfer account number shall be provided to Subscriber upon submission of the subscription booklet.
  
3. **Representations and Warranties of Subscriber.**  
To induce the Company to accept this Subscription, Subscriber hereby represents and warrants as follows:
  - A) Subscriber has received the Memorandum and has read it carefully and is fully familiar with the contents thereof and has received no solicitation or general advertisement, has attended no seminar or meetings, and has received no other written communication regarding the Offering.
  
  - B) Subscriber confirms that no representations have been made to Subscriber other than those contained in the Memorandum or as contained in any documents or answers to

questions so furnished to him by the Company and that Subscriber has not relied upon any representation or warranty not contained therein in making this Subscription.

C) All information which the Subscriber has provided to the Company concerning Subscriber and Subscriber's financial position is correct and complete as of the date set forth below, and if there should be any material change in such information, Subscriber will immediately provide such information to the Company.

D) The Subscriber hereby warrants and represents that the Subscriber qualifies as an Accredited Investor as defined under Rule 501 of Regulation D of the Securities Act of 1933 and meets the applicable suitability standards. The Subscriber further confirms that they have obtained the necessary third-party verification from an authorized verifier (such as an attorney, CPA, or broker-dealer), which certifies the Subscriber's status as an Accredited Investor. The Subscriber acknowledges that this verification was conducted within the past 90 days and confirms that all information provided in this regard is accurate and complete. Furthermore, the Subscriber agrees to furnish any documentation requested by the Company to substantiate their Accredited Investor status and understands that failure to meet these standards may result in the rejection of the Subscription.

E) Subscriber has the ability to bear the economic risk of this investment and can afford a complete loss of Subscriber's investment. Subscriber has had prior experience with investments of similar nature.

F) Subscriber is purchasing the Units for investment purposes only, for Subscriber's own account and not with a view to, or for sale in connection with, the distribution thereof.

G) Subscriber is familiar with the nature of, and risks attendant to, investments in the Units and has determined that the purchase of the Units is consistent with Subscriber's investment objectives.

H) Subscriber confirms that all documents, records, and books pertaining to Subscriber's subscription have been made available to Subscriber and Subscriber also confirms that Subscriber has been given an opportunity to make any further inquiries of the Company or its representatives that Subscriber desires to make.

I) If Subscriber is a partnership, a corporation, a trust or other entity, the person executing this Subscription Agreement has the full power and authority to execute and deliver this Subscription Agreement on behalf of the subscribing entity for which he is

executing this Subscription Agreement. Such entity has full power and authority to execute and deliver this Subscription Agreement, and the signature of the undersigned is binding upon such partnership, corporation, trust, or other entity.

J) The Subscriber, if an individual, is a bona fide resident of the State set forth in Subscriber's address below and agrees that, if Subscriber's principal residence is changed prior to purchase of the Units, Subscriber will promptly notify the Company, and if the change is to a State in which offers and/or sales of Units in the manner contemplated by the Company is prohibited by applicable law, that any offer to sell the Units to Subscriber prior to notification of the change shall be deemed retracted and Subscriber shall no longer be entitled to purchase Units pursuant to such offer.

K) In evaluating the merits and risks relating to Subscriber's subscription, Subscriber has relied upon the advice of the following person or persons who Subscriber acknowledges has acted as Subscriber representative(s) (if none, state "None"):

Name:

Address:

L) Subscriber is aware of and understands the following:

i) The "Risk Factors" set forth in the Memorandum;

ii) No federal or state agency has made a finding or determination as to the fairness for investment or any recommendation or endorsement of the Units; and

iii) There are substantial restrictions on the transferability of the Units; the Units will not be registered under the Securities Act of 1933 for resale and there will be no public market for the Units.

