

SUPERIOR OSTRICH, INC.

Confidential Private Placement Memorandum
November 16, 2020

SUBSCRIPTION INSTRUCTIONS

Review the Confidential Private Placement Memorandum, dated November 16, 2020, and the Subscription Agreement attached as Exhibit A. Please complete and return a signed copy of the Subscription Agreement and the Accredited Investor Page for U.S. Purchasers or Regulation S Page for Non-U.S. Purchasers, as applicable. By reading the information contained within this document, the recipient agrees with Superior Ostrich, Inc. (the “Company”) to maintain in confidence such information together with any other non-public information obtained from the Company. The Company has caused these materials to be delivered to you in reliance upon such agreement and upon Rule 100(b)(2)(ii) of Regulation D as promulgated by the Securities and Exchange Commission.

RETURN THE SIGNED AND COMPLETED SUBSCRIPTION AGREEMENT AND ACCREDITED INVESTOR PAGE FOR U.S. PURCHASERS OR REGULATION S PAGE FOR NON-U.S. PURCHASERS TO:

PHX Financial Inc., 100 Wall Street, 10th Floor, New York, New York 10005
Attention: Kevin Chen, Telephone: (212) 776-4187 Facsimile: (212) 514-5399

The Company reserves the right to reject, in whole or in part, in its sole discretion, any subscription. If the Company rejects all or a portion of any subscription, a check will be promptly mailed to the subscriber for all, or the appropriate portion of, the amount submitted with such subscriber’s subscription.

PAYMENT INSTRUCTIONS

Each subscriber will be required to send a check payable to “WILMINGTON TRUST, N.A., as Escrow Agent for Superior Ostrich, Inc.” at the address listed in the Subscription Instructions, or send a wire transfer for the amount subscribed. The subscriber must also send a signature page that will evidence such prospective investor’s execution of the Subscription Agreement and a completed Accredited Investor Page for U.S. Purchasers or Regulation S Page for Non-U.S. Purchasers, as applicable, attached thereto.

Subscribers may pay the subscription amount by wire transfer to the escrow account:

Wilmington Trust Company
ABA #: 031100092
A/C #: 142199-000
A/C Name: Superior Ostrich, Inc II. Escrow
Attn: Boris Treyger
Remark: [Insert Name of Purchaser exactly as it appears on the Signature Page]

International Wires:

M&T
Buffalo, New York
ABA: 022000046
SWIFT: MANTUS33
Beneficiary Bank: Wilmington Trust
Beneficiary ABA: 031100092
A/C #: 142199-000
A/C Name: Superior Ostrich, Inc. II Escrow

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

FOR ACCREDITED INVESTORS ONLY



SUPERIOR OSTRICH INC.

Up to 1,000,000 Shares of Common Stock

Superior Ostrich, Inc., a Nevada corporation (the “Company,” “Superior Ostrich,” “we,” or “us”), is offering (the “Offering”) up to 1,000,000 shares (the “Shares”) of its Common Stock, par value \$0.001 per share (the “Common Stock”) (subject to reduction in the sole discretion of the Company), at a purchase price of \$3.00 per share, for aggregate gross proceeds of \$3,000,000 to “Accredited Investors” as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), or persons who are not U.S. persons as defined under Rule 902 of Regulation S promulgated under the Securities Act, until the earlier of (i) that date upon which subscriptions for the maximum amount of Shares have been received and accepted by the Company, or (ii) 90 days from the date of this Confidential Private Placement Memorandum (the “Memorandum”), subject to a 90-day extension at the option of the Company, without further notice to investors, unless earlier terminated by the Company (the “Termination Date”).

The minimum investment amount by any one investor is \$30,000 representing 10,000 Shares; provided, however, the Company, in its sole discretion, may accept an investor subscription for an amount less than the minimum investment amount. The Company may reject subscriptions in its sole discretion, in whole or in part. If the Offering is over-subscribed, the Company may determine, in its sole discretion, to reject subscriptions, in whole or in part, or to allocate to any prospective investor less than the subscription amount to which the investor subscribed.

All subscription amounts will be held in a non-interest-bearing escrow until the closing conditions have been met. The Initial Closing (as defined herein) of this Offering shall be subject to subscriptions being received from Accredited Investors and accepted by the Company. Upon acceptance by the Company of subscriptions after the date hereof, the Company shall have the right at any time thereafter, prior to the Termination Date, to affect an initial closing with respect to this Offering (the “Initial Closing”). Thereafter, the Company shall continue to accept additional subscriptions for, and continue to have closings (together with the Initial Closing, each a “Closing”), from time to time until the Termination Date.

AN INVESTMENT IN THE SECURITIES INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN AFFORD TO SUSTAIN A LOSS OF THEIR ENTIRE INVESTMENT. SEE “RISK FACTORS.”

None of the Securities offered hereby have been registered with the Securities and Exchange Commission (the “SEC”) nor do they trade in any market. Investors who purchase the Shares and, correspondingly, the underlying shares of common stock issuable upon conversion of the Shares, should do so only if they are prepared to own an investment for which there is currently no or limited liquidity. The Securities are subject to restrictions on transferability and resale and may not be transferred or resold except pursuant to registration under or exemption from the Securities Act and applicable state securities laws. As a result, you will be required to bear the financial risks of this investment for an indefinite period of time.

Neither the SEC nor any state securities commission has approved or disapproved the sale of these securities or passed upon the adequacy or accuracy of the Memorandum. Any representation to the contrary is a criminal offense.

The Offering	Price to Investors	Placement Agent Fees ⁽¹⁾	Proceeds to Company ⁽²⁾
Price per share	\$3.00	\$0.39	\$2.61
The Offering	\$3,000,000.00	\$390,000.00	\$2,610,000.00

- (1) The Placement Agent (as defined herein) will receive a cash fee equal to 10% of the aggregate gross proceeds received from a sale of Shares to investors and exclusive of a non-allocable expense reimbursement equal to 3% of the gross proceeds raised from all investors.
- (2) The Investment Bank (as defined herein) will receive 300,000 shares of Restricted Stock Vesting Upon Change of Control ("COC) payable in two tranches of 150,000. The first tranche of 150,000 COC shares is payable on February 13, 2021. The second tranche of 150,000 COC shares is payable on May 13, 2021
- (3) Excludes legal and other expenses of the Offering that are not currently expected to exceed \$50,000.00.

THE INFORMATION PROVIDED HEREIN IS HIGHLY CONFIDENTIAL AND HAS BEEN PREPARED BY THE COMPANY SOLELY FOR USE IN CONNECTION WITH THE OFFERING.

INVESTMENT IN THE SECURITIES INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THIS INVESTMENT AND WHO ARE ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT, INCLUDING TOTAL LOSS.

NOTICES RELATING TO U.S. SECURITIES LAWS

THE SECURITIES TO BE OFFERED AND SOLD HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES ACT. THE SECURITIES ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH ACTS. THE SECURITIES ARE BEING OFFERED AND SOLD ONLY TO BONA FIDE RESIDENTS OF STATES IN WHICH SUCH EXEMPTION IS AVAILABLE, WHO CAN MEET CERTAIN REQUIREMENTS, INCLUDING NET WORTH AND INCOME REQUIREMENTS, AND WHO PURCHASE THE SECURITIES WITHOUT A VIEW TO DISTRIBUTION OR RESALE.

INVESTMENT IN THE SECURITIES HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER REGULATORY AUTHORITY NOR HAS ANY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY STATE OR IN ANY OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED. IN ADDITION, THE MEMORANDUM CONSTITUTES AN OFFER ONLY IF RECEIVED FROM AN AUTHORIZED REPRESENTATIVE OF THE COMPANY. THE COMPANY RESERVES THE RIGHT TO WITHDRAW OR AMEND FOR ANY REASON THE OFFERING AND TO REJECT ANY SUBSCRIPTION AGREEMENT FOR ANY REASON.

THE OFFERING IS BEING MADE IN RELIANCE UPON THE AVAILABILITY OF AN EXEMPTION FROM THE REGISTRATION PROVISIONS OF THE SECURITIES ACT BY VIRTUE OF THE INTENDED COMPLIANCE WITH THE PROVISIONS OF REGULATION D AND SECTION 4(a)(2) OF SUCH ACT. ACCORDINGLY, AMONG OTHER THINGS, NO GENERAL OR PUBLIC SOLICITATION OR ADVERTISING SHALL BE EMPLOYED IN THE OFFERING OF THE SECURITIES. NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THE OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON; PROVIDED, HOWEVER, THAT NOTHING HEREIN CONTAINED SHALL LIMIT THE OPPORTUNITY OF ANY OFFEREE OR SUCH OFFEREE'S REPRESENTATIVE, ACCOUNTANT OR ATTORNEY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING, OR TO OBTAIN ADDITIONAL INFORMATION NECESSARY TO VERIFY THE ACCURACY OR ADEQUACY OF ANY OF THE INFORMATION CONTAINED HEREIN OR IN ANY OTHER DOCUMENT REFERRED TO HEREIN. UNDER NO CIRCUMSTANCES SHALL THE DELIVERY OF THE MEMORANDUM OR SALE MADE HEREUNDER CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS OR THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF, OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THE MEMORANDUM. HOWEVER, IF ANY MATERIAL ADVERSE CHANGE OCCURS PRIOR TO THE TERMINATION OF THE OFFERING OF THE SECURITIES, THE MEMORANDUM WILL BE AMENDED OR SUPPLEMENTED ACCORDINGLY.

AN INDIVIDUAL PROSPECTIVE ACCREDITED INVESTOR, AS DEFINED IN RULE 501 OF REGULATION D, MUST REPRESENT IN HIS/HER SUBSCRIPTION AGREEMENT AND THE INVESTOR QUESTIONNAIRE ATTACHED THERETO (MADE A PART HEREOF AND ATTACHED HERETO AS EXHIBIT A) WITH THE COMPANY THAT HE/SHE HAS: A NET WORTH (EXCLUSIVE OF RESIDENCE AND ALL PERSONAL PROPERTY) OF AT LEAST \$1 MILLION OR THAT HIS GROSS INCOME HAS EQUALED OR EXCEEDED \$200,000 (OR \$300,000 TOGETHER WITH THE INVESTOR'S SPOUSE)

DURING EACH OF THE LAST TWO YEARS AND IS EXPECTED TO DO SO FOR THE CURRENT YEAR. EACH PROSPECTIVE ACCREDITED INVESTOR WILL BE REQUIRED TO REPRESENT AND/OR DEMONSTRATE TO THE SATISFACTION OF THE COMPANY THAT: (1) HE/SHE HAS SUCH SOPHISTICATION, KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT HE/SHE IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF THIS INVESTMENT AND (2) HE/SHE IS ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT, INCLUDING TOTAL LOSS, AND (3) THAT HE/SHE IS PURCHASING THE SECURITIES FOR HIS OWN ACCOUNT AND NOT FOR RESALE.

NO ASSURANCE IS MADE THAT THE COMPANY WILL ULTIMATELY SUCCEED IN ITS BUSINESS PLAN. THE PURCHASE OF THE SECURITIES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE SECURITIES SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD A TOTAL LOSS OF HIS/HER INVESTMENT.

TRANSFER OF THE SECURITIES (WHICH ARE CONSIDERED “SECURITIES” AS DEFINED UNDER THE SECURITIES ACT AND UNDER CERTAIN STATE BLUE SKY LAWS) IS SPECIFICALLY RESTRICTED UNDER THE SUBSCRIPTION AGREEMENT BECAUSE THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT.

IF A PROSPECTIVE PURCHASER ELECTS NOT TO MAKE A PURCHASE OFFER OR SUCH PURCHASE OFFER IS REJECTED BY THE COMPANY, SAID OFFEREE, BY ACCEPTING DELIVERY OF THE MEMORANDUM, AGREES TO IMMEDIATELY RETURN THE MEMORANDUM AND ALL RELATED DOCUMENTS APPENDED HERETO TO THE COMPANY.

NOTICE TO RESIDENTS OF ALL STATES

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE WITHIN THE UNITED STATES AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THIS MEMORANDUM HAS BEEN PREPARED IN CONNECTION WITH THE CONFIDENTIAL PRIVATE PLACEMENT OF THE SECURITIES AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. NO REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, BY ANY PERSON OR ENTITY, MAY BE MADE WITHOUT THE WRITTEN PERMISSION OF THE COMPANY.

FOR RESIDENTS OF ALL STATES

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF OUR COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND

APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT.

NASAA UNIFORM LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NOTICE TO FOREIGN INVESTORS

IF YOU LIVE OUTSIDE THE UNITED STATES, IT IS YOUR RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES.

CONFIDENTIALITY

BY ACCEPTING DELIVERY OF THE MEMORANDUM, YOU ACKNOWLEDGE AND AGREE THAT ALL OF THE INFORMATION CONTAINED HEREIN IS OF A CONFIDENTIAL NATURE AND THAT THE MEMORANDUM HAS BEEN FURNISHED TO YOU BY THE COMPANY SOLELY FOR YOUR CONFIDENTIAL USE FOR THE PURPOSE OF ENABLING YOU TO CONSIDER AND EVALUATE AN INVESTMENT IN THE OFFERED SECURITIES. YOU AGREE THAT YOU WILL TREAT SUCH INFORMATION IN A CONFIDENTIAL MANNER, WILL NOT USE SUCH INFORMATION FOR ANY PURPOSE OTHER THAN EVALUATING AN INVESTMENT IN THE OFFERED SECURITIES, AND WILL NOT, DIRECTLY OR INDIRECTLY, DISCLOSE OR PERMIT YOUR AGENTS OR AFFILIATES TO DISCLOSE ANY OF SUCH INFORMATION WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY. YOU ALSO AGREE TO MAKE YOUR REPRESENTATIVES AWARE OF THE TERMS OF THIS PARAGRAPH AND TO BE RESPONSIBLE FOR ANY BREACH OF THIS AGREEMENT BY SUCH REPRESENTATIVES. LIKEWISE, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY, YOU AGREE THAT YOU WILL NOT, DIRECTLY OR INDIRECTLY, MAKE ANY STATEMENTS, ANY PUBLIC ANNOUNCEMENTS, OR ANY RELEASE TO ANY TRADE PUBLICATION OR TO THE PRESS WITH RESPECT TO THE SUBJECT MATTER OF THE MEMORANDUM. IF YOU DECIDE NOT TO PURSUE FURTHER INVESTIGATION OF AN INVESTMENT IN THE OFFERING OR TO NOT PARTICIPATE IN THE OFFERING, YOU AGREE TO PROMPTLY RETURN THE MEMORANDUM AND ANY ACCOMPANYING DOCUMENTATION TO THE COMPANY.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Before purchasing any of the Securities, you should carefully read and consider the risk factors described herein. You should be prepared to accept any and all of the risks associated with purchasing the Securities, including a loss of all of your investment.

Information contained or incorporated by reference in this Memorandum may include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words “may,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend” or “project” or the negative of these words or other variations on these words or comparable terminology.

This Memorandum contains forward-looking statements, including statements regarding, among other things:

- our ability to continue is a going concern;
- our ability to maintain profitability;
- our ability to produce, manage and fund our growth;
- our ability to attract and retain qualified personnel;
- unanticipated litigation with respect to, among other things, our business and intellectual property;
- our ability to do business internationally;
- our ability to compete with current and future competitors;
- our ability to obtain additional financing;
- general economic and business conditions; and
- other risks and uncertainties included in the section of this document titled “Risk Factors.”

These statements may be found under the “Business” section as well as in other sections of this Memorandum generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under “Risk Factors” and matters described in this Memorandum generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this Memorandum will in fact occur.

The Company’s forward-looking statements relate only to events as of the date on which the statements are made. The Company undertakes no obligation to publicly update or revise these forward-looking statements whether as a result of new information, future events, or otherwise, except as required by law, and we caution you not to place undue reliance on these forward-looking statements.

Third Party Data

This Memorandum may contain estimates and other information concerning our industry, including market size and growth rates, which are based on industry publications, surveys and forecasts, including those generated by us. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Although we believe the information in these industry publications, surveys and forecasts is reliable, we have not independently verified the accuracy or completeness of the information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.”

SECTION I - TERMS OF THE OFFERING

The following summary of certain information contained in this Confidential Private Placement Memorandum (the “Memorandum”) is qualified in its entirety by the more detailed information appearing elsewhere in this Memorandum. Each prospective investor is urged to read this Memorandum in its entirety. The Securities offered hereby involve a high degree of risk. Subscribers should carefully consider the information set forth under the heading “Risk Factors.”

You are encouraged to seek the advice of your attorney, tax consultant, and business advisor with respect to the legal, tax, and business aspects of an investment in the Company.

A. Offering Terms

<i>Issuer:</i>	Superior Ostrich, Inc., a Nevada corporation (the “Company”).
<i>Securities Offered:</i>	Shares of the Company’s Common Stock, par value \$0.001 per share (the “Common Stock”)
<i>Purchase Price:</i>	\$3.00 per Share (the “Purchase Price”)
<i>Minimum Purchase Amount:</i>	Minimum individual subscription amount is \$30,000.00 or (10,000) Shares, subject to the Company’s right to accept subscriptions for less than 10,000 Shares in their sole discretion.
<i>Offering Size:</i>	Up to 1,000,000 shares of Common Stock (subject to reduction in the sole discretion of the Company) (the “Shares”) for an aggregate purchase price of \$3,000,000.00 to Accredited Investors as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), or persons who are not U.S. persons as defined under Rule 902 of Regulation S promulgated under the Securities Act.
<i>Offering Period:</i>	Offering period will commence November 16, 2020 and continue until the earlier of (i) that date upon which subscriptions for the maximum amount of Shares have been received and accepted by the Company, or (ii) 90 days from the date of this Memorandum, subject to a 90-day extension at the option of the Company, without further notice to investors, unless earlier terminated by the Company.
<i>Common Stock Outstanding Prior to the Offering:</i>	9,117,347 Shares
<i>Common Stock Outstanding After the Offering assuming Maximum Subscription to the Offering:</i>	10,117,347 Shares
<i>Use of Proceeds:</i>	<p>The net proceeds to us from the sale of all of the Shares offered hereby, assuming all of the Shares offered herewith are sold, are estimated to be \$2,610,000.00 once assessable fees are paid to the Placement Agent.</p> <p>The Company will utilize the proceeds received from the sale of the Shares for (i) operational infrastructure; (ii) debt retirement; (iii) marketing and sales; (iv) expansion initiatives; (v) working capital and (vi) general corporate purposes. The</p>

Company will have broad discretion in the application of the proceeds. A further breakdown can be found below on page 19 under the title “USE OF PROCEEDS.”

Escrow:

All funds from this Offering shall be held in a non-interest-bearing trust escrow/trust account with Wilmington Trust, National Association, as escrow agent, and shall comply with all rules of applicable regulatory authorities, and state, provincial and federal laws. The subscription amount for the Shares will be paid to the Escrow Account established by the Escrow Agent, by wire, and held in escrow until satisfaction of all the conditions to the Closing.

Subscription Procedures:

Accredited investors interested in subscribing for Common Stock in this Offering must do the following:

- Deliver a completed and executed Subscription Agreement and Purchaser Questionnaire, which are attached to this Memorandum as Exhibit A and Exhibit C to the Placement Agent at the address provided in the Subscription Agreement.
- Deliver an amount equal to the Purchase Price multiplied by the number of Shares indicated on the signature page of the Subscription Agreement to the Escrow Agent by wire transfer using the wire transfer instructions provided in the Subscription Agreement.

Promptly following a Closing, information representing the Shares purchased in this Offering will be registered with the Company’s stock transfer agent of record.

Restrictions on Transfer:

The Shares offered hereby will be issued pursuant to registration exemptions under applicable securities laws, and, accordingly, will be restricted as to transferability under applicable securities laws. As a result, an investor must hold the Shares indefinitely and may not dispose or otherwise sell them without registration under applicable state securities laws unless exemptions from registration requirements are available under applicable securities laws. Moreover, in the event an investor desires to sell or otherwise dispose of any of the Shares, the investor will be required to furnish the Company with an opinion of counsel of recognized standing in form and substance reasonably acceptable to the Company that the transfer would not violate the registration requirements of applicable securities laws.

The Shares purchased by investors will be “restricted securities,” as such term is defined in Rule 144(a)(3) under the Securities Act, and may not be offered or resold by the investor without registration under the Securities Act and all applicable state securities laws or unless an exemption from such registration requirements is available, and will bear a restrictive legend to that effect.

Placement Agent:

PHX Financial, Inc. (d/b/a Phoenix Financial Services) (the “Placement Agent”), a New York, New York-based, registered broker-dealer member FINRA/SIPC, is acting as the placement agent for the Offering. The Offering will be made on a “best efforts” basis, as described in this Memorandum. The Placement Agent’s principal business address is 100 Wall Street, 10th Floor, New York, New York 10005.

We have agreed to provide the Placement Agent a cash commission in the amount of 10% of the aggregate gross proceeds at each closing plus a non-accountable expense in cash equal to 3% of the aggregate gross proceeds at each Closing. The

Placement Agent may, in its sole discretion, at its expense, appoint co-placement agents to offer and sell the Shares.

Consultants:

PHX Financial, Inc. is separately acting as an investment bank and consultant for the business providing advisory services related to the Company's business affairs and assistance in raising capital in accordance with the Company's business plan. All efforts by PHX Financial, Inc. are on a best efforts basis only. We have agreed to retain PHX Financial, Inc. and pay the consultant 300,000 shares of Restricted Stock Vesting Upon Change of Control ("COC") in two tranches of 150,000 the first on February 13, 2021, and the second on May 13, 2021. Further detail about the Company's relationship with PHX Financial Inc. is described below in Section III K. "Related Party Transactions".

Facilitated Growth, LLC ("FG"), is acting as a consultant for the business advising on general business affairs. We have agreed to retain FG and pay the consultant \$5,000 on a monthly basis for general business consulting services. FG is associated with the Placement Agent due to its ownership of a non-controlling 24.9% equity interest in a limited partnership which is the parent company of PHX Financial, Inc. Further detail about the Company's relationship with FG is described below in Section III K. "Related Party Transactions".

Risk Factors:

The Shares offered hereby involve a high degree of risk and should be considered only by persons who can afford the loss of their entire investment. Before investing in the Shares, prospective investors should carefully consider the information set forth under the heading "Risk Factors."

Confidentiality

This Memorandum is confidential, and none of its provisions or terms shall be disclosed to anyone who is not a perspective purchaser of the Securities contemplated herein, an officer or director of the Company or their agent, advisor or legal counsel, unless required by law.

Additional Information

For additional information concerning Superior Ostrich, Inc. or this Offering, please contact Joe Soto, Telephone: (718) 428-2710, Facsimile: (718) 764-8794

B. Description of Securities

Authorized Capital Stock

Our Articles of Incorporation, as amended, authorize the issuance of 510,000,000 shares of capital stock, of which there are 500,000,000 authorized shares of common stock, par value \$0.001 per share, and 10,000,000 authorized shares of preferred stock, par value \$0.001 per share. As of the date of this Memorandum, 9,117,347 shares of common stock were issued and outstanding, and 0 shares of Preferred Stock were issued and outstanding.

Common Stock

The holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. The holders of common stock are entitled to receive ratably, any dividends that may be declared from time to time by the board of directors, out of funds legally available for that purpose. In the event of our liquidation, dissolution, or

winding up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities. The common stock has no preemptive or conversion rights or other subscription rights. All outstanding shares of common stock are fully paid and non-assessable and the shares of common stock offered in this offering will be fully paid and not liable for further call or assessment. Our Articles of Incorporation do not provide for cumulative voting.

Preferred Stock

We are authorized to issue up to 10,000,000 shares of preferred stock, no par value per share. No shares of preferred stock are outstanding.

Options and Warrants

As of the date of this filing, the Company has issued 400,454 warrants, convertible to common stock, exercisable over a period of 5 years from date of issuance; 124,204 at an exercise price of \$9.53 per share, 5,000 at an exercise price of \$7.50 per share, 190,000 at an exercise price of \$5.00 per share, 6,250 at an exercise price of \$3.00 per share, and 75,000 at an exercise price of \$2.00 per share.

Certain Anti-Takeover Provisions of Nevada Law

We are subject to Nevada's *Combination with Interested Stockholders Statute* (NRS 73.411 et. Seq.).

The *Combination with Interested Stockholders Statute* prevents an "interested stockholder" and an applicable Nevada corporation from entering into a "combination," unless certain conditions are met. A "combination" means any merger or consolidation with an "interested stockholder" or affiliate of an "interested stockholder," or any sale, lease, exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions with an "interested stockholder" or affiliate of an "interested stockholder":

- Having an aggregate market value equal to 5% or more of the aggregate market value of the assets of the corporation;
- Having an aggregate market value equal to 5% or more of the aggregate market value of all the outstanding securities of the corporation; or
- Representing 10% or more of the earning power or net income of the corporation.

An "interested stockholder" means: (i) the beneficial owner of 10% or more of the voting securities of the corporation, or (ii) an affiliate or associate of the corporation who at any time within three (3) years immediately prior to the date in question was the beneficial owner of 10% or more of the voting securities of the corporation. A corporation may not engage in a "combination" within three (3) years after the interested stockholder acquired his securities unless the combination or the purchase of securities made by the interested stockholder was approved by the board of directors before the interested stockholder acquired such securities. If this approval is not obtained, then after the expiration of the three (3) year period, the business combination may be consummated; (a) if it is approved by a majority of the voting power held by the disinterested stockholders, or (b) if the consideration to be paid by the interested stockholder for disinterested shares of common and preferred stock, as applicable, is at least equal to the highest of:

- the highest price per share of such stock paid by the interested stockholder within the three (3) years immediately preceding the date of the announcement of the combination or in the transaction in which the person became an interested stockholder, whichever is higher, plus interest from that date through the date of consummation of the combination and less any dividends paid during the same period;
- the market value per share of such stock on the date of the announcement of the combination or the date the interested stockholder acquired the securities, whichever is higher, plus interest from that date

through the date of consummation of the combination and less any dividends paid during the same period; or

- for the holders of preferred stock, the highest liquidation value of the preferred stock, if it is greater than the value of both of the above, as applicable to preferred stock pursuant to the statute.

C. Determination of Price of the Shares

The price of the Shares may not necessarily bear any relationship to established valuation criteria such as earnings, book value or assets. Rather, the price of the Shares was determined as a result of our negotiations with the Placement Agent based upon various factors including prevailing market conditions, our future prospects and our capital structure. Due to the nature of the price of the Shares, such valuation may not be indicative of prices that may prevail for the Company's securities at any time or from time to time in the future.

D. Restrictions of Transfer of Shares

The Shares are subject to restrictions on transfer and have not been registered under the Securities Act. Such Shares must be held indefinitely unless:

- there is in effect a registration statement under the Securities Act covering the proposed disposition or transfer and such disposition or transfer is made in accordance with such registration statement;
- you notify us of the proposed disposition or transfer and obtain a legal opinion from our counsel or from outside counsel, at your cost and reasonably satisfactory to us, that such disposition or transfer will not require registration under the Securities Act;
- the Shares sold pursuant to an exemption from the registration requirements of the Securities Act afforded by Rule 144 of the Securities Act or similar rule then in effect, (or Section 4(1) under the Securities Act and our counsel, or an outside counsel reasonably satisfactory to us, provides a legal opinion, at your cost, that such disposition is exempt from registration under the Securities Act; or
- the restrictive legend may be removed, without volume or manner of sale requirements, pursuant to Rule 144 under the Securities Act, if applicable, or Section 4(1) under the Securities Act, and we have, or our counsel has, at our cost, instructed our transfer agent as to such legend removal.

The Shares issued in this Offering, will bear a legend setting forth these restrictions on transfer and any legends required by state securities laws.

E. Offering Period and Subscription Procedure

We are offering to sell to accredited investors up to 1,000,000 Shares at the offering price of \$3.00 per Share pursuant to the terms of this Memorandum, as well as the Subscription Agreement attached hereto as Exhibit A. The minimum number and aggregate purchase price of Shares that may be purchased by any investor is 10,000 Shares or \$30,000.00, respectively, unless the Company waives such requirement in its sole discretion.

Affiliates, and the officers and directors of the Company may purchase Shares in the Offering for their own accounts on the same terms as set forth herein.

Upon acceptance by the Company of subscriptions after the date hereof of subscriptions, the Company shall have the right at any time, prior to the Termination Date (as defined below), to affect an initial closing with respect to this Offering (the "Initial Closing"). Thereafter, the Company shall continue to accept additional subscriptions for, and continue to have closings (together with the Initial Closing, each a "Closing"), with respect to subscriptions for Shares from investors from time to time and at any time up to the earlier of (i) the date upon which subscriptions for the Maximum Offering offered hereunder have been accepted, (ii) 90-days after the date hereof which period may be extended without further notice to prospective investors by the Company and the Placement Agent, in their

mutual discretion, to a date not later than 180-days after the date hereof, or (ii) the date upon which the Company and the Placement Agent elect to terminate the Offering (the “Termination Date”).

We shall be responsible for paying the legal fees and expenses incurred in connection with the registration of the Shares being sold in this Offering under the *State Blue Sky Law* of the various states in which the Shares are sold.

If after careful review of this Memorandum, completion of your investigation of the Company, consideration of the risks involved in an investment in the Shares, satisfaction of all questions or concerns related to such an investment decision, and your determination that you meet the suitability requirements provided herein and in the subscription documents, you wish to subscribe for the Securities, then review, complete and deliver the subscription documents and the purchase price as directed herein prior to the date the Offering terminates.

By signing and returning the Subscription Agreement to us, you will:

- 1) Commit to purchase the number of Shares that you enter on the signature page, at the price specified on that page, if we accept your subscription;
- 2) Make various representations and warranties to us, including that you:
 - Recognize that an investment in our Shares is speculative and involves a high degree of risk,
 - Are a knowledgeable and experienced investor, and an accredited investor within the meaning of *Regulation D* under the *Securities Act* and as amended by the *Dodd-Frank Wall Street Reform and Consumer Protection Act*.
 - Are purchasing the Shares for your own account, for investment, not with a view to the resale or distribution of the Shares until a registration statement is declared effective by the Commission or you are permitted to sell under *Rule 144* and that the Shares will contain a restrictive legend to that effect,
 - Must bear the economic risk of your investment in the Shares unless and until a registration statement is declared effective by the Commission or you are permitted to sell under *Rule 144*, which rule does not become available for at least six months and contains specified limitations and requirements, and
 - Were given access to any information about us that you requested, including the opportunity to ask questions of our management.

To subscribe for the Shares offered herein:

- 1) Review, complete, execute, and deliver to the Company (at the address provided in the Subscription Agreement) prior to the termination date the Subscription Agreement attached to this Memorandum as Exhibit A; and
- 2) Deliver to the Escrow Agent, prior to the Termination Date, the full purchase price for the Shares you wish to purchase by wire transfer using the wire transfer instructions provided in the Subscription Agreement. Wires should include the account number and the Escrow Agent’s routing number (as indicated in Exhibit A attached hereto - the Subscription Agreement).

The Company will offer the Shares through the Placement Agent. We have agreed to provide the Placement Agent a cash commission in the amount of ten percent (10%) of the aggregate gross proceeds at each closing plus a non-accountable expense in cash equal to three percent (3%) of the aggregate gross proceeds at each closing. The Placement Agent may, in its sole discretion, at its expense, appoint co-placement agents to offer and sell the Shares.

The subscription documents and the funds representing the purchase price will be held by the Escrow Agent until acceptance of the subscription and satisfaction of all closing conditions to this Offering. You may not withdraw funds deposited into escrow. The Company may accept any subscription, in whole or in part, or reject any

subscription, in its sole discretion for any reason whatsoever and terminate this Offering at any time prior to their acceptance of subscriptions. In the event that your subscription is rejected or this Offering is otherwise terminated or withdrawn, funds delivered by you to the Escrow Agent will be returned to you without interest or deduction. If this Offering is oversubscribed, the Company may determine, in its sole discretion, to reject subscriptions in whole or in part or to allocate to any prospective investor less than the number of Shares to which the investor subscribed, subject to the Company's obligation to return to any prospective investor funds transmitted by such investor in respect of a rejected subscription, in whole or in part.

No assurance can be given that all or any portion of Shares offered hereby will be sold.

The Placement Agent and the Company have established an Escrow Account at WILMINGTON TRUST, N.A.

On the closing date of the Offering, the Escrow Agent will release the funds and the subscription documents pursuant to the terms and conditions of the escrow agreement. Promptly following each Closing, the Company will submit to the Company's transfer agent of record a ledger representing the Shares purchased in this Offering. A Statement of Account will be made available for each Subscriber upon request.

F. Investor Suitability Standards

PURCHASE OF THE SHARES INVOLVES SIGNIFICANT RISKS AND IS A SUITABLE INVESTMENT ONLY FOR CERTAIN TYPES OF POTENTIAL INVESTORS. SEE "RISK FACTORS."

The purchase of the Shares is suitable only for investors who have no need for liquidity in their investments and who have adequate means of providing for their current needs and contingencies even if the investment in the Shares results in a total loss. The Shares will be sold only to prospective investors that qualify as "accredited investors" under *Regulation D* promulgated under the *Securities Act* and as amended by the *Dodd-Frank Wall Street Reform and Consumer Protection Act*. "Accredited Investors" are those investors which make certain written representations that evidence that the investor comes within one of the following categories:

- (1) any bank, as defined in *Section 3(a)(2)* of the *Securities Act* or any savings and loan association or other institution, as defined in *Section 3(a)(5)(A)* of the *Securities Act*, whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to *Section 15* of the *Exchange 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* or a business development company as defined in *Section 2(a)(48)* of that 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*; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning 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;
- (2) any private business development company as defined in *Section 202(a)(22)* of the *Investment Advisers Act of 1940*;
- (3) 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;
- (4) any director or executive officer of the Company;

- (5) any natural person whose individual net worth, or joint net worth with that person's spouse, presently exceeds \$1,000,000. For purposes of calculating net worth under this paragraph, (i) the primary residence shall not be included as an asset, (ii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iii) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to investing in this Offering, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.
- (6) 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 that same income level in the current year;
- (7) any trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Common Stock, whose purchase is directed by a sophisticated person as described in *Rule 506(b)(2)(ii) of Regulation D*; and
- (8) any entity in which all of the equity owners are accredited investors.

Prospective investors will be required to represent in writing that they meet the suitability standards set forth above, which represent minimum suitability requirements for prospective investors. Satisfaction of such standards by a prospective investor does not mean that the Shares are a suitable investment for such investor. In addition, certain states may impose additional or different suitability standards which may be more restrictive.

As used in this Memorandum, the term "net worth" means the excess of total assets over total liabilities. In determining income, an investor should add to his or her adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depreciation, contributions to an IRA or Keogh retirement plan, alimony payments and any amount by which from long-term capital gains has been reduced in arriving at adjusted gross income. For purposes of calculating net worth under this paragraph, (i) the primary residence shall not be included as an asset, (ii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iii) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to the execution of this Subscription Agreement, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

We may make or cause to be made such further inquiry and obtain such additional information as we deem appropriate with regard to the suitability of prospective investors. We may reject subscriptions in whole or in part if, in our discretion, we deem such action to be in our best interests. If the Offering is oversubscribed, we will determine at our option, whether over-subscriptions will be accepted and if so, which subscriptions will be accepted.

If any information furnished or representations made by a prospective investor or others acting on its behalf mislead us as to the suitability or other circumstances of such investor, or if, because of any error or misunderstanding as to such circumstances, a copy of this Memorandum is delivered to any such prospective investor, the delivery of this Memorandum to such prospective investor shall not be deemed to be an offer and this Memorandum must be returned to us immediately.

G. Additional Information

We will make available to each prospective Investor, the opportunity to ask questions of, and receive answers from, us or a person acting on our behalf concerning the terms and conditions of this Offering, the Company, or any other relevant matters. The Company will respond with any additional information necessary and not of a proprietary nature to verify the accuracy of the information set forth in this Memorandum, to the extent that we possess such information or can acquire it without unreasonable effort or expense.

Any investor may ask questions and receive answers concerning the terms and conditions of the Offering or request additional information to verify the information contained herein by contacting a representative of the Company as set forth below:

Joe Soto, Treasurer
1093 CR 3310
Valley Mills, TX 76689
(718) 428-2710

Any additional information furnished by the Company may be proprietary and confidential.

SECTION II – PURPOSE OF OFFERING

A. Use of Proceeds

We estimate that the net proceeds to the Company from the Offering will be approximately \$2,610,000 if the Maximum Offering is sold, after deduction of (a) placement agent commission and fees and (b) offering and transaction expenses.

The Company intends to allocate the net proceeds from the sale of the Maximum Offering as follows:

Use of Proceeds Table		
<i>Operational Infrastructure</i>	\$ 700,000	23.3%
<i>Debt Retirement</i>	\$ 550,000	18.3%
<i>Marketing and Sales</i>	\$ 250,000	8.3%
<i>Expansion Initiatives</i>	\$ 500,000	16.7%
<i>Working Capital</i>	\$ 310,000	10.3%
<i>General Corporate Purposes</i>	\$ 250,000	8.3%
<i>Offering Expenses</i>	\$ 50,000	1.7%
Total Net Proceeds	\$ 2,610,000	87.0%
<i>Placement Agent Fees</i>	\$ 390,000	13.0%
Total Offering	\$ 3,000,000	100.0%

Offering proceeds subsequent to the placement agent commissions and expenses will be used to make capital improvements to existing ranch facilities, strengthen the balance sheet by retiring a portion of current outstanding debt, enhance marketing and sales initiatives, expand operations nationally, maintain general working capital and corporate expenses, and cover legal and administrative expenses associated with this offering, and subsequent amounts related to general operation expenses and working capital requirements.

The amount and timing of the Company's use of proceeds will vary depending on a number of factors including, but not limited to, the amount raised in the Offering, the amount of cash generated or used by our operations, the success of our product development efforts, competitive and technological developments, and the rate of growth, if any, of our business. The Company's management will have broad discretion in the allocation of the net proceeds of this Offering.

In addition to those items identified in the table above, the Company intends to use the net proceeds of the offering for general working capital purposes, which will include, but not be limited to, the following:

- Market development; particularly related to promoting ostrich meat products as “the other red meat”, contributing to the emerging protein markets, and fostering market drivers related to nutritional, dietary, and health constituencies that are under-served by the traditional protein suppliers of beef, pork, and poultry products.
- Enhancements to technology and equipment with the intention to increase the productivity and decrease the mortality of our biological assets, specifically related to: Fertility, breeding seasonality and confinement, incubation/hatchery operations, chick and adolescent facilities, nutritional rations/supplements, grow-out conditions, disease control, breeder culling, slaughter designations, regulatory and compliance requirements, and other biological factors.
- Data collection, inventory, sales order management, and financial integrations.

- Land use requirements (e.g., segregation of breeder and grow-out operations).
- Land expansion and biological asset purchases.
- Operational, technical, and administrative staffing considerations.

SECTION III – CORPORATE INFORMATION

The following summary is qualified in its entirety by the more detailed information appearing elsewhere herein and in the Exhibits, hereto. You should read the entire Memorandum and carefully consider, among other things, the matters set forth in the section captioned “Risk Factors.” Pertinent documents that are described in this Memorandum may be reviewed at the principal offices of the Company. You are encouraged to seek the advice of your attorney, tax consultant, and business advisor with respect to the legal, tax, and business aspects of an investment in the Shares.

The terms “Superior Ostrich,” the “Company,” “we,” “us,” and “our” refer collectively to Superior Ostrich Inc. and its subsidiaries, unless the context clearly indicates otherwise. All references in this Memorandum to “\$” or “dollars” are to United States dollars, unless specifically stated otherwise.

A. Corporate Information

The Company was incorporated as a Nevada corporation on August 6, 2013. Our principal executive offices are located at 1093 CR 3310 Valley Mills, TX 76689 and our telephone number is (254) 294-7595. Our website address is www.superiorostrich.com. The information contained on our website is not incorporated by reference into this Memorandum, and you should not consider any information contained on, or that can be accessed through, our website as part of this Memorandum or in deciding whether to purchase the Securities.

B. History

The Company purchased some of the assets of Jurassic Industries, Inc. (“Jurassic”), whose principal business involved the design, fabrication, and sale of western footwear and clothing accessories based upon ostrich hide, which would be harvested from a proprietary ostrich flock. As expanded growth and revenue opportunities became apparent, Jurassic’s management began the transition from a business model based upon western footwear, to a more comprehensive business model aimed at utilizing all harvested byproducts of the ostrich, with a concentration in protein production. On August 6, 2013 the Company was formed to acquire the specific Jurassic assets aimed at the production of ostrich meat.