THE UNITS DESCRIBED HEREIN ARE NOT REGISTERED FOR SALE TO THE PUBLIC UNDER THE SECURITIES ACT OF 1933, NOR ARE THE UNITS REGISTERED UNDER THE SECURITIES REGULATION LAWS OF ANY STATE AS A PUBLIC OFFERING AND THE MEMORANDUM HAS NOT BEEN REVIEWED BY EITHER THE SECURITIES AND EXCHANGE COMMISSION OR STATE SECURITIES COMMISSIONER OF ANY STATE.

M) This subscription may be accepted or rejected in whole or in part by the Company in its sole and absolute discretion.

N) Prior to Company's acceptance/rejection of the Subscription, Subscriber's payments will be held in an escrow account to be maintained by Company with Escrow Agent. Subscriber hereby acknowledges that Escrow Agent is acting solely as Escrow Holder in connection with the offering of Units and makes no recommendation with respect thereto. Escrow Agent has made no investigation regarding the Offering, the Company, the Manager or any other person or entity involved in the Offering.

IF THIS SUBSCRIPTION IS ACCEPTED, SUBSCRIBER AGREES THAT THE REPRESENTATIONS AND WARRANTIES OF SUBSCRIBER SET FORTH IN THIS PARAGRAPH AND ELSEWHERE IN THIS SUBSCRIPTION AGREEMENT SURVIVE THE ACCEPTANCE OF THIS SUBSCRIPTION.

4. **Indemnification.** Subscriber hereby agrees to indemnify and hold harmless the Company and each of its officers and directors thereof, from and against any and all loss, damage, liability, cost, or expense (including reasonable attorney's fees) due to or arising out of a breach of any representation or warranty of Subscriber contained in this Subscription Agreement.
5. **Irrevocable by Subscriber; Acceptance by the Company.** Subscriber agrees that if this Subscription is accepted (and the Offering is not terminated as provided herein), the Subscription is irrevocable, and Subscriber shall execute any and all further documents necessary in connection therewith.
6. **No Assignment or Transfer.** This Subscription Agreement or any interest of Subscriber herein may not be transferred or assigned by Subscriber without the prior written consent of the Company.
7. **Binding Effect.** This Subscription Agreement and the representations and warranties contained herein shall be binding upon the heirs, executors, administrators, and other successors of the undersigned and this Subscription Agreement shall inure to the benefit of and be enforceable by the Company. If there is more than one signatory hereto, the obligations, representations, warranties, agreements of the undersigned are made jointly and severally.
8. **Governing Law.** This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware.

9. **Venue.** The parties stipulate and agree that the state courts of the State of Delaware are courts of competent jurisdiction with respect to any dispute between the parties.
  
10. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all of the parties. In the event that any provision of this Subscription Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

**SIGNATURE PAGE: INDIVIDUAL INVESTOR**

**Subscription Information (Please Print)**

Number of Units Subscribed (.025 Unit Minimum @ \$1,000,000/Unit.):                     

Aggregate Subscription Amount (\$1,000,000/Unit):                     

Payment Options:

Via wire transfer to: (Wire instruction will be furnished by Company on request)

Name of Subscriber:  
\_\_\_\_\_

Social Security Number of Subscriber:  
\_\_\_\_\_

Address of Subscriber:  
Street: \_\_\_\_\_  
City: \_\_\_\_\_  
State/Zip: \_\_\_\_\_

Telephone Number of Subscriber: Day: \_\_\_\_\_

Evening: \_\_\_\_\_

Subscriber Email Address: \_\_\_\_\_

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**Confidential Subscriber Information**

In order to ensure that the Units are sold pursuant to an appropriate exemption from registration under the Securities Act of 1933 and state securities laws, the investor hereby furnishes the Company with the following information by checking all the boxes below preceding any statement that is applicable. All information contained herein will be kept confidential by the Company. The investor hereby certifies that the information contained in the following checked statements is true and correct and agrees to notify the Company of any changes that occur in any information prior to the Company's acceptance of this subscription:

- I am a natural person whose individual net worth (or joint net worth with spouse) , excluding the value of my primary residence, will exceed \$1,000,000 at the time of purchase.
- I am a natural person who has had, during each of the past two years, an individual income in excess of \$200,000, or joint income with my spouse in excess of \$300,000 in each of those years, and I reasonably expect to reach the same income level in the current year.