On August 6, 2013, the Company entered into an asset purchase agreement (the “Purchase Agreement”) with Jurassic pursuant to which, Jurassic agreed to sell, transfer, and assign to the Company, and the Company agreed to purchase from Jurassic, all of Jurassic’s rights, title, and interests to, and agreements relating to, its ostrich flock including pens, fencing, gating, etc.; feed inventory; related equipment to support farming operations for feed production including tractors, and mixing equipment; specific rolling stock including specified trucks, trailers, etc. (all as specified in the Purchase Agreement) in exchange for the Company assuming an aggregate principal amount of approximately \$1,020,751 of indebtedness of Jurassic. Effective August 6, 2013, the Company entered into an exchange agreement with the holders of indebtedness of Jurassic pursuant to which, the holders exchanged their outstanding indebtedness for an aggregate of 999,333 shares of the Company’s common stock.

Jurassic was incorporated in Texas on October 13, 2006; however, operations commenced as early as 1990, when Reginald W. Lindberg, our current chief operating officer, developed a long-range plan to use his family’s ranch in Central Texas to produce the raw materials for western fashion and dress boots, utilizing exotic ostrich skins. During the course of his research and initial operations, Mr. Lindberg determined that the cost of the exotic ostrich skins at that time, normally imported from South Africa, represented the largest cost of production. He then began a program of breeding and developing his own flock of ostriches in Central Texas. During this period, he developed a complete flock of breeding stock that utilizes all three (3) breeds of ostriches: Tanzania Red-Necked, Namibia Blue-Necked,

and African Black. By having all three (3) breeds, the ranch was able to produce birds that have the distinct differences that the market prefers.

C. Employees

We have three (3) full-time employees and two (2) part-time employees as of the date of this Memorandum, none of whom are covered by any collective bargaining agreement. We have never suffered a material interruption of business caused by labor disputes involving our own employees and we consider the relationships with our employees to be good.

D. Properties

Lindberg Land and Cattle LLC owns the 335-acre Bosque County, Texas ranch, subject to the Land Promissory Note discussed in Section K (b) below. Lindberg Land and Cattle leases the property to Superior Ostrich at \$11,000 per month. Lindberg Land and Cattle has never collected a rent payment from Superior Ostrich Inc. Reginald Lindberg is the sole owner of Lindberg Land and Cattle. Philip Warth is the issuer of the Land Promissory note. Please see Section K (b) for details.

E. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm its business. The Company is currently not aware of any such legal proceedings or claims that they believe will have, individually or in the aggregate, a material adverse effect on this business, financial condition, or operating results.

F. Management

The names, ages, and positions of our directors and executive officers as of the date of this Memorandum are as follows:

Name	Position
Philip R. Warth	Chairman of the Board, Chief Executive Officer
Robert L. Schock, Jr.	Chief Financial Officer
Reginald Lindberg	Chief Operating Officer, Director
Jose A. Soto III	Director, Treasurer
Edward Lawrence Foley	Director
James M. Williams	Director

G. Background of Executive Officers and Directors

Philip R. Warth, Chairman of the Board, Chief Executive Officer – Mr. Warth has served as chairman and chief executive officer since June 15, 2014. Mr. Warth is also a co-founder and limited partner of Facilitated Growth. Presently, he is utilizing his lengthy and wide-ranging experience in nonprofits and insurance to assist small to midsize businesses with acquiring investment capital. Mr. Warth is well known for his many successes, not the least of which is his involvement with Feeding America, now the third largest charity in the United States. He became the organization's president and chief executive officer in 1985 and under his direction, Feeding America distributed more than one hundred and sixty million dollars in food to needy Americans.

Combining his charitable proclivities with his business acumen, Mr. Warth successfully pioneered a niche market in non-profit insurance. In 1992, he accepted an appointment as president and chief executive officer of First Nonprofit Mutual Insurance Company, a provider of quality, affordable insurance exclusively for the nonprofit community. Under Mr. Warth's guidance, First Nonprofit Mutual Insurance Company became a leader in commercial lines

products for nonprofits, offering coverage in 32 states. The Company was acquired by Amtrust Financial Services Inc. (NASDAQ: AFSI) in December 2012.

Currently, and in addition to his responsibilities at Superior Ostrich, Mr. Warth serves as chairman, of First Nonprofit Educational Foundation. He is a graduate of the University of Dayton (BA) and The Ohio State University (MCRP). In 2004, Mr. Warth was inducted into the University of Illinois–Chicago, Entrepreneurship Hall of Fame.

Reginald W. Lindberg, Chief Operating Officer and Director - Mr. Lindberg formerly served as president, chief operating officer and director from August 6, 2013 until June 15, 2014. From June 15, 2014 through January 31, 2017, he served as senior vice-president/ranching and agriculture, becoming chief operating officer as of February 1, 2017. Mr. Lindberg has done extensive research into the South African ostrich leather industry to gain optimal knowledge of the specific processes that pertain to ostrich leather and commercial meat processing opportunities. He began a 25-year program of breeding and developing his own herd of ostriches in Central Texas and during this period, he developed a complete herd of breeding stock that utilizes all three breeds of ostriches: Tanzania Red-Necked, Namibia Blue-Necked, and African Black. By having all three breeds, the ranch is able to produce birds that have the distinct differences that the market demands and gives the Company the ability to cross breed for hybrid vigor. From 2006 until the present day, Mr. Lindberg has been the president/CEO of Jurassic Industries, Inc (the company has remained dormant since August 2013). From December 1992 to September 2006, he was the president/CEO of Safari Hides, an import/exporter of ostrich and ostrich leather. Prior to his engagement in the ostrich farming/ranching operation, from 1982-1992, Mr. Lindberg was the president/CEO of Apex Conversions, dba Ivory Coach, a highly successful van/truck conversion company. Prior to Ivory Coach, Mr. Lindberg had a long career in the recreational vehicle, conversion, and manufactured housing industry with Fleetwood Corporation and Mark III Industries. During most of his adult life, Mr. Lindberg has been the owner/operator of Rocking L Ranch, a commercial and registered Brangus cattle operation.

Jose A. Soto, III, Director and Treasurer – Mr. Soto has served as treasurer and director since August 6, 2013. He is also a co-founder and a managing partner of Facilitated Growth LLC, where he is actively involved in all aspects of operations including structuring investment opportunities, initiating corporate financing plans, investor relations, and management. Prior to co-founding Facilitated Growth, Mr. Soto was the chief financial officer of Jurassic Industries Inc., the largest ostrich ranching operation in North America and a purveyor of ostrich leather goods. He began his career in 2005 as a commercial banker for Quadrant Funding LLC in New York City. In 2009, Mr. Soto transitioned from commercial banking into venture capital, where he was hired as an underwriter for Sable Holdings. In 2009 Mr. Soto segued into private equity as a portfolio manager for Balfour management. He currently sits on the board of directors for Epica International Inc, a medical device company which manufactures and distributes CT and industrial robotic equipment.

James M. Williams, Director – Mr. Williams is a newly elected member of the board of directors and has served in his position since November 11, 2020. He is also an industry leader and active consultant with 25+ years of c-level experience in the food industry. With a proven track record in driving revenue growth and increasing shareholder value in the companies he has worked with, Mr. Williams' experience spans corporate divisional, public, and private equity environments. Prior to working as a consultant, Mr. Williams was the president of J C Potter Sausage Company, where he was tasked with turning the business around and bringing the business to profitability. Prior to his time at J C Potter Sausage Company, Mr. Williams held the CEO title at Carla's Pasta, Inc., Monterey Gourmet Foods, Inc., Bongrain Cheese, Inc., and held a vice president title at Sunnyland Foods Inc., Johnsonville Foods, Inc., and Hillshire Farm Company. He is a graduate of Indiana University where he earned is B.S. in business marketing, Columbia University where he underwent the senior executive development program, and Harvard Business School where he received his certification in strategic management.

Edward L. Foley, Director – Mr. Foley has served in the director role since August 1, 2016. Prior to his time with Superior Ostrich, he served as an executive in the enterprise software solution industry for 25+ years. With a proven track record of revolutionizing customer experiences, enabling greater market penetration, and increasing product sales, Mr. Foley's customer impacts spanned globally. Mr. Foley was the head of strategic banking solutions at NCR (NYSE: NCR), SAP (NYSE: SAP) earlier in his career, and prior to that Unisys (NYSE: UIS), where he was tasked with managing expansive sales teams across the US and delivering top tier product to global financial institutions.

Mr. Foley is exceptional in customer relationship management and driving product expansion initiatives. He is a graduate of Long Island University.

Robert L. Schock, Jr., Chief Financial Officer – Mr. Schock’s experience encompasses Fortune 100 companies to Silicon Valley start-ups. Over the past 25 years as CFO, Mr. Schock has developed business plans, created business models, installed accounting systems, run accounting departments, designed compensation programs, raised money, and managed investor, bank and auditor relationships. Mr. Schock is also a part-time CFO at Picture Marketing, a marketing company that was on the list of Bay Area 100 Fastest Growing Companies for two years. As a member of the company's senior management team, he has participated in defining the company’s objectives, strategies, key milestone targets, and pricing strategies. Mr. Schock began his career at Weyerhaeuser, a Fortune 100 company, where he was responsible for developing their five-year and one-year plans and presenting the results to senior management and board of directors. Subsequently, Mr. Schock served as a vice president of corporate development for a major equipment leasing company (Itel), and president of an equipment-leasing subsidiary for a regional investment banking firm (Sutro). Mr. Schock has an MA in economics from Indiana University and a BA in economics from Knox College.

H. Director Compensation

Directors are expected to timely and fully participate in all regular and special board meetings. Existing operational directors including Reginald Lindberg, Philip Warth, and Jose A. Soto III, have received total compensation in the amount of twenty thousand (20,000) five-year (5yr) warrants to purchase the Company’s common stock at a \$5.00 per share exercise price. Existing non-operational directors including Edward Foley and James Williams, have received annual compensation in the amount of twenty-five thousand (25,000) five-year (5yr) warrants to purchase the Company’s common stock at a \$5.00 per share exercise price.

I. Executive Compensation

Reginald W. Lindberg has been employed by the Company since August 6, 2013; first as president, chief operating officer, and director, then as senior vice-president of ranching operations, and recently as chief operating officer. The current Employment Agreement has been revised on multiple occasions with respect to salary but is currently amended to provide for his recent position and compensation of \$70,000/year. All salaries prior to his recent appointment have been forgiven and the current salary will be accrued until such time as Mr. Lindberg and the Company agree cash flow is sufficient to satisfy salary payments.

Mr. Lindberg’s employment with the Company may be terminated at any time, with or without cause or good reason. Termination of his employment comes without any further obligation on our part upon his death or for cause. In the event his employment is terminated by the Company without cause, he is entitled to a severance payment of six months’ salary and all unearned options shall vest immediately.

The Company hired Philip R. Warth effective as of June 15, 2014 (the “Effective Date”) to serve as chief executive officer. Mr. Warth has agreed to serve at no annual cash compensation, with the provision of warrants issued to him for the purchase of 250,000 shares of common stock at an exercise price of \$5.00 per share and 250,000 warrants at an exercise price of \$9.53 per share. All of Mr. Warth’s warrants to purchase common stock were fully exercised at \$0.06 and \$0.10 per share respectively, pursuant to the board of directors’ warrant exercise price exchange authorization as described in Section J., subsection ‘Options and Warrants’ in December 2018, and all such Shares have been issued by the Company. Mr. Warth is entitled to reimbursement for reasonable travel and other business expenses.

Mr. Warth’s employment with the Company may be terminated at any time, with or without cause or good reason. Termination of his employment comes without any further obligation on our part upon his death or for cause. In the event Mr. Warth’s employment is terminated by the Company without cause all unearned options shall vest immediately.

Mr. Schock is under a month-to-month “at will” engagement at an annual salary of \$60,000. Either party can terminate the agreement with 30-day notice.

Mr. Soto is contracted through an agreement with Facilitated Growth LLC (“FG”), a management consulting and private investment firm, for general consulting services related to financing activities, investor relations, sales, operations, marketing, PR, and web design. Compensation for these contracted services, amongst other ancillary services provided by the Facilitated Growth team is \$5,000 monthly, with a provision for the termination of such services by either party with a thirty (30) written notice after December 1, 2020 (please see discussion below in the Related Transactions section).

J. Company Capitalization & Stockholder Equity

Authorized, Issued, and Outstanding Capital Stock

The following table sets forth the issued and outstanding capitalization of the Company as of the date hereof, both before and after giving effect to the Offering. The Company has authorized 500,000,000 shares of common stock and 10,000,000 shares of preferred stock.

Capital Stock	As of the date of this Memorandum before giving effect to the Maximum Offering	As of the date of this Memorandum after giving effect to the Maximum Offering
Common Stock	9,117,347	10,117,347
Preferred Stock	0	0

Beneficial Ownership of Outstanding Capital Stock

The following table sets forth information regarding the beneficial ownership of our common stock as of the date of this Memorandum and as adjusted to reflect the sale of our Shares offered by this Memorandum, by (a) each person who is known by us to beneficially own 5% or more of our common stock (b) each of our directors and executive officers, and (c) all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to the securities. Shares of common stock that may be acquired by an individual or group within 60 days of November 16, 2020, pursuant to the exercise of options or warrants or conversion of preferred stock, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Percentage of ownership is based on 9,117,347 shares of common stock outstanding on November 16, 2020, and 10,117,347 shares of common stock outstanding after the completion of this Offering, assuming the maximum Offering is sold.

Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them, based on information provided to us by such stockholders. Unless otherwise indicated, the address for each director and executive officer listed is: c/o Superior Ostrich, Inc., 1093 CR 3310, Valley Mills, TX 76689.

Name	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	Percentage of Shares Beneficially Owned Assuming the Maximum Offering (3)
5% Holders			
Facilitated Growth, LLC	(1) 1,019,431	11.18%	10.08%
James Currier	(2) 805,000	8.83%	7.96%
Grossman Family I, LLC	545,039	5.98%	5.39%
Officers & Directors			
Reginald Lindberg	2,694,390	29.55%	26.63%
Philip R. Warth	1,290,212	14.15%	12.75%
Jose A. Soto III	1,290,212	3.68%	3.31%

Edward L. Foley	70,000	*1.86%	*1.68%
James Williams	0	*0.55%	*0.49%
All Executive Officers and Directors as a Group (five persons)	4,539,846	49.79%	44.87%

* Represents beneficial ownership of less than 1%

- (1) Jose A. Soto, III is co-founder and the current managing partner of Facilitated Growth, LLC (“FG”) and in such capacity has voting and dispositive power over the securities held by FG. FG beneficially owns 1,354,756 shares of common stock. Philip R. Warth, Company chairman and CEO, is a limited partner in FG. Effective December 1, 2018, FG converted Company outstanding debt in the total amount of \$1,800,000.00 into 600,000 shares of common stock in the Company, voting rights of which are controlled by Jose A. Soto III.
- (2) James Currier, the Company’s former Chief Executive Officer, obtained these shares by way of compensation and incentives during his tenure as CEO and as a consultant thereafter. Mr. Currier served as Company CEO from August 6, 2013 to June 15, 2014 and received a total of 909,878 beneficially owned Shares of the Company. 805,000 of the beneficially owned Shares were granted as warrants to purchase common stock. 209,756 warrants to purchase common stock were granted at an exercise price of \$4.00 per share and 595,244 warrants to purchase common stock were granted at an exercise price of \$5.00 per share. All of James Currier’s warrants to purchase common stock were fully exercised at \$0.08 and \$0.10 per share respectively, pursuant to the board of directors’ warrant exercise price exchange authorization as described in Section J., subsection ‘Options and Warrants’ in January 2019, and all such Shares have been issued by the Company.
- (3) The calculation in this column is based upon 10,117,347 shares of Common Stock issued and outstanding, assuming the Maximum Offering is sold.

Preferred Stock

No preferred stock has been issued prior to the date of this Memorandum.

Forward Split of Issued and Outstanding Shares of Common Stock

The Company board of directors approved a forward stock split of its issued and outstanding shares of common stock at a ratio of 2.62195183:1 (the “Forward Stock Split”), effective February 1, 2014. The Forward Stock Split was implemented to account for the Jurassic noteholders’ conversion into shares of common stock in the Company.

No shares contemplated in this Memorandum are subject to the Forward Stock Split.

Capitalization History

<u>Date</u>	<u>Transaction Description</u>	<u>No. of Shares</u>	<u>Price per Share</u>	<u>Total Capital Contribution</u>
Aug 2013	Founder Shares	1,651,829	\$0.001	\$0
May 2014	Jurassic Noteholder Conversion	1,025,625	\$0.001	\$0
Dec 2014	Private Offering	146,330	\$5.00	\$731,650
Jan 2015	Private Offering	20,000	\$5.00	\$100,000
Jan 2016	Private Offering	229,930	\$5.00	\$1,149,650
May 2016	Convertible Debt			\$696,500
Jan 2017	Private Offering	5,000	\$5.00	\$25,000
Jan 2018	Private Offering	4,000	\$6.50	\$26,000
Oct 2018	Convertible Debt			\$200,000
Oct 2018	Incentive Shares for Convertible Debt	8,000	\$0.001	\$0
Dec 2018	FG Line of Credit Conversion	600,000	\$3.00	\$1,800,000
Apr 2019	Warrant Exercises	5,269,976	\$0.06, \$0.08, \$0.10, \$0.12	\$438,745
Sept 2019	Convertible Debt			\$45,000
Nov 2019	Private Offering	62,500	\$2.00	\$125,000
Nov 2019	Private Offering	25,000	\$2.00	\$50,000
Dec 2019	Note Conversion	50,000	\$2.00	\$100,000
Jun 2020	FG Line of Credit Balance			*\$990,038
Sept 2020	Note Conversion	19,157		\$50,000
Total		9,137,226		\$6,527,583

*As of June 30, 2020

Private Placements of Common Stock

On December 12, 2014, the Company completed a private placement of 146,330 shares of its common stock at a purchase price of \$5.00 per share for gross proceeds of \$731,650. In connection with the offering the Company paid a placement agent an aggregate of \$95,114.50 in fees and issued such placement agent 5-year warrants to purchase up to 67,905 shares of the Company's common stock at an exercise price of \$6.25 per share. PHX Financial Services acted as placement agent for the offering.

On January 21, 2015, the Company completed a private placement of 20,000 shares of its common stock at a purchase price of \$5.00 per share for gross proceeds of \$100,000. There was no designated placement agent or fees paid in association with such placement.

On January 12, 2016, through an Amended and Restated Private Placement Memorandum, originally dated August 1, 2014, the Company completed a private placement of 229,930 shares of common stock at a purchase price of \$5.00 per share for gross proceeds of \$1,149,650. In connection with the offering, the Company paid a placement agent an aggregate of \$149,454.50 in fees and issued such placement agent 5-year warrants to purchase up to 114,850 shares of the Company's common stock at an exercise price of \$6.25 per share.

On January 6, 2017, the Company completed a private placement of 5,000 shares of its common stock at a purchase price of \$5.00 per share for gross proceeds of \$25,000. There was no designated placement agent or fees paid in association with such placement.

On January 29, 2018, the Company completed a private placement of 4,000 shares of its common stock at a purchase price of \$6.50 per share for gross proceeds of \$26,000. There was no designated placement agent or fees paid in association with such placement.

On November 13, 2019, the Company completed a private placement of 62,500 shares of its common stock at a purchase price of \$2.00 per share for gross proceeds of \$125,000. In connection with the offering the Company paid a placement agent an aggregate of \$16,250 in fees and issued such placement agent 5-year warrants to purchase up

to 6,250 shares of the Company's common stock at an exercise price of \$3.00 per share. Corinthian Partners, LLC acted as placement agent for the offering.

On November 25, 2019, the Company completed a private placement of 25,000 shares of its common stock at a purchase price of \$2.00 per share for gross proceeds of \$50,000. There was no designated placement agent or fees paid in association with such placement.

Convertible Debt

From November 25, 2013 until May 19, 2016, the Company issued 6% convertible promissory notes for gross proceeds of \$696,500.00. The notes were convertible into shares of the Company's common stock at 70% of the price per share at which the Company last sold its common stock in a private or public offering. As of the date of this Memorandum, \$181,458.85 of the principal balance has been repaid and \$515,041.15 remains outstanding.

From August 2018 until October 2018, the Company issued 10% convertible promissory notes for gross proceeds of \$200,000.00. The notes were convertible into shares of the Company's common stock at a 30% discount to the price at which the Company most recently sold its shares of common stock in a private offering.

From August 2019 until September 2019, the Company issued 10% convertible promissory notes for gross proceeds of \$45,000.00. The notes were convertible into shares of the Company's common stock at a 30% discount to the price at which the Company most recently sold its shares of common stock in a private offering.

From November 2019 until December 2019, the Company issued 10% convertible promissory notes for gross proceeds of \$100,000.00. The notes were convertible into shares of the Company's common stock at \$2.00 per share. The notes were subsequently converted and the Company issued an aggregate of 50,000 shares of common stock upon such conversion.

On September 11, 2020, the Company issued a 10% convertible promissory note for gross proceeds of \$50,000.00. The note was convertible into shares of the Company's common stock at \$2.61 per share. The note was subsequently converted and the Company issued an aggregate of 19,157 shares.

As of the date of this memorandum, the Company has \$801,500 in convertible debt principal at varying rates as described above and \$252,680 in accrued interest outstanding. The aggregate amount of both principal and accrued interest is convertible into 501,991 shares of the Company's common stock at a conversion price equal to 70% of the current \$3.00 price per share.

Revolving Line of Credit

On January 7, 2015, Facilitated Growth, LLC (the "Lender") extended an 8% revolving line of credit to the Company with a maximum credit limit of \$2,000,000. The credit agreement is subject to extension and renewal by the Lender, and the Company may obtain credit advances and make payments until the loan reaches maturity. Subject to the credit agreement, all outstanding principal and interest shall be paid either in cash upon the maturity date, or all or any portion may be converted into fully paid and non-assessable shares of the Company's common stock at a conversion price equal to \$3.00 per share.

On December 1, 2018, the Company issued an aggregate of 600,000 shares of common stock upon conversion of \$1,800,000.00 of outstanding principal on the line of credit.

As of the date of this memorandum, the Company has an additional \$990,038.00 in principal issued at 8% and \$542,720 in accrued interest outstanding on Facilitated Growth, LLC's line of credit.

Summary of Debt

As of June 30, 2020, the Company has \$4,733,383 in total debt outstanding at rates varying from 6% - 10%. Approximately \$4,357,000 is controlled by insiders, most notably Facilitated Growth, LLC, Reginald Lindberg, Philip

Warth, Robert Schock, and James Currier. Each insider has a history of foregoing compensation, converting debt to company equity at a Fair Market Valuation, and supporting Superior Ostrich, Inc.'s goal of creating an economically sustainable ostrich farm. Additionally, Superior Ostrich has payables to vendors within the ordinary course of business. Finally, Superior Ostrich has \$220,000 in Convertible Debt outstanding to outside investors at 10%. Management acknowledges the initiative to reduce the Company's present debt load, but due to the unwavering support of the insiders and debt holders, Management does not consider the present debt load to be an imminent threat to the Company's long-term projects or ability to operate through the short to intermediate future.

Options and Warrants

No options have been issued prior to the date of this memorandum.

As of the date of this memorandum, the Company has a total of 400,454 warrants to purchase shares of common stock issued and outstanding, exercisable over a period of 5 years from the date of issuance; 124,204 at an exercise price of \$9.53 per share, 5,000 at an exercise price of \$7.50 per share, 190,000 at an exercise price of \$5.00 per share, 6,250 at an exercise price of \$3.00 per share, and 75,000 at an exercise price of \$2.00 per share.

From December 2018 until August 2019, the Company authorized the exchange of all outstanding warrants to purchase shares of common stock for new warrants to purchase shares of common stock containing newly established exercise prices as agreed upon unanimously by the board of directors on November 20, 2018. As of November 20, 2018, there were 5,584,180 issued and outstanding warrants to purchase common stock; 1,518,093 at an exercise price of \$9.53 per share, 26,978 at an exercise price of \$6.25 per share, 2,387,279 at an exercise price of \$5.00 per share, and 1,651,830 at an exercise price of \$4.00 per share. The newly set exercise prices as agreed upon unanimously by the board of directors included 1,518,313 exercisable at \$0.06 per share, 1,651,830 exercisable at \$0.08 per share, 2,387,279 exercisable at \$0.10 per share, and 26,978 exercisable at \$0.12 per share. The Company issued 5,269,976 shares of common stock from warrant exercises for gross proceeds of \$438,745.00; 1,393,889 shares at an exercise price of \$0.06 per share, 1,651,830 at an exercise price of \$0.08 per share, 2,387,279 at an exercise price of \$0.10 per share, and 26,978 at an exercise price of \$0.12 per share.

K. Related Transactions

- a) Philip R. Warth, our chairman/chief executive officer, Jose A. Soto III, our treasurer and director, are principals and officers of Facilitated Growth, LLC. Currently, investor relations, website design and marketing services to the Company, along with the services of Jose A. Soto III, are contracted under a Consulting Agreement between the Company and Facilitated Growth, effective September 1, 2020, providing for a monthly payment of \$5,000 per month for their contracted services. This Consulting Agreement can be terminated by either party with thirty (30) day written notice after December 1, 2020.
- b) Phillip R. Warth, Company chairman/CEO ("Lender"), provided secured financing (the "Land Loan") to Lindberg Land & Cattle LLC ("LLC"), owner of the 335-acre Bosque County, TX ranch to re-finance the property. As consideration for the Land Loan, the LLC agreed to execute a promissory note (the "Land Promissory Note") to Lender, in an amount of \$1,515,000.00 payable in yearly installment of \$132,000.00. The Land Promissory Note carries interest at 8.5% per annum, which shall be accrued and paid after all principal has been paid in full. The Land Loan is secured by a mortgage on the land property. A right to repurchase the ranch property for an amount equal to the principal amount of the Land Promissory Note, plus accrued but unpaid interest, was conveyed to the LLC, exercisable for a period of ten (10) years from the date of the Land Promissory Note. With the Lenders permission LLC leases the property to Superior Ostrich Inc. for \$11,000 per month. To date, no rent has been collected by LLC.
- c) Effective December 1, 2018, Facilitated Growth, LLC converted \$1,800,000 in Company debt to 600,000 shares of common stock at a conversion price of \$3.00/share. The transaction increased FG's holding in the Company to 1,019,431 shares, for a total equity position of 10.71% fully diluted.

- d) Facilitated Growth is a management consulting firm, founded in 2011 by Jose A. Soto III. FG's business model is two-fold; primarily FG serves as a service provider to early - mid stage businesses. FG assists clients with corporate governance matters, designing capitalization strategies, identifying markets for business owners to secure financing, and operational assistance. Secondly, FG's limited partners invest capital through FG Holdings Group LLC. Since inception, FG has provided constant support and commitment to Superior Ostrich, Inc. as both a service provider and investor. FG has primarily been compensated through a monthly retainer, and prices have varied from \$5,000 per month to \$25,000 per month. As of the date of this memorandum, FG's contract is \$5,000 payable monthly. FG has often accrued these payments for long periods and eventually forgave outstanding balances. Additionally, FG's Partners have continued to invest and support in various debt and equity instruments issued by the Company. As of June 30, 2020, Facilitated Growth, LLC currently holds \$1,276,479 in debt, including \$990,038 in an 8% Line of Credit Instrument, and \$286,441 at 6% in a Convertible Note instrument, and is owed \$542,720 for accrued consulting services which is non-interest bearing. This debt is separate and in addition to Facilitated Growth's 1,019,431 shares issued and outstanding.
- e) Effective November 13, 2020, the Company entered into an agreement with PHX Financial Inc. ("PHX") for retention as a consultant providing general advisory services and assistance in attempting to raise capital for the business in accordance with the Company's business plan. The Company agreed to pay the Consultant a fee of 300,000 shares of the company's common stock which vest in full upon a Change in Control of the Company. The shares are payable in two tranches, 150,000 on February 13, 2021, and 150,000 on May 13, 2021. "Change in Control" means a sale of all or substantially all of the assets of the Company. All efforts by the Consultant are on a best efforts basis only.
- f) Facilitated Growth, LLC and partners Jose A. Soto III and Philip Warth, are associated with the Placement Agent of this offering and consultant, PHX Financial, Inc., through Facilitated Growth's ownership of a non-controlling 24.9% equity interest in a limited partnership of the parent company of PHX Financial, Inc.
- g) In order to alleviate all relevant conflicts and issues, contracts and agreements executed between FG and Superior Ostrich are executed by "Independent Officers" of FG, and "Independent Officers and Directors" of Superior Ostrich. Philip R. Warth and Jose A. Soto III are considered "Interested Parties" and are removed from such negotiations and transactions. Additionally, FG has regularly converted debt at "Fair Market Value" of Superior Ostrich's Common Stock and uses a wholesale costing method to charge Superior Ostrich "Fair Market Value" for all paid and accrued consulting services.

SECTION IV – BUSINESS

A. BUSINESS OVERVIEW

Superior Ostrich is the largest commercial ostrich operation in North America. Currently, more than 550 adult birds, along with juveniles and chicks, have free range over 355 acres of premium land in central Texas.

The company was founded in 2013, built upon ranching operations that began in the early 1990's. Superior Ostrich's mission is to raise and harvest our birds in order to maximize product quality, yields, and drive industry demand. In addition to owning and farming an ostrich flock, Superior Ostrich has developed trade practices and capital infrastructure committed to efficient operations and production. This includes incubation facilities, hatching facilities, breeding pen design, and a chick facility.

Additionally, Superior Ostrich's flock consists of a mixture of "Reds," "Blues," and "Blacks," as these are the three most common species of ostrich around the world. Management believes that the mixture of ostrich species assures the best genetic combination with respect to breeding production, mortality, and size of the ostrich offspring. Management also believes that the Company's flock consists of larger birds than the several other ostrich operations in North America. Management's claim is supported by informal discussions with other ostrich industry participants, as well as the belief that each other competitor and secondary ostrich markets are largely limited to "Blacks."

B. INDUSTRY & MARKETS

Livestock and Animal Production for Meat Consumption

Producing 42.2B lbs. of chicken, 26.3B lbs. of beef, 25.6B lbs. of pork, 5.9B lbs. of turkey, 150.2M lbs. of lamb, and 80.2M lbs. of veal in 2017, the United States is the second largest meat producer in the world, behind China. Accounting for \$1.02T in total economic output, the U.S. livestock farming business generates 5.6% of the total GDP¹.

A study initially published in 2014, and updated in 2019, states that the world produces more than 4x the quantity of meat as it did 50 years ago². While pork is designated the meat of choice globally, poultry production is growing most rapidly, primarily due to its economic benefits.

Health & Environmental Impacts of Current Livestock Production Practices

As described by the United Nations, the global meat industry is among the most significant contributors to the most serious environmental problems we face today. With carbon dioxide from soil cultivation, methane from livestock, and nitrous oxide from fertilizer and manure, agriculture is responsible for 26% of global greenhouse gas emissions³.

Taking up 70% of the global fresh water supply and half of the world's habitable land, the global agriculture system occupies a tremendous amount of Earth's resources. Of the land used for agricultural purposes, 77% is occupied by livestock, and a majority portion of the remaining 23% is used for crop production directly tied to feeding this livestock. While livestock takes up a majority of the world's agricultural land, it only produces 18% of the world's calories and 37% of the world's protein. Outnumbering wild mammals 15-to-1, the global agricultural production system has currently faced 24,000 species with the threat of extinction⁴.

Thus far, the focus has largely been on eliminating greenhouse gas emissions associated with heating, electricity, transport, and industrial processes; little attention has been given to creating viable alternatives to the global agriculture structure. The phrase "eat local" is often uttered as a response to address the carbon footprint created by mass farming,

¹ <https://www.ibisworld.com/industry-statistics/market-size/meat-markets-united-states/>

² <https://ourworldindata.org/meat-production>

³ <https://ourworldindata.org/environmental-impacts-of-food>

⁴ <https://ourworldindata.org/environmental-impacts-of-food>

however transport realistically accounts for less than 1% of farming emissions. Alternative meats such as ostrich, and plant-based products are now being looked at as not only a healthier option, but also as the most viable source to reduce the global agricultural footprint.

Few alternatives to the traditional meat market have been presented, and those that have been introduced have hardly made a dent. Through substituting high-impact meats and making other dietary adjustments, the harmful impacts that global livestock production is manufacturing can be reversed. The long-term solution to completely eliminate greenhouse gas emissions from the processes of animal farming would require the complete removal of meat from our diets; however, a more sustainable meat supply such as ostrich can make a substantial difference without completely eliminating a basic food group.

Plant-Based Alternatives, Non-Traditional Meat Markets & The Ostrich Advantage

Plant-Based Alternatives

Despite the rapid growth of plant-based alternatives, distinctly controlled by Impossible Foods and Beyond Meat's hamburger substitutes, plant-based meat sales only reached \$192.1M in 2019⁵. Surprisingly, a survey conducted by The Good Food Institute shows that 90% of the people eating non-meat hamburgers are not vegetarian or vegan at all. Rather, they are consumers that are simply choosing the alternatives due to the health benefits associated with the products⁶. According to a study by *Datassential*, 49% of respondents choose to eat more plant-based food due to the perception that it is healthier. The same study reports that an estimated 79% of meat alternative consumers are millennials⁷. It is anticipated that this trend will only accelerate with expanded supply chains, growing younger populations, and developing economies.

There is no doubt that traditional meat is an excellent source of protein, vitamins, and minerals, but processed meats, especially red meats, have been increasingly cautioned due to raised blood cholesterol levels, increased risk of heart disease, and even some types of cancer. A rule of thumb has long been that white meat, such as turkey or chicken, is a healthier alternative to red meat as it is presented as the leanest alternative available. The plant-based alternative option is establishing a position in this quest for more sustainable meat production but has yet to deliver a product with comparable taste, texture, and quality as red meat from live animals. Non-traditional meats such as bison or ostrich, present a solution where consumers can taste the same great red meat flavor that they crave, while doing so at a much smaller cost to their health and the environment.

Non-traditional Meat: Bison

Topping traditional beef in nutritional value in virtually every category, bison farming has experienced rapid growth over the past two decades as consumers have shifted their diets to healthier options. Bison offers 28% fewer calories, 42% more protein, and approximately 52% less fat per serving than beef. The numerous advantages presented by bison meat has driven rapid demand for bison as more and more restaurants, butchers, and grocery stores are delivering the meat to U.S. consumers. Demand has been so strong, in fact, that the price per pound of bison increased 150% from 2004 to 2019. At 92,000 bison harvested in 2019, bison production amounted to less than one day's worth of beef production in the U.S. For an industry just a few decades old with sales of \$350M+ in 2019, bison meat has showed promising results and demonstrated the consumer's willingness to introduce a healthier alternative to meat into their diet, even at a steep premium.

Bison production presents a substantially elevated environmental risk. Through the bison's natural grazing process, grass-fed bison require a substantial amount of land to roam freely, but most environmentally costly, and no different than the most unsustainable beef cattle, bison are ruminants and are harmful to the environment through their production of methane gasses. Ruminant livestock have a forestomach aiding the animals in the digestion of coarse plant material, which produces methane as a by-product of digestion, and is released through belching. In 2018, methane gas accounted for approximately 10% of all U.S. greenhouse gas emissions, with the agriculture sector acting

⁵ <https://www.nbcnews.com/business/consumer/almost-90-percent-people-eating-non-meat-burgers-are-not-n1082146>

⁶ <http://goodfoodscorecard.org/why-plant-based/>

⁷ <https://datassential.com/2019/12/18/bi-foodservice-opportunities-and-obstacles-2-2-2-2-2-4-2/>

as the largest contributor⁸. Of all of the emissions attributable to livestock farming, 44% are in the form of methane⁹, which is believed to be 84x more damaging to the atmosphere than CO₂ over a 20-year span and 28x over a 100-year span¹⁰. Taking into consideration the amount of land required and high-levels of methane contributions, bison is among the most unsustainable of meat proteins.

Subsequently, bison are among the most inefficient reproductive cattle animals, with pregnancy lasting 9 months and 18-36 months to reach slaughter weight (even longer than the 14-20 needed for cows). Without the ability to grow a herd fast enough, the heightened demand has led to a lack of available supply, driven up prices, and inhibited the industry to scale rapidly.

Non-traditional Meat: Ostrich

Ostrich meat, nearly identical in taste to beef and nutrition to bison, satisfies meat eaters craving the taste, and health conscious consumers concerned with nutritional benefits. Unlike any other red meat, ostrich farming also aligns with the sustainability efforts captivating a quickly expanding number of people as evidenced above.

Unlike all other red meat-yielding livestock, which are produced through live births following gestation periods of 4-9 months, ostriches reproduce through the laying of numerous eggs at a time. Female ostriches can produce 20+ surviving chicks per season in an efficient operation, with an incubation period of just over 1-month, followed by 10-14 months required for the bird to reach slaughter weight. One breeding ostrich female is capable of producing 2,000+ lbs. of meat per breeding season, compared to inferior yields of approximately 450-600 lbs. of meat produced by cows and bison. With the correct management, one female ostrich can yield over 40,000 lbs. of meat during its economic lifetime. For comparison purposes, bison are capable of breeding until age 20, while cows are only capable of breeding to age 8-10. Generously assuming that a heifer breeds 8 separate times during its life, the total output is around 5,000 lbs. of meat, fractional to what an ostrich is capable of.

As a monogastric (one-stomach) animal, ostriches produce a negligible amount of methane gas. Releasing just 5kg of methane gas per ostrich per year, the methane emission of an ostrich is miniscule to the methane release of 70kg-120kg per cow each year¹¹. Due to ostrich digestive systems differing from other red meat-producing animals, ostrich feed is primarily alfalfa-based, as opposed to the grain or protein-based feed given to most livestock. In addition, unlike beef cattle, ostrich is similar to other desert animals in its water consumption. Because ostriches obtain the water they require from their food, they are able to drink very little amounts of water and can last extensive amounts of time without drinking it at all. Even if beef cattle are presented with an abundance of water through their diets, they will still require copious amounts of drinking water throughout their life. For feedlot cattle, water intake will average 10 gallons per cow each day¹². Capable of surviving in South African deserts, ostriches consume only a very small portion of what is required to maintain other livestock¹³.

Subsequently, requiring less land, ostriches are capable of living in significantly smaller plots of land than beef cattle. In optimal ostrich farming systems, up to 100 ostriches can share a hectare of land (2.5 acres), which translates to an impressive 40 ostrich per acre¹⁴. At one point or another during their lifetime, cows generally spend a significant portion of their lives grazing extensive amounts of land on pastures. Requiring an abundance of fresh grass to graze, only 2 mature cows can share 1 hectare of land, which translates to 20x less than what is capable in ostrich farming. With far greater methane gas emissions, additional food, water, and land required per animal, and an extended length of time necessary to reach slaughter weight, allowing all of these environmentally impactful effects to compound in

⁸ <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>

⁹ <http://www.fao.org/news/story/en/item/197623/icode/>

¹⁰ https://www.ipcc.ch/site/assets/uploads/2018/02/SYR_AR5_FINAL_full.pdf

¹¹ <https://pdfs.semanticscholar.org/2ac4/6838e3c1df9c408ac5d7d3df2e815c60794e.pdf>

¹² <http://www.omafra.gov.on.ca/english/engineer/facts/07-023.htm>

¹³

<https://animals.sandiegozoo.org/animals/ostrich#:~:text=Ostriches%20do%20not%20need%20to,days%20to%20red%20water%20loss.>

¹⁴ https://www.elsenburg.com/sites/default/files/ebooks/2015-04-29/Ostrich%20Manual_English%20ed_%202014_content.pdf

damage, the estimated 1.5B beef cattle worldwide account for 41% of overall greenhouse gas emissions attributable to livestock farming¹⁵.

Recommended by the American Heart Association, the American Cancer Society, and the American Diabetes Association, ostrich meat offers the healthy red meat alternative that is capable of satisfying the current beef market at a sliver of the overall cost required of traditional red meat. Though comparing differing livestock industries based solely on the data available is challenging, what can be determined with absolute certainty is that ostrich farming requires exponentially less food, water, and land per pound of meat, and does so at an insignificant level of methane emission.

South Africa's Ostrich Industry

Beginning in South Africa less than 200 years ago, ostrich farming is a relatively new practice that, until recently, has been slow to take hold outside of the originating country. It is estimated that South Africa is home to 80% of the world's ostrich population and accounts for approximately 65% of global ostrich farming activity. At 36% fewer calories, 14% more protein, and approximately 52% less fat per serving than beef, ostrich meat delivers tremendous nutritional benefits, comparable only to bison¹⁶.