- I am a natural person holding, in good standing, one or more professional certifications, designations or other credentials issued by an accredited educational institution, which the Securities and Exchange Commission may designate from time to time, as qualifying. Presently holders in good standing of the Series 7, Series 65, and Series 82 licenses will qualify as an accredited investor.
  
- I am a “knowledgeable employee” as defined in Rule 3c-5(a)(4) under the Investment Company Act of 1940, of the private -fund issuer of the securities being offered or sold.

IN WITNESS WHEREOF, I have executed this Subscription Agreement, on the dates set forth below:

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

**SIGNATURE PAGE: PARTNERSHIP, CORPORATION, TRUST, OR OTHER ENTITY**

**Subscription Information (Please Print)**

Number of Units Subscribed (.025 Unit Minimum @\$1,000,000/Unit.):                     

Aggregate Subscription Amount (\$1,000,000/Unit):                     

Payment Options:

Via wire transfer: (Wire instruction will be furnished by Company on request).

Name of Subscriber: \_\_\_\_\_

Type of Entity (i.e., partnership, corporation, trust, etc.): \_\_\_\_\_

Principal Business of Entity: \_\_\_\_\_

State under which Entity was formed: \_\_\_\_\_

Year of Formation: \_\_\_\_\_

If Partnership, Number of Partners: \_\_\_\_\_

If Limited Partnership, Name of General Partner, and Number of Limited Partners:  
\_\_\_\_\_

If Trust, Name of Trustee:  
\_\_\_\_\_

Tax I.D. Number of Entity: \_\_\_\_\_

Address of Entity: \_\_\_\_\_

Street: \_\_\_\_\_

City: \_\_\_\_\_

State/Zip: \_\_\_\_\_

Telephone Number of Entity: \_\_\_\_\_

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**Confidential Subscriber Information**

In order to ensure that the Units are sold pursuant to an appropriate exemption from registration under the Securities Act of 1933 and state securities laws, the investor hereby furnishes the Company with the following information by checking all the boxes below preceding any statement that is applicable. All information contained herein will be kept confidential by the Company. The investor hereby certifies that the information contained in the following checked statements is true and correct and agrees to notify the Company of any changes that occur in any information prior to the Company's acceptance of this subscription:

The Entity is:

- A bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the “1934 Act”); any insurance company as defined in Section 2(13) of the Securities Act; any investment company registered under the Investment Company Act of 1940 as amended (the “1940 Act”) or Business Development Company as defined in Section 2(a)(48) of the 1940 Act; any 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;
- An ERISA Plan if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended, 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 that are accredited investors, as defined in Rule 501 under the Securities Act;
- A 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;
- A private business development company as defined in Section 202(a)(22) of the 1940 Act;
- An organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or a corporation, Massachusetts or similar business trust, or partnership (which may include endowments or foundations), not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- A trust (which may include endowments or foundations), with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Securities Act; or
- Any other entity not formed for the specific purpose of acquiring the securities offered in which all of the equity owners are accredited investors, as defined in Rule 501 under the Securities Act.

IN WITNESS WHEREOF, I have executed this Agreement, on the dates set forth below:

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(Name of Partnership, Corporation, Trust, etc.)

(Please attach evidence of the entity's existence and evidence authorizing authority to invest)

**Acceptance of Subscription**

The foregoing subscription of \_\_\_\_\_ is accepted by BIOCELLULAR MEDICAL INVESTMENTS LLC as of the following date:

BIOCELLULAR MEDICAL INVESTMENTS LLC, a Delaware Limited Liability Company

By: EQUITABLE CLINICAL INITIATIVES LLC (“ECI”), a Wyoming Limited Liability Company

Its: Manager

Signature: \_\_\_\_\_  
\_\_\_\_\_, Manager