Currently, with recent dry weather conditions, watery scarcity, and numerous outbreaks of influenza, it has become increasingly difficult to farm ostriches in South Africa. For the past 6 years, the country has experienced the worse drought in 100+ years, which has resulted in the South African ostrich industry losing upwards of \$140M in revenue thus far. Even with this decline, the country is still producing between 150,000 – 180,000 birds per year, holding more than 65% of the global ostrich meat supply.¹⁷

U.S. Meat Industry Effects from COVID-19

Due to the outbreak of COVID-19 and the closing of businesses during the months of March – May 2020, The USDA's National Agricultural Statistics Service estimated that beef production in April 2020 was 20% lower than it was in April 2019, while pork fell only 10%, turkey fell 9%, and chicken remained relatively unchanged. Due to the temporary meat shortage, consumers turned to different cuts of meat and alternative proteins during this time. As of the date of this memorandum, the supply chain has been nearly fully restored, meat availability has rebounded, and prices have begun to fall closer to their previous levels.

¹⁵ <http://www.fao.org/news/story/en/item/197623/icode/>

¹⁶ USDA Nutritional Fact Sheets

¹⁷ <https://thepoultrysite.com/articles/south-african-ostrich-farmers-try-new-strategies-to-stay-afloat>

C. OPERATIONS

Business Model

Superior Ostrich operates primarily as a ranching operation with select off-ranch distribution activities. Given that the species has such a diverse number of product yields and distribution outlets, the Company's current plan is to forge a 'ranching' business that is tasked with optimally reproducing and growing the birds, and selling the whole bird as a final product to the Company's processing and distribution partners. Once optimized and scaled, Superior Ostrich plans to own and operate its own processing business unit and peripheral product distribution outlets and operate as a vertically integrated ostrich business.

The Company's primary driving force is to reproduce ostrich at scale, in a more efficient capacity than the competition in North America. We have identified a series of areas of focus, in which we believe are critical factors as the business scales. These factors include:

- Optimizing flock productivity
- Rationing feed blends
- Augmenting grow-out and slaughter rates
- Decreasing hatchery/incubation/grow out mortality rates
- Improving land use/density,
- Refining incubation/hatchery practices (e.g. rotation, temperature, humidity, light, etc.)
- Enhancing breeding practices (e.g. selecting and allocating breeders, monitoring mated quads/trios/duos)
- Tracing genetics
- Cultivating husbandry practices
- Implementing data collection/analysis principals

Superior Ostrich views these concepts as distinctly isolated activities which will contribute to the effectiveness of scaling the ranching operation. The primary focus of the management team is to prove asset value, define marketable products, reproduce ostrich, and forge an industry.

Ostrich By-Products

The ostrich yields a diverse group of 'high-end' products. Ostrich products can be broken down into the following groups:

- Meat and Meat Related Products
- Hides and Premium Leather Products
- Fat and Oil Related Products
- Pet Related Products
- Egg Related Products
- Feather Related Products

Our management team estimates that it will take two years to optimize and scale each business unit individually. The meat and related products will provide greater than 90% of ostrich by-product revenue; this is further evidenced in the 'Economics of the Ostrich' section below. With this statistic in mind, the team's primary focus is to develop the meat product set first and move through each subsequent market as efficiency is established.

Meat

Ostriches yield different grades of red meat, depending on the muscle group. Back muscles that do not endure wear and tear throughout the life of an ostrich yield tender, red meat, which can be sold in the premium steak market. We have seen these cuts generate an average of \$30/lb. Muscles that are counted on for more activity throughout the life of an ostrich yield more ground meat, which is generally sold at a lower price. Ostrich meat is considered exceptionally lean and high in protein. Given that the ostrich is a bird, and is classified as poultry, the ostrich offers many attractive attributes unfound in the commercialized set of products on the market today.

As beef, bison, and to some extent chicken and beyond meat, represent competitive products, the table below represents a comparison of the nutritional characteristics between each, based on our own compilation of data from the USDA and other sources:

Nutritional Value	Ostrich	Beef	Chicken	Bison	Beyond Meat
Protein (g)*	22.8	20.0	24.0	28.4	20g
Fat (g)*	9.6	20.0	2.6	10.8	18.0
Cholesterol (mg)*	80.0	102.7	74.0	76	0.0
Calories (cal)*	184.8	280.0	200.0	200.4	260.0

*Per 4oz raw meat

Leather

Multiple international boot manufacturers such as Lucchese, Nocona, Ariat, Justin, and Tony Lama are buyers of ostrich hides, both tanned and non-tanned. Many high-end mainstream outlets including Saks 5th Avenue, Gucci, Ferragamo, and Louboutin offer ostrich leather products. The company projects hide revenues to constitute approximately 7 - 9% of all revenues.

Bones, Oils, Eggs, Additional Products

The balance of our revenues will be from excess products including ostrich body parts that may be suitable for human transplant (corneas, tendons), and ostrich feathers, used for industrial purposes and the fashion industry. Ostrich fat, which contains large levels of omega-3 fatty acids, can be rendered for use in cosmetics and pharmaceuticals. Lastly, ostrich bones and other body residues can be ground into animal feed or supplements. For example, Roaming Acres Farms sells pet bones ranging between \$5 - \$15 and a consortium of pet food packages for \$6.

Current Economics of an Ostrich

An ostrich has reached maturity at roughly 10-14 months subsequent to being hatched. Superior Ostrich projects that each bird requires roughly \$400.00 in feed and nutrition costs from “hatch to harvest.” Superior Ostrich has proven this costing metric through years of farming ostriches, as well in a beta test that the Company is presently conducting with a second ostrich location.

In the ‘Sales and Revenue’ section below, the Company’s revenue assumptions are explained in detail and the successful efforts by Management to prove the economics are described.

The base case economics of a bird are as follows:

Meat Outputs:

- Average Meat Yield: 80 lbs.
- Premium Meat Composition: 25%
- Intermediate Meat Composition: 25%
- Quality Meat Composition: 50%

Ostrich Meat Prices:

- Premium Meat Price: \$30.00
- Intermediate Meat Price: \$25.00
- Quality Meat Price: \$12.00

Ostrich Revenue:

- Premium Revenue: \$700.00
- Intermediate Revenue: \$500.00
- Quality Revenue: \$600.00
- Total Meat Revenue: \$1,800.00

Peripheral Revenue:

- Hide: \$70.00
- Bones: \$20.00
- Oil & Feathers: \$20.00
- Total Peripheral Revenue: \$110.00

In summary, the Company believes that the retail byproducts of each bird should amass a minimum of \$1,910.00 in revenues and that these revenue assumptions were established by the Company's "Pilot Phase" that concluded in 2018. Further, these assumptions are proven by other retail outlets that market ostrich throughout the United States. As of the date of this memorandum, there were three on-line retail outlets that boasted prices higher than the prices stated in this section.

Sales and Revenue

Superior Ostrich Management categorizes each of the Company's assets as "Premium Adults" or "Non-Premium Adults." The present focus is to fortify the Company's Profit and Loss Statement and devote a higher percentage of "Premium Adult" resources to asset reproduction. With these goals in mind, the Company currently prices "Non-Premium Adults" at a retail price of \$1,700.00 and a wholesale price of \$1,050.00.

Beginning in the 3rd Quarter of the 2020, Superior Ostrich began executing the initiative of selling "Non-Premium Adults," and thus far the Company has been able to satisfy the aforementioned price point. As of the date of this memorandum, Superior Ostrich has executed this plan successfully. Management approved a purchase order for 150 "Non-Premium Adults" that will be processed throughout the 4th Quarter. This agreement was made with an upstart ostrich distribution company committed to selling products directly to retail customers seeking a regular supply of ostrich meat.

Further, Superior Ostrich has sold roughly 20 "Non-Premium" adult birds to retail customers interested in owning birds for a multitude of different purposes. Superior Ostrich charges a higher price for these birds on the premise that these are of slightly higher quality than ostriches made available to the Company's wholesale purchasers, and non-bulk purchases.

The Company anticipates selling roughly 500 "Non-Premium Adults" through the conclusion of 2021 and projects with strong confidence that the price points established by Management will be met with adequate demand. The Company projects selling 400 at the wholesale price and 100 at the retail price.

Prior to shifting to wholesaling and retailing whole birds, the Company conducted a "Pilot Phase" in 2016-2018, where the Company partnered with processing facilities in Kansas and Texas to help refine a limited line of ostrich products. The Company sold 7 different cuts of meat to high-end restaurateurs, a jerky purveyor, a well-known hamburger chain, and a full-service meat distributor. The Company also sold hides to a leather wholesaler, and bones that were later marketed as pet-treats. The findings of the Pilot Phase were three-fold.

1. The Company was met with enthusiasm from all purchasers and believes that demand for ostrich products is not a threat to sustainability of the Company.
2. The Company found that "off-ranch" distribution costs do not justify Superior Ostrich's plan to market and sell individual products until the Company can achieve a greater scale of marketable products.
3. The Company found that it is reasonable to project a "total value" of between \$1,800 - \$2,100 per bird, depending on weight yields of the bird, quality of the hides, skill of the processing facility, and willingness from restaurateurs to market "Intermediate Cuts" as "Premium Cuts."

Quality Control

In-process quality checks are performed throughout the breeding, egg collection, incubation, hatching, rearing, and grow-out processes, including breeding trio and pen cycling, egg counts in batch sheets, temperature monitoring, egg fertility, sanitization, hatch rates, survivability rates, feeding regimens, and pen optimization.

Once processed at a USDA certified slaughter facility, all products are transported and stored frozen. Our foodservice customers are provided instructions on ‘slacking’, which is typically done by moving frozen food to a refrigerator to allow it to thaw slowly and safely before cooking.

Processing

Superior Ostrich currently outsources its slaughtering and processing to third party slaughterhouses. All Superior Ostrich birds are processed in federally inspected meat plants which carry the USDA “P” (poultry) designation. Management is very particular and maintains quality control standards when choosing processing facilities including kill floor processes, butchering, de-feathering, hide care, packaging, labeling, and freezing.

Distribution

Distribution of our products occurs from our partnering processing facility, once cut, packaged, and frozen, and is transferred by third-party logistics providers to cold storage facilities or directly shipped to the customer. At present, we do not utilize internal software to track loads, but we leverage the systems of our processing, storage, and transportation partners to manage our supply chain through food service and online retail distribution

Research & Development

Chick Rearing A-B Test

We recently entered into an A-B testing agreement with an associate ostrich farmer in the U.S. that was formally trained in notable South African ostrich ranching operations. After he completed his training, he went on to build the second largest ostrich meat and leather business in South Africa. He distributed meat products to wholesale and retail chain customers in Belgium, France, and Switzerland, and in the leather business, sold directly to Gucci, Ferragamo, Burberry, and Hermes in Europe and sold to wholesale partners in Hong Kong, Japan, and Taiwan. After moving his family to the U.S., he opened a wholesale ostrich by-product distributor and direct to consumer e-commerce platform. He does not currently have his own ranching operations; he sources his ostrich goods from U.S. suppliers or finished products internationally.

The A-B test is intended to determine the optimal rearing environment for the survivability of ostrich chicks. Currently, our chicks are reared and grown in Texas. The A-B test is designed to transport fertile eggs from our incubators in Texas to our associate’s farm in Arizona to determine if the geological environment is more suitable to the birds’ natural habitat.

The test will include two pick-ups of 200 fertile eggs. The eggs with viable embryos will be loaded into a hired temperature-controlled box truck and driven non-stop to the hatchery at the Arizona location, an approximate 20-hour drive. The staff at both the Texas and Arizona farms will log the number of fertile eggs, the hatch rates, the weather conditions including temperature, humidity, and rain, and any mortalities and associated causes. There will be camera surveillance at the Arizona hatchery and rearing facility for 24/7 remote monitoring.

The A-B test is scheduled to begin on October 1, 2020. More information and updated reporting on this A-B test is available upon request.

Intellectual Property

While we do not have any registered intellectual property, we do maintain select trade secrets surrounding our ostrich feed blend, our breeding processes, and our rearing regimen. Each of these areas have been tested, revised, and perfected over the last 30+ years by our ranchers and have led to the successes we are experiencing in our production today.

Competition

On a granular level, the U.S. domestic ostrich industry is dwarfed when compared to the global ostrich industry and the overall U.S. meat and livestock production industry. For the purposes of simplifying the business case, this section describes the two most important forms of competition that Superior Ostrich faces at the present time in the U.S.; existing U.S. ostrich farms and competitive meat products. This section also covers the U.S. barriers to entry for international operations and Superior Ostrich's overall advantages in the market.

Existing Ostrich Farms

Superior Ostrich faces competition from every ostrich farmer in North America. As of the date of this memorandum, we have identified farms in nearly every region of the United States. Specifically, there are farms in New Jersey, North Carolina, South Carolina, Florida, Kentucky, Tennessee, Illinois, Iowa, Texas, Arizona, Nevada, Idaho, Oregon, and California. The vast majority of these farms are small ranches with the expressed purpose of either maintaining the ostriches as pets or exhibiting them for entertainment purposes. The remaining subset of farms are productive ranching operations in the business of breeding birds and distributing ostrich meat and by-products in the U.S.

As of the date of this memorandum, the Superior Ostrich ranch maintains over 800 birds/assets, and is believed to be the largest known ranching operation in the U.S. Existing farms in the United States generally limit flocks to 7-10 breeding trios, and have oriented respective businesses around processing small numbers of birds, selling ostriches as pets, or featuring ostriches in various zoos.

Competitive Meat Products

As described in this memorandum, Superior Ostrich's goal is to disrupt the consumer-based meat products market in the U.S. We believe the principal competitive factors in this industry are:

- Taste
- Nutritional profile
- Texture
- Ease of integration into the consumer diet
- Non-GMO
- Distribution
- Brand awareness and loyalty
- Media and marketability
- Convenience
- Cost
- Product variety and packaging
- Supply and reproductivity
- Access to major restaurant and foodservice outlets and integration into menus
- Access to major retailer shelf space and retail locations

As referenced in the industry Section B Industry & Markets, the best example to demonstrate the practicality in breeding ostriches is to compare the reproduction metrics to cattle. The chart below validates the effectiveness of ostrich by comparing ostrich reproduction to cattle reproduction:

Comparison Metric	Ostrich	Cattle
Total Economic Life (years)	20+	8-10
Total Meat Yield (lbs.)	40,000+	5,000
Gestation/Incubation Period (days)	42	280
Offspring per Year	20	1
Period from Conception to Slaughter (months)	10-14	14-20
Meat Yield per Animal (lbs.)	100	551
Leather Yield per Animal (ft ²)	15	29.1 ¹⁸

(Source: The American Meat Institute)

While the beef cattle industry is clearly established and dominates the meat production market today, with appropriate scale, we believe that ostrich can quickly become a competitive product on U.S. shelves.

Barriers to Entry – U.S. Restriction on Ratite Imports

As stated previously in Section B Industry & Markets, 65% of the global ostrich market is held by South Africa. Since 1945, Klein Karoo International (KKI), recently merged with Mosstrich and located in South Africa, has been the largest player in the global market of ostrich derived goods. As of the date of this memorandum, the European Union (EU) is the largest market for South African ostrich meat. Due to the lack of regulatory bodies and frequent avian disease outbreaks in South Africa, the European Union has placed several month-long, and at times, years-long import bans on South African ostrich meat. Although the largest contributor to the global market, South Africa historically has struggled with export droughts due to avian flu outbreaks.

In addition, The USDA regulates the importation of all avian species including ratites and hatching eggs of ratites into the U.S. These regulations were developed to prevent the introduction of highly contagious diseases of poultry such as highly pathogenic avian influenza (HPAI) and Newcastle disease. The list of countries that carry this restriction are rather extensive, but for the purposes of this business case, the Republic of South Africa is among them and has remained on this list consistently for several years. In summary, the U.S. bans the import of live birds and hatching eggs from South Africa, rendering the largest player globally obsolete in the U.S. meat market.

The list of regions which the USDA has recognized as affected with HPAI can be found at the following web address: <https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/animal-and-animal-product-import-information/animal-health-status-of-regions>

¹⁸ M.M. Shanawany – *Recent Developments In Ostrich Farming* – <http://www.fao.org/ag/aga/agap/frg/feedback/war/v6200b/v6200b02.htm>

SECTION V – RISK FACTORS

The Common Stock offered hereby is highly speculative in nature, involves a high degree of risk, and should be purchased only by persons who can afford to lose their entire investment. Accordingly, prospective investors should carefully consider, along with other matters referred to herein, the following risk factors in evaluating our business before purchasing any Securities. This Memorandum contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in the following risk factors and elsewhere in this Memorandum. You are encouraged to seek the advice of your attorney, tax consultant, and business advisor with respect to the legal, tax, and business aspects of an investment in the Common Stock.

A. Risks Relating to Our Business and Industry

WE ARE A DEVELOPMENT-STAGE COMPANY WITH A HISTORY OF LOSSES, AND WE MAY BE UNABLE TO ACHIEVE OR SUSTAIN PROFITABILITY.

We have experienced net losses in each year since our inception and are subject to many risks common to such companies, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. To date, we have not achieved, and we may never achieve, revenues sufficient to offset expenses. We expect to devote substantially all of our resources to the development and breeding of our birds.

We anticipate that our operating expenses and capital expenditures will increase substantially in the foreseeable future as we continue to invest to increase our customer base, supplier network and co-manufacturing partners, expand our marketing channels, invest in our distribution and manufacturing facilities, hire additional employees and enhance our technology and production capabilities. Our expansion efforts may prove more expensive than we anticipate, and we may not succeed in increasing our revenues and margins sufficiently to offset the anticipated higher expenses.

Because of the numerous risks and uncertainties associated with developing and commercializing our birds, we are unable to predict the extent of any future losses or when we will become profitable, if ever. We may never become profitable and you may never receive a return on an investment in our Securities. An investor in our Securities must carefully consider the substantial challenges, risks and uncertainties inherent in the attempted development and commercialization of our birds.

WE MAY NOT BE ABLE TO COMPETE SUCCESSFULLY IN OUR HIGHLY COMPETITIVE MARKET.

We operate in a highly competitive market. Numerous brands and products compete for limited retailer shelf space, e-commerce presence, foodservice access, and restaurant customers and consumers. In our market, competition is based on, among other things, product quality and taste, brand recognition and loyalty, product variety, interesting or unique product names, product packaging and package design, shelf space, reputation, price, advertising, promotion and nutritional claims.

Generally, the food industry is dominated by multinational corporations with substantially greater resources and operations than us. We cannot be certain that we will successfully compete with larger competitors that have greater financial, sales and technical resources.

IF WE FAIL TO EFFECTIVELY EXPAND OUR PRODUCTION CAPACITY, OUR BUSINESS AND OPERATING RESULTS AND OUR BRAND REPUTATION COULD BE HARMED.

There is risk in our ability to effectively scale breeding and reproduction processes and effectively manage our supply chain requirements. We must accurately forecast demand for our products in order to ensure we have adequate available product capacity. Our forecasts are based on multiple assumptions which may cause our estimates to be inaccurate, which could prevent us from meeting increased customer demand and harm our brand

and our business and in some cases may result in fines we must pay customer or distributors if we are unable to fulfill orders placed by them in a timely manner or at all.

However, if we overestimate our demand and overbuild our capacity, we may have significantly underutilized assets and may experience reduced margins.

OUTBREAKS OF AVIAN DISEASE, SUCH AS AVIAN INFLUENZA, OR THE PERCEPTION THAT OUTBREAKS MAY OCCUR, CAN SIGNIFICANTLY RESTRICT OUR ABILITY TO CONDUCT OUR OPERATIONS.

We take reasonable precautions to ensure that our flocks are healthy and that our facilities operate in a sanitary and environmentally sound manner. Nevertheless, events beyond our control such as the outbreak of avian disease, even if it does not affect our flocks, could significantly restrict our ability to conduct our operations or our sales. An outbreak of disease could result in governmental restrictions on the import and export of our products or other products to or from our suppliers, facilities or customers, or require us to destroy one or more of our flocks. This could result in the cancellation of orders by our customers and create adverse publicity that may have a material adverse effect on our business, reputation, and prospects. In addition, world-wide fears about avian disease such as avian influenza, have in the past, depressed demand for poultry, which may adversely impact our sales.

In previous years, there has been substantial publicity regarding a highly pathogenic Asian strain of avian influenza (or AI), known as H5N1, which has affected Asia since 2002 and has been found in Europe, the Middle East, and Africa. It is widely believed that this strain of AI is spread by migratory birds such as ducks and geese. There have also been some cases where this strain of AI is believed to have passed from birds to humans, as humans came into contact with live birds that were infected with the disease.

Although the highly pathogenic Asian strain of AI has not been identified in North America, there have been outbreaks of both low and high pathogenic strains of avian influenza in North America, including in the U.S. in 2002 and 2004, and in Mexico in 2005 and 2012. In addition, low pathogenic strains of the AI virus were detected in wild birds in the United States in 2006. Although these outbreaks have not generated the same level of concern, or received the same level of publicity, or been accompanied by the same reduction in demand for poultry products in certain countries as that associated with the highly pathogenic Asian strain, they have nevertheless impacted our sales. Accordingly, even if the Asian strain does not spread to North America, we cannot assure you that it will not materially adversely affect domestic or international demand for poultry produced in North America and, if it were to spread to North America, we cannot assure you that it would not significantly affect our operations or the demand for our products in each case, in a manner having a material adverse effect on our business, reputation, or prospects.

IF WE FAIL TO ESTABLISH SUFFICIENT SALES AND MARKETING CAPABILITIES, COST-EFFECTIVELY ACQUIRE NEW CUSTOMERS OR RETAIN OUR EXISTING CUSTOMERS, OR ENTER INTO AND MAINTAIN APPROPRIATE ARRANGEMENTS WITH THIRD PARTIES TO SELL, MARKET, AND DISTRIBUTE OUR PRODUCTS, OUR BUSINESS COULD BE MATERIALLY AFFECTED.

Our success, and our ability to increase revenue and operate profitably, depends in part on our ability to establish selling and marketing channels which enhance our capacity to cost-effectively acquire new customers, to retain existing customers, to enter into and maintain successful arrangements with others, and to keep existing customers engaged so that they continue to purchase products from us. If we are unable to establish and maintain adequate sales, marketing, and distribution capabilities, independently or with others, our business, financial condition, and operating results would be materially adversely affected.

If our current or future partners do not perform adequately, or we are unable to locate or retain partners as needed, in particular geographic areas or in particular markets, our ability to achieve our expected revenue growth rate will be harmed.

CONSUMER PREFERENCES FOR OUR PRODUCTS ARE DIFFICULT TO PREDICT AND MAY CHANGE, AND, IF WE ARE UNABLE TO RESPOND QUICKLY TO NEW TRENDS, OUR BUSINESS MAY BE ADVERSELY AFFECTED.

Consumer demand could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. If consumer demand for our products decreased, our business and financial condition would suffer. A significant shift in consumer demand away from our products could reduce our sales or our market share and the prestige of our brand, which would harm our business and financial condition.

MEDIA CAMPAIGNS RELATED TO FOOD PRODUCTION PRESENT RISKS.

Media outlets, including new social media platforms, provide the opportunity for individuals or organizations to publicize stories or perceptions about our Company or the food production industry. Such practices have the ability to cause damage to our brands, the industry generally, consumers' perceptions of our Company, or the food production industry, and may result in negative publicity and adversely affect our financial results.

OUR BRAND AND REPUTATION MAY BE DIMINISHED DUE TO REAL OR PERCEIVED QUALITY OR HEALTH ISSUES WITH OUR PRODUCTS, WHICH COULD HAVE AN ADVERSE EFFECT ON OUR BUSINESS, REPUTATION, OPERATING RESULTS AND FINANCIAL CONDITION.

Real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving us (such as incidents involving our competitors), could cause negative publicity and reduced confidence in our company, brand or products, which could in turn harm our reputation and sales, and could materially adversely affect our business, financial condition and operating results. Although we believe we have a rigorous quality control process, there can be no assurance that our products will always comply with the standards set for our products.

We have no control over our products once purchased by consumers. Accordingly, consumers may prepare our products in a manner that is inconsistent with our directions or store our products for long periods of time, which may adversely affect the quality and safety of our products. If consumers do not perceive our products to be safe or of high quality, then the value of our brand would be diminished, and our business, results of operations and financial condition would be adversely affected.

THE COMPANY DOES NOT TYPICALLY HAVE LONG-TERM PURCHASE CONTRACTS WITH ITS CUSTOMERS AND ITS CUSTOMERS HAVE IN THE PAST, AND MAY AT ANY TIME IN THE FUTURE, REDUCE OR CEASE PURCHASING PRODUCTS FROM THE COMPANY, WHICH MAY ADVERSELY AFFECT THE COMPANY'S BUSINESS AND RESULTS OF OPERATIONS.

The Company typically does not have long-term volume purchase contracts with its customers and they are not obligated to purchase products from the Company. Accordingly, the Company's customers may at any time reduce their purchases from the Company or cease purchasing the Company's products altogether. In addition, any decline in demand for the Company's products and any other negative development affecting the Company's customers may adversely affect the Company's results of operations. For example, if any of the Company's customers experience serious financial difficulties, it may lead to a decline in sales of the Company's products to such customers and the Company's operating results may be adversely affected through, among other things, decreased sales volumes and write-offs of accounts receivable related to sales to such customers.

FAILURE BY OUR TRANSPORTATION PROVIDERS TO DELIVER OUR PRODUCTS ON TIME, OR AT ALL, COULD RESULT IN LOST SALES.

We currently rely upon third-party transportation providers for our product shipments. Our utilization of delivery services for shipments is subject to risks, including fluctuation in fuel prices, which would increase our shipping costs, employee strikes, and inclement weather, which may impact the ability of providers to provide delivery services that meet our shipping needs. We could face logistical difficulties that could adversely affect deliveries. In

addition, we may not be able to obtain terms as favorable as what we currently use, which in turn would increase our costs and thereby adversely affect our operating results.

OUR REVENUE GROWTH RATE MAY FLUCTUATE OVER TIME AND MAY NOT BE INDICATIVE OF FUTURE PERFORMANCE.

Our revenue growth rates may slow over time due to a number of reasons, including increasing competition, market saturation, slowing demand for our offerings, increasing regulatory costs and challenges, and failure to capitalize on growth opportunities.

In addition, we routinely offer sales discounts and promotions to customers and consumers which may occasionally result in reduced margins. These programs include, off-invoice discounts, quantity discounts, and other trade activities. We anticipate that, at times, these promotional activities may adversely impact our net revenues and results of operations.

HISTORICAL RESULTS ARE NOT INDICATIVE OF FUTURE RESULTS.

Historical quarter-to-quarter and period-over-period comparisons of our sales and operating results are not necessarily indicative of future quarter-to-quarter and period-over-period results. You should not rely on the results of a single quarter or period as an indication of our annual results or our future performance.

OUR BUSINESS MODEL PRESENTS UNCERTAINTY OVER THE EFFECT OF INCREASED SUPPLY OF OUR PRODUCTS ON COMMODITIES, LIVESTOCK, HEALTHCARE, NUTRITIONAL AND MEDICAL PRICING.

As we substantially increase the size of our flock, increasing availability of mature birds for commercial meat processing, production of exotic ostrich leather hides, or new products for the cosmetic, pharmaceutical, and medical markets, we are uncertain of the economic effects on wholesale and retail pricing. Until the market matures, we, our distribution network(s), or both combined, may not have the economic strength to stabilize fluctuations in the commodities, livestock, and other markets, where our products will be offered for sale.

FLUCTUATIONS IN COMMODITY PRICES AND IN THE AVAILABILITY OF RAW MATERIALS, ESPECIALLY FEED GRAINS AND OTHER INPUTS COULD NEGATIVELY IMPACT OUR EARNINGS.

Our results of operations and financial conditions are dependent upon the cost and supply of raw materials such as feed grains, live birds, energy, and ingredients, as well as the selling prices for our products (many of which are determined by constantly changing market forces of supply and demand over which we have limited or no control). Corn, soybean meal, and other feed ingredients are major production costs to grow-out live ostrich chicks every year. As a result, fluctuations in prices for these feed ingredients can adversely affect our earnings.

Production of feed ingredients is affected by, among other things, weather patterns throughout the world, the global level of supply inventories, and demand for grains and other feed ingredients, as well as agricultural and energy policies of domestic and foreign governments. In the event that there is a significant shortage or change in the purchase price of raw materials in the future and we are unable to transfer resulting cost increases to our customers, our business operations and profitability may be adversely affected.

IF WE FAIL TO MANAGE OUR FUTURE GROWTH EFFECTIVELY, IMPLEMENT OUR EXPANSION STRATEGY, OUR BUSINESS COULD BE MATERIALLY ADVERSELY AFFECTED.

If management is unable to adapt to the growth of our business operations, we may not be able to expand our product and service offerings, our client base and markets, or implement the other features of our business strategy at the rate or to the extent presently planned. Our projected growth will place a significant strain on our administrative, operational and financial resources. If we are unable to successfully manage our future growth, establish and continue to upgrade our operating and financial control systems, recruit and hire necessary personnel,

or effectively manage unexpected expansion difficulties, our financial condition and results of operations could be materially and adversely affected.

The anticipated growth and expansion of our business and our product offerings will place significant demands on our management and operations teams and require significant additional resources to meet our needs, which may not be available in a cost-effective manner, or at all. If we do not effectively manage our growth, we may not be able to execute on our business plan, expand on our product and service offerings, respond to competitive pressures, take advantage of market opportunities, sustain our customer base, or maintain an adequate supply chain, any of which could harm our business, brand, results of operations and financial condition.

IF WE ARE UNABLE TO ATTRACT, TRAIN AND RETAIN EMPLOYEES, WE MAY NOT BE ABLE TO GROW OR SUCCESSFULLY OPERATE OUR BUSINESS.

Our success depends in part upon our ability to attract, train, and retain employees who understand and appreciate the nature of our business and can represent our business effectively. It is imperative that our employees are able to establish credibility with our business partners and consumers. If we are unable to hire and retain employees capable of meeting our business needs and expectations, our business and brand image may be impaired. Any failure to meet our staffing needs or any material increase in turnover rates of our employees may adversely affect our business, results of operations and financial condition.

WE WILL NEED TO RAISE ADDITIONAL EQUITY OR DEBT FINANCING TO ACHIEVE OUR GOALS, AND A FAILURE TO OBTAIN THIS NECESSARY CAPITAL WHEN NEEDED OR ON ACCEPTABLE TERMS, OR AT ALL, MAY FORCE US TO DELAY, LIMIT, REDUCE, OR TERMINATE OUR BREEDING FLOCK, OUR PRODUCT DISTRIBUTION, AND OTHER OPERATIONS.

We will need to raise financing in the future to fund our operating plans through public or private equity or debt financings or other sources, such as strategic collaborators. If successful in raising additional financing, we could experience dilution to stockholders, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect our business. Failure to secure additional financing in a timely manner and on favorable terms if and when needed in the future could have a material adverse effect on our financial performance, balance sheet, and stock price, and require us to implement cost reduction initiatives and curtail operations.

THE TIMING AND AMOUNT OF CAPITAL REQUIREMENTS ARE NOT ENTIRELY WITHIN OUR CONTROL AND CANNOT ACCURATELY BE PREDICTED AND AS A RESULT, WE MAY NOT BE ABLE TO RAISE CAPITAL IN TIME TO SATISFY OUR NEEDS, OR COMMENCE OPERATIONS.

We have no commitments for future financing and we cannot be sure that any financing would be available in a timely manner, on terms acceptable to us, or at all. Further, any equity financing could reduce ownership of existing stockholders and any borrowed money could involve restrictions on future capital raising activities and other financial and operational matters. Additionally, even if we do raise sufficient capital and generate revenues to support our operating expenses, there can be no assurances that the revenue will be sufficient to enable us to develop our business to a level where it will generate profits and cash flows from operations.

IMMIGRATION LEGISLATION AND ENFORCEMENT MAY AFFECT OUR ABILITY TO HIRE HOURLY WORKERS.

Immigration reform continues to attract significant attention in the public arena and the United States Congress. If new immigration legislation is enacted at the federal level or in states in which we do business, such legislation may contain provisions that could make it more difficult or costly for us to hire United States citizens and/or legal immigrant workers. In such case, we may incur additional costs to run our business or may have to change the way we conduct our operations, either of which could have a material adverse effect on our business, operating results and financial condition. Also, despite our past and continuing efforts to hire only United States citizens and/or persons legally authorized to work in the United States, increased enforcement efforts with respect to existing immigration laws by governmental authorities may disrupt a portion of our workforce or our operations at one or

more of our facilities, thereby negatively impacting our business. Officials with the Bureau of Immigration and Customs Enforcement have informally indicated intent to focus their enforcement efforts on red meat and poultry processors.

INCLEMENT WEATHER, SUCH AS EXCESSIVE HEAT OR STORMS, COULD HURT OUR FLOCKS, WHICH COULD IN TURN HAVE A MATERIAL ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS.

Extreme weather, such as volatile temperatures, hurricanes or other storms, could impair the health or growth of our flocks or interfere with our hatching, production or shipping operations. Some scientists believe that climate change could increase the frequency and severity of adverse weather events. Extreme weather, regardless of its cause, could affect our business due to power outages, fuel shortages, damage to infrastructure from powerful winds, rising water or extreme temperatures, disruption of shipping channels, and less efficient or non-routine operating practices necessitated by adverse weather or increased costs of insurance coverage in the aftermath of such events, among other things. Any of these factors could materially and adversely affect our results of operations. We may not be able to recover through insurance, all of the damages, losses, or costs that may result from weather events, including those that may be caused by climate change.

DISRUPTIONS IN THE WORLDWIDE ECONOMY MAY ADVERSELY AFFECT OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Adverse and uncertain economic conditions may impact distributor, retailer, foodservice and consumer demand for our products. Our ability to manage normal commercial relationships may suffer. Consumers may shift purchases to lower-priced or other perceived value offerings during economic downturns which may potentially damage our commercial relationships and diminish demand.

In addition, distributors and retailers may become more conservative in response to these conditions and seek to reduce their inventories. Our results of operations depend upon, among other things, our ability to maintain and increase sales volume with our existing distributors, retailer and foodservice customers, our ability to attract new consumers, the financial condition of our consumers, and our ability to provide products that appeal to consumers at the right price. Prolonged unfavorable economic conditions may have an adverse effect on our sales and profitability.

LITIGATION OR LEGAL PROCEEDINGS COULD EXPOSE US TO SIGNIFICANT LIABILITIES AND HAVE A NEGATIVE IMPACT ON OUR REPUTATION OR BUSINESS.

From time to time, we may be party to various claims and litigation proceedings. We will evaluate these claims and proceedings to assess the probability of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves, as appropriate. These assessments and estimates are based on the information readily available to management at the time, require a significant amount of management judgment, and actual outcomes or losses may differ materially from these assessments and estimates.

Even when not merited, the defense of these lawsuits may divert our management's attention, and we may incur significant expenses in defending these lawsuits. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these legal disputes may result in adverse damages, penalties, or other injunctive relief against us, which could have a material adverse effect on our financial position, and operations. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete or to obtain adequate insurance in the future.

Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery.

LEGAL CLAIMS, GOVERNMENT INVESTIGATIONS OR OTHER REGULATORY ENFORCEMENT ACTIONS COULD SUBJECT US TO CIVIL AND CRIMINAL PENALTIES.

We operate in a highly regulated environment with constantly evolving legal and regulatory frameworks. Consequently, we are subject to heightened risk of legal claims, government investigations, or other regulatory enforcement actions. There can be no assurance that our employees, contractors, or agents will not violate legal or regulatory frameworks. Moreover, a failure to maintain effective control processes could lead to violations, unintentional or otherwise, of laws and regulations. Legal claims, government investigations or regulatory enforcement actions arising out of our failure or alleged failure to comply with applicable laws and regulations could subject us to civil and criminal penalties that could materially and adversely affect our product sales, reputation, financial condition, and operating results. In addition, the costs and other effects of defending potential and pending litigation and administrative actions against us may be difficult to determine and could adversely affect our financial condition and operating results.

B. Risks Related to Governmental Regulation and Compliance Requirements

THE COMPANY IS SUBJECT TO GOVERNMENTAL REGULATION AND NONCOMPLIANCE WITH OR CHANGES IN APPLICABLE REQUIREMENTS COULD ADVERSELY AFFECT ITS BUSINESS, FINANCIAL CONDITION, AND RESULT OF OPERATIONS.

The Company's operations are subject to regulation and oversight by the USDA, including its FSIS and GIPSA agencies, the FDA, and other federal, state, local and foreign authorities regarding the processing, packaging, storage, safety, distribution, advertising and labeling of its products. Recently, food safety practices and procedures in the meat processing industry have been subject to more intense scrutiny and oversight by the USDA. We are also subject to a variety of labor and worker safety laws and regulations, including those relating to the hiring and retention of employees. Failure to comply with existing or new laws and regulations could result in administrative penalties and injunctive relief, civil remedies, fines, interruption of operations, recalls of products or seizures of properties, potential criminal sanctions, and personal injury or other damage claims. These remedies, changes in the applicable laws and regulations, or discovery of currently unknown conditions could increase costs, limit business operations and reduce profitability.

FOOD SAFETY AND FOOD-BORNE ILLNESS INCIDENTS OR PRODUCT MISLABELING MAY MATERIALLY ADVERSELY AFFECT OUR BUSINESS, AND MAY EXPOSE US TO LAWSUITS, PRODUCT RECALLS OR REGULATORY ENFORCEMENT ACTIONS, INCREASE OUR OPERATING COSTS, AND DECREASE DEMAND FOR OUR PRODUCT OFFERINGS.

There is significant governmental scrutiny of and public awareness regarding food safety as selling food for human consumption involves inherent legal and other risks. Any unexpected side effects, illness, injury, or death related to allergens, food-borne illnesses, or other food safety incidents caused by products we sell, or involving our suppliers or distributors, could result in the discontinuance of sales of these products or our relationships with such suppliers, or otherwise result in increased operating costs, regulatory enforcement actions or harm to our reputation. Shipment of adulterated or misbranded products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose us to product liability, negligence or other lawsuits, including consumer class action lawsuits. Any claims brought against us may exceed or be outside the scope of our existing or future insurance policy coverage or limits. Any judgment against us that is more than our policy limits or not covered by our policies or not subject to insurance would have to be paid from our cash reserves, which would reduce our capital resources.

Any instances of food contamination or regulatory noncompliance, whether or not caused by our actions, could compel us, our suppliers, our distributors or our customers, depending on the circumstances, to conduct a recall in accordance with FDA regulations, and comparable state laws. Food recalls could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time and potential loss of existing distributors or customers and a potential negative impact on our ability to attract new customers due to negative consumer experiences or because of an adverse impact on our brand and reputation. The costs of a recall could exceed or be outside the scope of our existing or future insurance policy coverage or limits.

In addition, food companies have been subject to targeted, large-scale tampering as well as to opportunistic, individual product tampering, and we, like any food company, could be a target for product tampering. Forms of tampering could include the introduction of foreign material, chemical contaminants and pathological organisms into consumer products as well as product substitution. Recently issued FDA regulations will require companies like us to analyze, prepare and implement mitigation strategies specifically to address tampering designed to inflict widespread public health harm. If we do not adequately address the possibility, or any actual instance, of product tampering, we could face possible seizure or recall of our products and the imposition of civil or criminal sanctions, which could materially adversely affect our business, financial condition and operating results.

ANY ADOPTION OF NEW LAWS OR REGULATIONS, OR CHANGES IN EXISTING LAWS OR REGULATIONS MAY INCREASE OUR COSTS AND OTHERWISE ADVERSELY AFFECT OUR BUSINESS.

The development, processing, and marketing of food products is a highly regulated industry. As a part of this industry, we are subject to a variety of laws and regulations. These laws and regulations apply to many aspects of our business, including the breeding, incubation, feeding, pasteurization, processing, packaging, labeling, distribution, advertising, sale, quality, and safety of our products, as well as the health and safety of our employees and the protection of the environment.

United States regulation states that we are subject to oversight by various government agencies, including the FDA, Federal Trade Commission, or FTC, Occupational Safety and Health Administration, or OSHA, and the Environmental Protection Agency, or EPA, as well as various state and local agencies. We could incur costs, including fines, penalties and third-party claims, because of any violations of, or liabilities under, such requirements relating to compliance with such requirements.

The regulatory environment in which we operate could change significantly and adversely in the future. Any change in ranching, processing, labeling, or packaging requirements for our products may lead to an increase in costs or interruptions in production, either of which could adversely affect our operations and financial condition. New or revised government laws and regulations could result in additional compliance costs and, in the event of non-compliance, civil remedies, including fines, injunctions, withdrawals, recalls or seizures and confiscations, as well as potential criminal sanctions, any of which may adversely affect our business, results of operations and financial condition.

C. Risks Relating to this Offering and an Investment in the Securities

NO MARKET FOR SECURITIES.

There is currently no market through which any of the Company's securities may be sold and there is no assurance that any securities of the Company will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until securities are listed on a stock exchange, holders of the securities may not be able to sell them. Even if a listing is obtained, there can be no assurance that an active public market for the Company's listed securities will develop or be sustained after completion of the Offering. The price per Share was determined arbitrarily by the Company and was based upon several factors, and may bear no relationship to the price that will prevail in the public market. The holding of Securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

WE ARE CONTROLLED BY CURRENT OFFICERS, DIRECTORS AND PRINCIPAL STOCKHOLDERS.

Following completion of the Offering, our directors, executive officers and principal stockholders and their affiliates will beneficially own 57.93% of the outstanding shares of our common stock assuming the Maximum Offering is sold. So long as our directors, executive officers, and principal stockholders and their affiliates control a majority of our fully diluted equity, they will continue to have the ability to elect our directors and determine the outcome of votes by our stockholders on corporate matters, including mergers, sales of all or substantially all of our assets, charter

amendments, and other matters requiring stockholder approval. This controlling interest may have a negative impact on the market price of our common stock by discouraging third-party investors.

THE OFFERING PRICE FOR THE SHARES HAS BEEN ARBITRARILY DETERMINED.

The offering price of the Shares was arbitrarily determined through negotiations with the Placement Agent. The price of the Shares does not necessarily bear any relationship to established valuation criteria such as earnings, book value, or assets. Rather, the price of the Shares was derived as a result of our negotiations with the Placement Agent, based upon various factors including prevailing market conditions, our future prospects, and our capital structure. This price does not necessarily accurately reflect the actual value of the Shares or the price that may be realized upon disposition of the Shares.

INVESTOR FUNDS WILL NOT ACCRUE INTEREST WHILE IN ESCROW PRIOR TO CLOSING.

All funds delivered in connection with subscriptions for the Securities will be held in a non-interest-bearing escrow account with the Escrow Agent until the closing of the Offering, if any. If we are unable to sell and receive payments for the Minimum Offering prior to the Termination Date, investor subscriptions will be returned without interest or deduction. Investors in the Securities offered hereby may not have the use of such funds or receive interest thereon pending the completion of the Offering.

OUR FAILURE TO SELL ALL OF THE SHARES OFFERED HEREBY COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS PLAN.

Our business plans require that a portion of the net proceeds from the sale of the Shares offered hereby, will be used for development of our website and expansion of our operations. Accordingly, if less than all of the Shares offered are sold, we may have to delay or modify our plan and proceed on a much slower or smaller scale with a lower likelihood of success. We cannot assure you that any delay or modification of our plans would not adversely affect our business, financial condition, and results of operations. If additional funds are needed to implement our business plans, we may be required to seek additional financing. We may not be able to obtain such additional financing or, if obtained, such financing may not be on terms favorable to us or to the purchasers of the Shares offered hereby.

THERE IS CURRENTLY NO PUBLIC MARKET FOR OUR COMMON STOCK AND THERE IS NO CURRENT PLAN TO DEVELOP OR MAINTAIN A TRADING MARKET WHICH COULD MAKE IT DIFFICULT OR IMPOSSIBLE FOR YOU TO DISPOSE OF YOUR SHARES.

Prior to this offering, there has been no public market for our common stock and a public market for our common stock will not develop after completion of this offering. Failure to develop or maintain an active trading market could negatively affect the value of our Shares and make it difficult for you to sell your Shares or recover any part of your investment in our business. Even if a market for our common stock does develop, the market price of our common stock may be highly volatile. In addition to the uncertainties relating to our future operating performance and the profitability of our operations, factors such as variations in our interim financial results, or various, as yet unpredictable factors, many of which are beyond our control, may have a negative effect on the market price of our common stock. Accordingly, there can be no assurance as to the liquidity that may develop for our common stock, the ability of holders of our common stock to sell our common stock, or the prices at which holders may be able to sell our common stock.

THERE WILL BE RESTRICTIONS ON RESALE OF THE SHARES AND THERE IS NO ASSURANCE OF THE REGISTRATION OF THE SHARES.

The Shares when issued, may not be sold unless, at the time of such intended sale, there is a current registration statement covering the resale of the Common Stock or there exists an exemption from registration under the *Securities Act*, and such Common Stock has been registered, qualified, or deemed to be exempt under applicable securities or “blue sky” laws in the state of residence of the seller or in the state where sales are being effected. If no registration statement is filed and declared effective covering the resale of any of the Common Stock, subscribers will be precluded from disposing of such securities unless such securities may become eligible to be disposed of under the exemptions provided by *Rule 144* under the *Securities Act* without restriction. If the Shares sold pursuant to this Offering are not

registered for resale under the *Securities Act*, or exempt therefrom, and registered or qualified under applicable securities or “blue sky” laws, or deemed exempt therefrom, the value of such Common Stock will be greatly reduced.

BECAUSE OUR MANAGEMENT WILL HAVE BROAD DISCRETION AND FLEXIBILITY IN HOW THE NET PROCEEDS FROM THIS OFFERING ARE USED, OUR MANAGEMENT MAY USE THE NET PROCEEDS IN WAYS WITH WHICH YOU DISAGREE OR WHICH MAY NOT PROVE EFFECTIVE.

Assuming that all of the Shares offered in accordance with this Memorandum are sold, the net proceeds to us from the sale of the Common Stock will be approximately \$815,000. Our management will have broad discretion as to the application of such proceeds.

We have not allocated specific amounts of the net proceeds from this Offering for any specific purposes. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the net proceeds are being used appropriately. It is possible that the net proceeds will be invested in a way that does not yield a favorable, or any, return for us. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, operating results and cash flow.

There can be no assurance that management’s use of proceeds generated through this Offering will prove optimal or translate into revenue or profitability for the Company. Subscribers are urged to consult with their attorneys, accountants, and personal investment advisors prior to making any decision to invest in the Company.

AN INVESTMENT IN OUR SHARES IS SPECULATIVE AND THERE CAN BE NO ASSURANCE OF ANY RETURN ON ANY SUCH INVESTMENT.

An investment in the Common Stock is speculative and there is no assurance that investors will obtain any return on their investment. Investors will be subject to substantial risks involved in an investment in the Company, including the risk of losing their entire investment.

The Shares will be offered by us on a “reasonable efforts” basis, and we may not raise the Minimum or Maximum Offering amounts.

We are offering the Securities on a “reasonable efforts” basis. In a reasonable efforts offering such as the one described in this Memorandum, there is no assurance that we will sell the Maximum Offering amounts. Accordingly, we may close upon amounts less than the Maximum Offering. This could delay or curtail certain aspects of our planned activities which may, if it is determined to be economically feasible, include a portion of the costs and activities required for our clinical trials. Even if the Maximum Offering amount is sold, we expect to need to raise additional funds, which may include equity securities, in order to finance our operations. Increasing the amount of additional equity we raise will further dilute investors participating in this Offering.

IF THE MAXIMUM OFFERING AMOUNT IS NOT RAISED, IT MAY INCREASE THE AMOUNT OF LONG-TERM DEBT OR THE AMOUNT OF ADDITIONAL EQUITY WE NEED TO RAISE.

There is no assurance that the maximum number of Shares offered in this Offering will be sold. If the Maximum Offering amount is not sold, we may need to incur additional debt or raise additional equity in order to finance our operations. Increasing the amount of debt will increase our debt service obligations and make less cash available for distribution to our shareholders. Increasing the amount of additional equity we are required to raise will further dilute investors participating in this Offering.

IF YOU PURCHASE SHARES IN THIS OFFERING, YOU WILL INCUR IMMEDIATE AND SUBSTANTIAL DILUTION IN THE NET TANGIBLE BOOK VALUE OF THE SHARES.

The purchase price per share of Common Stock is substantially higher on a price per share basis than the net tangible book value per share of our Common Stock. Investors purchasing Shares in this Offering will pay an underlying price per share of Common Stock that substantially exceeds the book value of our tangible assets after subtracting our liabilities. As a result, investors purchasing Shares in this Offering will incur immediate and substantial dilution. In

addition, we have a substantial number of convertible securities outstanding. Upon exercise of the convertible securities, investors would experience additional substantial dilution. As a result of the dilution to investors purchasing Shares in this Offering, investors may receive significantly less than the underlying purchase price per share paid in this Offering, if anything, in the event of a liquidation of our company.

WE HAVE NOT PAID CASH DIVIDENDS IN THE PAST AND DO NOT EXPECT TO PAY DIVIDENDS IN THE FUTURE. ANY RETURN ON INVESTMENT MAY BE LIMITED TO THE VALUE OF OUR COMMON STOCK.

We have never paid cash dividends on our Common Stock and do not anticipate doing so in the foreseeable future. The payment of dividends on our Common Stock will depend on earnings, financial condition, and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our Common Stock may be less valuable because a return on your investment will only occur if our stock price appreciates.

EXHIBIT A

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT IS EXECUTED IN RELIANCE UPON (1) THE EXEMPTION PROVIDED BY SECTION 4(a)(2) AND REGULATION D, RULE 506 FOR TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR (2) THE EXEMPTION TO AN OFFERING OF SECURITIES IN AN OFFSHORE TRANSACTION TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED HEREIN) PURSUANT TO RULE 903 OF REGULATION S (“REGULATION S”) PROMULGATED UNDER THE SECURITIES ACT. THIS OFFERING IS BEING MADE ONLY TO ACCREDITED INVESTORS OR TO NON-U.S. PERSONS PURSUANT TO RULE 903 OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT. NONE OF THE SECURITIES TO WHICH THIS SUBSCRIPTION AGREEMENT RELATES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS, AND, UNLESS SO REGISTERED, NONE MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION D OR REGULATION S UNDER THE SECURITIES ACT, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. IN ADDITION, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN ACCORDANCE WITH THE SECURITIES ACT.

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this “Subscription Agreement”) has been executed by Superior Ostrich, Inc., a corporation organized under the laws of the State of Nevada (hereinafter referred to as the “Company”) and the purchaser set forth in the signature page (the “Signature Page”) attached hereto (the “Purchaser”) in connection with the private placement (the “Offering”) of up to a maximum of \$3,000,000 of, or 1,000,000 shares (“Shares” or “Securities”) of common stock, par value \$0.001 per share, of the Company (the “Maximum Offering”), at an offering price of \$3.00 per Share. The Shares being subscribed for pursuant to this Subscription Agreement have not been registered under the Securities Act. The offer of the Shares and, if this Subscription Agreement is accepted by the Company, the sale of Shares, is being made in reliance upon Section 4(a)(2) and/or Rule 506 of Regulation D of the Securities Act or Rule 903 of Regulation S promulgated under the Securities Act. All dollar amounts in this Subscription Agreement are expressed in U.S. Dollars.

The Shares will be offered in a minimum principal amount of \$30,000, representing 10,000 Shares. The Company reserves the right, in its discretion, to accept subscriptions for lesser amounts.

This Subscription Agreement is submitted by the undersigned in accordance with and subject to the terms and conditions described in this Subscription Agreement, the Confidential Private Placement Memorandum of the Company dated November 16, 2020 as amended and supplemented from time to time, including all attachments, schedules and exhibits thereto (the “Memorandum”).

The terms of the Offering of the Shares are more completely described in the Memorandum and such terms are incorporated herein in their entirety.

1. SUBSCRIPTION FOR SHARES AND REPRESENTATIONS BY SUBSCRIBER

1.1. Subject to the terms and conditions hereinafter set forth (including Section 1.4 hereof) and in the Memorandum, the Subscriber hereby subscribes for and agrees to purchase from the Company, and the Company agrees to sell to the Subscriber, such number of Shares as is set forth on the signature page hereof. The purchase price is payable by wire transfer to an escrow account maintained by Wilmington Trust, N.A. located at 166 Mercer

Street, Suite 2R, New York, NY 10012 (the “Escrow Agent”) specifically for this Offering. Wire transfer instructions are below:

Wilmington Trust Company
ABA #: 031100092
A/C #: 142199-000
A/C Name: Superior Ostrich, Inc II. Escrow
Attn: Boris Treyger

1.2. The Shares will be offered for sale until the earlier of (i) the date upon which subscriptions for the Maximum Offering offered hereunder have been accepted, (ii) 90-days after the date hereto (subject to the right of the Company to extend the offering until 180-days after the date hereto without further notice to investors), or (iii) the date upon which the Company elects to terminate the Offering (the “Termination Date”). The Offering will be made on a “best efforts” basis with respect to the Minimum Offering and thereafter on a “reasonable efforts” basis for up to the Maximum Offering.

1.3. The Company may hold an initial closing (“Initial Closing”) at any time. After the Initial Closing, subsequent closings with respect to additional Shares may take place at any time prior to the Termination Date as determined by the Company, with respect to subscriptions accepted prior to the Termination Date (each such closing, together with the Initial Closing, being referred to as a “Closing” and the date of such Closing, a “Closing Date”). The last Closing of the Offering, occurring on or prior to the Termination Date, shall be referred to as the “Final Closing.” Any subscription documents or funds received after the Final Closing will be returned, without interest or deduction. In the event that any Closing does not occur prior to the Termination Date, all amounts paid by the Subscriber shall be returned to the Subscriber without interest or deduction.

1.4. The Subscriber may revoke its subscription and obtain a return of the subscription amount paid to the Escrow Account at any time before the date of the Initial Closing by providing written notice to the Company and the Escrow Agent as provided in Section 7.1 below. Upon receipt of a revocation notice from the Subscriber prior to the date of the Initial Closing, all amounts paid by the Subscriber shall be returned to the Subscriber without interest or deduction. The Subscriber may not revoke this subscription or obtain a return of the subscription amount paid to the Escrow Agent on or after the date of the Initial Closing. Any subscription received after the Initial Closing but prior to the Termination Date shall be irrevocable. The Subscriber understands that once irrevocable, the Subscriber is not entitled to cancel, terminate, or revoke this Agreement, or any agreements of the Subscriber hereunder, and that this Agreement and such other agreements shall survive the death or disability of the Subscriber and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and permitted assigns. If the Subscriber is more than one person, the obligations of the Subscriber hereunder shall be joint and several and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and his/her heirs, executors, administrators, successors, legal representatives and permitted assigns.

1.5. The Subscriber recognizes that the purchase of the Shares involves a high degree of risk including, but not limited to, the following: (a) the Company has a limited operating history and requires substantial funds in addition to the proceeds of the Offering; (b) an investment in the Company is highly speculative and only investors who can afford the loss of their entire investment should consider investing in the Company and the Securities; (c) the Subscriber may not be able to liquidate his, her, or its investment; (d) transferability of the Shares is extremely limited; (e) in the event of a disposition, the Subscriber could sustain the loss of its entire investment; and (f) the Company has not paid any dividends since its inception and does not anticipate paying any dividends.

1.6. At the time such Subscriber was offered the Shares, it was, and as of the date hereof, it is, an “accredited investor” as defined in *Rule 501(a)* under the *Securities Act*, as indicated by the Subscriber’s responses to the investor questionnaire attached as Exhibit A to this Agreement (the “Purchaser Questionnaire”), and that the Subscriber is able to bear the economic risk of an investment in the Shares.

1.7. The Subscriber hereby acknowledges and represents that (a) the Subscriber has adequate means of providing for the Subscriber’s current financial needs and contingencies, (b) the Subscriber has knowledge and

experience in business and financial matters, prior investment experience, including investment in securities that are non-listed, unregistered and/or not traded on a national securities exchange or the Subscriber has employed the services of a “purchaser representative” (as defined in Rule 501 of Regulation D), attorney and/or accountant to read all of the documents furnished or made available by the Company both to the Subscriber and to all other prospective investors in the Shares to evaluate the merits and risks of such an investment on the Subscriber’s behalf; (c) the Subscriber recognizes the highly speculative nature of this investment; (d) the Subscriber is able to bear the economic risk that the Subscriber hereby assumes, (e) the Subscriber could afford a complete loss of such investment in the Shares.

1.8. The Subscriber hereby acknowledges receipt and careful review of this Agreement, the Memorandum, and all other exhibits, annexes and appendices thereto (collectively referred to as the “Offering Materials”) and hereby represents that the Subscriber has been furnished by the Company during the course of the Offering with all information regarding the Company, the terms and conditions of the Offering and any additional information that the Subscriber has requested or desired to know, and has been afforded the opportunity to ask questions of and receive answers from duly authorized officers or other representatives of the Company concerning the Company and the terms and conditions of the Offering.

1.9. In making the decision to invest in the Shares, the Subscriber has relied solely upon the information provided by the Company in the Offering Materials. To the extent necessary, the Subscriber has retained, at its own expense, and relied upon appropriate professional advice regarding the investment, tax and legal merits and consequences of this Agreement and the purchase of the Shares hereunder. The Subscriber disclaims reliance on any statements made or information provided by any person or entity in the course of Subscriber’s consideration of an investment in the Shares other than the Offering Materials and the results of Subscriber’s own independent investigation.

1.10. The Subscriber represents that (i) the Subscriber was contacted regarding the sale of the Shares by the Company (or another person whom the Subscriber believed to be an authorized agent or representative thereof) with whom the Subscriber had a prior substantial pre-existing relationship and (ii) it did not learn of the offering of the Shares by means of any form of general solicitation or general advertising, and in connection therewith, the Subscriber did not (A) receive or review any advertisement, article, notice or other communication published in a newspaper or magazine or similar media or broadcast over television or radio, whether closed circuit, or generally available; or (B) attend any seminar meeting or industry investor conference whose attendees were invited by any general solicitation or general advertising.

1.11. The Subscriber hereby acknowledges that the Offering has not been reviewed by the SEC nor any state regulatory authority since the Offering is intended to be exempt from the registration requirements of *Section 5* of the *Securities Act*, pursuant to *Section 4(a)(2)* of the *Securities Act* and *Rule 506* of *Regulation D*. The Subscriber understands that the Securities have not been registered under the Securities Act or under any state securities or “blue sky” laws and agrees not to sell, pledge, assign or otherwise transfer or dispose of the Shares unless they are registered under the Securities Act and under any applicable state securities or “blue sky” laws or unless an exemption from such registration is available.

1.12. The Subscriber understands that the Shares have not been registered under the *Securities Act* by reason of a claimed exemption under the provisions of the *Securities Act* that depends, in part, upon the Subscriber’s investment intention. In this connection, the Subscriber hereby represents that the Subscriber is purchasing the Shares for the Subscriber’s own account for investment and not with a view toward the resale or distribution to others; provided, however, that nothing contained herein shall constitute an agreement by the Subscriber to hold the Shares for any particular length of time and the Company acknowledges that the Subscriber shall at all times retain the right to dispose of its property as it may determine in its sole discretion, subject to any restrictions imposed by applicable law. The Subscriber, if an entity, further represents that it was not formed for the purpose of purchasing the Shares.

1.13. The Subscriber consents to the placement of a legend on any physical certificate (if a certificate is requested by the Subscriber) evidencing the Common Stock, when issued, that such Shares have not been registered under the *Securities Act* or any state securities or “blue sky” laws and setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement. The Subscriber is aware that the Company will make a

notation in its appropriate records with respect to the restrictions on the transferability of such Shares. The legend to be placed on each certificate shall be in form substantially similar to the following:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES OR "BLUE SKY LAWS," AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED ABSENT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR COMPLIANCE WITH RULE 144 PROMULGATED UNDER SUCH ACT, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

1.14. The Subscriber hereby acknowledges that the Company does not issue physical stock certificates (unless specifically requested by the Subscriber), that all shares subscribed under this Subscription Agreement will be recorded on the records of our Transfer Agent and individual Subscribers will receive period statements of account from said Transfer Agent.

1.15. The Subscriber hereby represents that the address of the Subscriber furnished by Subscriber on the signature page hereof is the Subscriber's principal residence if Subscriber is an individual or its principal business address if it is a corporation or other entity.

1.16. The Subscriber represents that the Subscriber has full power and authority (corporate, statutory and otherwise) to execute and deliver this Agreement and to purchase the Shares. This Agreement constitutes the legal, valid, and binding obligation of the Subscriber, enforceable against the Subscriber in accordance with its terms.

1.17. If the Subscriber is a corporation, partnership, limited liability company, trust, employee benefit plan, individual retirement account, Keogh Plan, or other tax-exempt entity, it is authorized and qualified to invest in the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

1.18. The Subscriber acknowledges that if he or she is a Registered Representative of a Financial Industry Regulatory Authority ("FINRA") member firm, he or she must give such firm the notice required by the FINRA's Rules of Fair Practice, receipt of which must be acknowledged by such firm in the Purchaser Questionnaire.

1.19. The Subscriber agrees not to issue any public statement with respect to the Offering, Subscriber's investment or proposed investment in the Company or the terms of any agreement or covenant between them and the Company without the Company's prior written consent, except such disclosures as may be required under applicable law.

1.20. The Subscriber understands, acknowledges and agrees with the Company that this subscription may be rejected, in whole or in part, by the Company, in the sole and absolute discretion of the Company, at any time before any Closing, notwithstanding prior receipt by the Subscriber of notice of acceptance of the Subscriber's subscription.

1.21. The Subscriber acknowledges that the information contained in the Offering Materials or otherwise made available to the Subscriber is confidential and non-public and agrees that all such information shall be kept in confidence by the Subscriber and neither used by the Subscriber for the Subscriber's personal benefit (other than in connection with this subscription) nor disclosed to any third party for any reason, notwithstanding that a Subscriber's subscription may not be accepted by the Company; provided, however, that (a) the Subscriber may disclose such information to its affiliates and advisors who may have a need for such information in connection with providing advice to the Subscriber with respect to its investment in the Company so long as such affiliates and advisors have an obligation of confidentiality, and (b) this obligation shall not apply to any such information that (i) is part of the public knowledge or literature and readily accessible at the date hereof, (ii) becomes part of the public

knowledge or literature and readily accessible by publication (except as a result of a breach of this provision) or (iii) is received from third parties without an obligation of confidentiality (except third parties who disclose such information in violation of any confidentiality agreements or obligations, including, without limitation, any subscription or other similar agreement entered into with the Company).

1.22. Subscriber understands that the Shares being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Subscriber's compliance with, the representations, warranties, agreements, acknowledgements and understandings of such Subscriber set forth herein in order to determine the availability of such exemptions and the eligibility of such Subscriber to acquire the Shares.

1.23. The Subscriber agrees to supply the Company, within five (5) days after the Subscriber receives the request therefor from the Company, with such additional information concerning the Subscriber as the Company deems necessary or advisable.

1.24. The Subscriber understands that *Rule 144* promulgated under the *Securities Act* ("Rule 144") requires, among other conditions, a minimum holding period of twelve (12) months prior to the resale of securities acquired in a non-public offering without having to satisfy the registration requirements under the *Securities Act*. The Subscriber understands and hereby acknowledges that the Company is under no obligation to register the Shares under the Securities Act or any state securities or "blue sky" laws or to assist the Subscriber in obtaining an exemption from various registration requirements, other than as set forth herein. The Subscriber agrees to hold the Company and its directors, officers, employees, controlling persons, agents, and their respective heirs, representatives, successors and assigns, harmless from and to indemnify them against all liabilities, costs, and expenses incurred by them as a result of (i) any misrepresentation made by the Subscriber contained in this Agreement (including the Purchaser Questionnaire), (ii) any sale or distribution by the Subscriber in violation of the *Securities Act* or any applicable state securities or "blue sky" laws or (iii) any untrue statement of a material fact made by the Subscriber and contained herein.

1.25. At such time as the Subscriber was first contacted by the Company or any other person acting on behalf of the Company regarding the transactions contemplated hereby, neither the Subscriber nor any affiliate of such Subscriber which (x) had knowledge of the transactions contemplated hereby, (y) has or Shares discretion relating to such Subscriber's investments or trading or information concerning such Subscriber's investments, including in respect of the Shares, or (z) is subject to such Subscriber's review or input concerning such affiliate's investments or trading (collectively, "Trading Affiliates") has, directly or indirectly, effected or agreed to effect any short sale, whether or not against the box, established any "put equivalent position" (as defined in *Rule 16a-1(h)*) under the *Exchange Act* (as defined below) with respect to the Common Stock, granted any other right (including, without limitation, any put or call option) with respect to the Common Stock or with respect to any security that includes, relates to or derived any significant part of its value from the Common Stock or otherwise sought to hedge its position in the Shares (each, a "Prohibited Transaction"). Notwithstanding the foregoing, in the case of a Subscriber that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Subscriber's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Subscriber's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Shares covered by this Agreement. Other than to other person's party to this Agreement, such Subscriber has maintained the confidentiality of all disclosures made to it in connection with the transaction contemplated by this Agreement and the Memorandum (including the existence and terms of the transactions contemplated by this Agreement and the Memorandum). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available Shares to borrow in order to effect any short sales or similar transactions in the future. Such Subscriber acknowledges that the representations, warranties and covenants contained in this Section 1.23 are being made for the benefit of the Subscribers as well as the Company and that each of the other Subscribers shall have an independent right to assert any claims against such Subscriber arising out of any breach or violation of the provisions of this Section 1.23.

1.26. If the Subscriber is purchasing the Shares in a fiduciary capacity for another person or entity, including without limitation a corporation, partnership, trust or any other entity, the Subscriber has been duly

authorized and empowered to execute this Agreement and all other subscription documents, and such other person fulfills all the requirements for purchase of the Shares as such requirements are set forth herein, concurs in the purchase of the Shares and agrees to be bound by the obligations, representations, warranties and covenants contained herein. Upon request of the Company, the Subscriber will provide true, complete and current copies of all relevant documents creating the Subscriber, authorizing its investment in the Company and/or evidencing the satisfaction of the foregoing.

1.27. No authorization, approval, consent or license of any person is required to be obtained for the purchase of the Shares by the Subscriber, other than those that have been obtained and are in full force and effect. The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby and thereby will not, result in any violation of or constitute a default under any material agreement or other instrument to which the Subscriber is a party or by which the Subscriber or any of its properties are bound, or to the best of the Subscriber's knowledge, any permit, franchise, judgment, order, decree, statute, rule or regulation to which the Subscriber or any of its businesses or properties is subject.

1.28. The representations, warranties and agreements of the Subscriber contained herein and in any other writing delivered in connection with the transactions contemplated hereby shall be true and correct in all respects on and as of a Closing of the sale of the Shares to the Subscriber as if made on and as of such date and shall survive the execution and delivery of this Agreement and the purchase of the Shares.

1.29. To effectuate the terms and provisions hereof, the Subscriber hereby appoint the Placement Agent as its attorney-in-fact (and the Placement Agent hereby accepts such appointment) for the purpose of carrying out the provisions of the Escrow Agreement by and between the Company, the Placement Agent and Issuer Direct (the "Escrow Agreement") including, without limitation, taking any action on behalf of, or at the instruction of, the Subscriber and executing any release notices required under the Escrow Agreement and taking any action and executing any instrument that the Placement Agent may deem necessary or advisable (and lawful) to accomplish the purposes hereof. All acts done under the foregoing authorization are hereby ratified and approved and neither the Placement Agent nor any designee nor agent thereof shall be liable for any acts of commission or omission, for any error of judgment, for any mistake of fact or law except for acts of gross negligence or willful misconduct. This power of attorney, being coupled with an interest, is irrevocable while the Escrow Agreement remains in effect.

2. REPRESENTATIONS BY AND COVENANTS OF THE COMPANY

The Company hereby represents and warrants to the Subscriber that:

2.1. Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has full corporate power and authority to own and use its properties and its assets and conduct its business as currently conducted. The Company currently has no direct or indirect subsidiaries (the "Subsidiaries"). The Company is not in violation of any of the provisions of its articles of incorporation, by-laws or other organizational or charter documents, including, but not limited to the Charter Documents (as defined below). The Company is duly qualified to conduct business and is in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not result in a direct and/or indirect (i) material adverse effect on the legality, validity or enforceability of any of the Shares and/or this Agreement, (ii) material adverse effect on the results of operations, assets, business, condition (financial and other) or prospects of the Company, taken as a whole, or (iii) material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under the Offering Materials (as defined below) (any of (i), (ii) or (iii), a "Material Adverse Effect").

2.2. Capitalization and Voting Rights. The authorized, issued and outstanding capital stock of the Company is as set forth in Schedule 2.2 hereto. Except as set forth in Schedule 2.2 hereto, (i) there are no outstanding securities of the Company which contain any preemptive, redemption or similar provisions, nor is any holder of securities of the Company entitled to preemptive or similar rights arising out of any agreement or understanding with the Company by virtue of any of the Offering Materials, and there are no contracts, commitments, understandings or arrangements by which the Company is or may become bound to redeem a security of the Company; (ii) the Company has no stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement;

and (iii) there are no outstanding options, warrants, agreements, convertible securities, preemptive rights or other rights to subscribe for or to purchase or acquire, any shares of capital stock of the Company or any Subsidiary or contracts, commitments, understandings, or arrangements by which the Company or any Subsidiary is or may become bound to issue any Shares of capital stock of the Company or any Subsidiary, or securities or rights convertible or exchangeable into shares of capital stock of the Company or any Subsidiary. Except as set forth in Schedule 2.2 and as otherwise required by law, there are no restrictions upon the voting or transfer of any of the shares of capital stock of the Company pursuant to the Company's Charter Documents (as defined below) or other governing documents or any agreement or other instruments to which the Company is a party or by which the Company is bound. All of the issued and outstanding shares of capital stock of the Company are validly issued, fully paid and non-assessable free and clear of any mortgages, pledges, liens, claims, charges, encumbrances or other restrictions (collectively, "Encumbrances"). All of such outstanding capital stock has been issued in compliance with applicable federal and state securities laws. Except as set forth on Schedule 2.2, the issuance and sale of the Shares, as contemplated hereby will not obligate the Company to issue shares of Common Stock or other securities to any other person (other than the Subscriber) and will not result in the adjustment of the exercise, conversion, exchange or reset price of any outstanding security.

2.3. Authorization; Enforceability. The Company has all corporate right, power and authority to enter into, execute and deliver this Agreement and each other agreement, document, instrument and certificate to be executed by the Company in connection with the consummation of the transactions contemplated hereby, including, but not limited to the Offering Materials and to perform fully its obligations hereunder and thereunder. All corporate action on the part of the Company, its directors and stockholders necessary for the (a) authorization execution, delivery and performance of the Offering Materials by the Company; and (b) authorization, sale, issuance and delivery of the Shares contemplated hereby and the performance of the Company's obligations under the Offering Materials has been taken. The Offering Materials have been duly executed and delivered by the Company and each constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy. The Shares, when issued and fully paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, free and clear of all Encumbrances, except for restrictions on transfer set forth in the Offering Materials or imposed by applicable securities laws. The issuance and sale of the Shares contemplated hereby will not give rise to any preemptive rights or rights of first refusal on behalf of any person.

2.4. No Conflict; Governmental Consents.

2.4.1. The execution and delivery by the Company of the Offering Materials, the issuance and sale of the Shares and the consummation of the other transactions contemplated hereby or thereby do not and will not (i) result in the violation of any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority to or by which the Company is bound, (ii) conflict with or violate any provision of the Company's Articles of Incorporation (the "Articles"), or the Bylaws, (and collectively with the Articles, the "Charter Documents") of the Company, and (iii) conflict with, or result in a material breach or violation of, any of the terms or provisions of, or constitute (with or without due notice or lapse of time or both) a default or give to others any rights of termination, amendment, acceleration or cancellation (with or without due notice, lapse of time or both) under any agreement, credit facility, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which the Company is a party or by which it is bound or to which any of their respective properties or assets is subject, nor result in the creation or imposition of any Encumbrances upon any of the properties or assets of the Company or any Subsidiary.

2.4.2. No approval by the holders of Common Stock, or other equity securities of the Company is required to be obtained by the Company in connection with the authorization, execution, delivery and performance of this Agreement and the other Offering Materials or in connection with the authorization, issue and sale of the Shares and, upon issuance, except as has been previously obtained.

2.4.3. No consent, approval, authorization or other order of any governmental authority or any other person is required to be obtained by the Company in connection with the authorization, execution, delivery and performance of this Agreement and the other Offering Materials or in connection with the authorization, issue and sale of the Shares except such post-sale filings as may be required to be made with the SEC, FINRA and with any state or foreign “blue sky” or securities regulatory authority, all of which shall be made when required.

2.5. Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other person in connection with the execution, delivery and performance by the Company of the Offering Materials except for the filing of the Form D with the Commission and such filings as are required to be made under applicable state securities laws (collectively, the “Required Approvals”).

2.6. Shell Company Status; Financial Statements. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The unaudited financial statements of the Company for the fiscal years ended December 31, 2017, 2018, and 2019 are available to interested parties upon request. The financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles, applied on a consistent basis during the periods involved (“GAAP”), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject to normal, immaterial, year-end audit adjustments.

2.7. Material Changes; Undisclosed Events, Liabilities or Developments. Since the Balance Sheet dated June 30, 2020: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company’s financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans.

2.8. Regulatory Permits. The Company possesses all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect (“Material Permits”), and the Company has not received any notice of proceedings relating to the revocation or modification of any Material Permit.

2.9. Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an “Action”) which (i) adversely affects or challenges the legality, validity or enforceability of any of the Offering Materials or the Shares or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty.

2.10. Disclosure. The information set forth in the Offering Materials as of the date hereof and as of the date of each Closing contains no untrue statement of a material fact nor omits to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

2.11. Investment Company. The Company is not an “investment company” within the meaning of such term under the *Investment Company Act of 1940*, as amended, and the rules and regulations of the SEC thereunder.

2.12. Brokers. Except for the fees payable to the Placement Agent as set forth in the Memorandum, neither the Company nor any of the Company's officers, directors, employees or stockholders has employed or engaged any broker or finder in connection with the transactions contemplated by this Agreement and no fee or other compensation is or will be due and owing to any broker, finder, underwriter, placement agent or similar person in connection with the transactions contemplated by this Agreement. The Company is not party to any agreement, arrangement or understanding whereby any person has an exclusive right to raise funds and/or place or purchase any debt or equity securities for or on behalf of the Company.

2.13. Registration Rights. Except as set forth in the Memorandum, no person has any right to cause the Company to effect the registration under the *Securities Act* of any securities of the Company.

2.14. Intellectual Property. Except as set forth in the Memorandum, the Company has, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or material for use in connection with their respective businesses and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). The Company has not received a notice (written or otherwise) that any of the Intellectual Property Rights used by the Company violates or infringes upon the rights of any person. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another person of any of the Intellectual Property Rights. The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

2.15. Title to Properties and Assets; Liens, Etc. The Company has good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Encumbrances, except for (i) Encumbrances as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and (ii) Encumbrances for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company is held by it under valid, subsisting and enforceable leases with which the Company is in compliance.

2.16. Employees. The Company does not have any collective bargaining agreements with any of its employees. There is no labor union organizing activity pending or, to the Company's knowledge, threatened with respect to the Company or any Subsidiary. To the Company's knowledge, no officer or key employee intends to terminate their employment with the Company.

2.17. No General Solicitation. None of the Company, any of their affiliates, and any person acting on their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of *Regulation D* under the *Securities Act*) in connection with the offer or sale of the Shares.

2.18. Disqualification Events. None of the Company or the Subsidiary, any of their respective predecessors, any director, executive officer, other officer of the Company or any Subsidiary participating in the offering contemplated hereby, any beneficial owner (as that term is defined in *Rule 13d-3* under the *Exchange Act*) of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, any "promoter" (as that term is defined in *Rule 405* under the *Securities Act*) connected with the Company or any of the Subsidiaries in any capacity at the time of the Closing, any placement agent or dealer participating in the offering of the Shares, any of such agents' or dealer's directors, executive officers, other officers participating in the offering of the Shares (each, a "Covered Person" and, together, "Covered Persons") is subject to any of the "Bad Actor" disqualifications described in *Rule 506(d)(1)(i) to (viii)* under the *Securities Act* (a "Disqualification Event"). The Company has exercised reasonable care to determine (i) the identity of each person that is a Covered Person; and (ii) whether any Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under *Rule 506(e)*. The Company is not for any other reason disqualified from reliance upon *Rule 506* of *Regulation D* under the *Securities Act* for purposes of the offer and sale of the

Shares. The Company will notify the Investors prior to the Closing Date of the existence of any Disqualification Event with respect to any Covered Person.

3. TERMS OF SUBSCRIPTION

3.1. The minimum purchase that may be made by any prospective investor shall be \$0,000.00. Subscriptions for investment below the minimum investment may be accepted at the discretion of the Company. The Company reserves the right to reject any subscription made hereby, in whole or in part, in their sole discretion. The Company's agreement with each Subscriber is a separate agreement and the sale of the Shares to each Subscriber is a separate sale.

3.2. All funds shall be deposited in the account identified in Section 1.1 hereof.

3.3. The Subscriber hereby authorizes and directs the Company to return, without interest, any funds for unaccepted subscriptions (including any subscriptions that were not accepted as a result of the termination of the Offering) to the same account from which the funds were drawn.

3.4. The Company's agreement with each Subscriber is a separate agreement and the sale of Shares to each Subscriber is a separate sale.

4. CONDITIONS TO OBLIGATIONS OF THE SUBSCRIBER

4.1. The Subscriber's obligation to purchase the Shares at the Closing at which such purchase is to be consummated is subject to the fulfillment on or prior to such Closing of the following conditions, which conditions may be waived at the option of each Subscriber to the extent permitted by law:

4.1.1. Representations and Warranties. The representations and warranties made by the Company in Section 2 hereof qualified as to materiality shall be true and correct at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date, and, the representations and warranties made by the Company in Section II hereof not qualified as to materiality shall be true and correct in all material respects at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date.

4.1.2. Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the date of such Closing shall have been performed or complied with in all material respects.

4.1.3. No Legal Order Pending. There shall not then be in effect any legal or other order enjoining or restraining the transactions contemplated by this Agreement.

4.1.4. No Law Prohibiting or Restricting Such Sale. There shall not be in effect any law, rule or regulation prohibiting or restricting such sale or requiring any consent or approval of any person, which shall not have been obtained, to issue the Shares (except as otherwise provided in this Agreement).

4.1.5. Required Consents. The Company shall have obtained any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the purchase and sale of the Shares and the consummation of the other transactions contemplated by the Offering Materials, all of which shall be in full force and effect.

4.1.6. Adverse Changes. Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably could have or result in a Material Adverse Effect.

5. COVENANTS OF THE COMPANY

5.1. Replacement of Securities. If any certificate or instrument evidencing any shares of Common Stock is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement securities. If a replacement certificate or instrument evidencing any securities is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

6. MISCELLANEOUS

6.1. Any notice or other communication given hereunder shall be deemed sufficient if in writing and sent by registered or certified mail, return receipt requested, delivered by electronic mail, or delivered by hand against written receipt therefor, addressed as follows:

If to the Company, at:

Superior Ostrich, Inc.
1093 C.R. 3310,
Valley Mills, TX 76689
Attn: Philip Warth

If to the Subscriber, to the Subscriber's address indicated on the signature page of this Agreement.

Notices shall be deemed to have been given or delivered on the date of receipt.

6.2. Except as otherwise provided herein, this Agreement shall not be changed, modified or amended except by a writing signed by the parties to be charged, and this Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the party to be charged.

6.3. This Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, legal representatives, successors, and assigns. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements, and understandings of any and every nature among them.

6.4. Upon the execution and delivery of this Agreement by the Subscriber and the Company, this Agreement shall become a binding obligation of the Subscriber with respect to the purchase of Shares as herein provided, subject, however, to the right hereby reserved by the Company to enter into the same agreements with other Subscriber and to reject any subscription, in whole or in part, provided the Company returns to Subscriber any funds paid by Subscriber with respect to such rejected subscription or portion thereof, without interest or deduction.

6.5. NOTWITHSTANDING THE PLACE WHERE THIS AGREEMENT MAY BE EXECUTED BY ANY OF THE PARTIES HERETO, THE PARTIES EXPRESSLY AGREE THAT ALL THE TERMS AND PROVISIONS HEREOF SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO SUCH STATE'S PRINCIPLES OF CONFLICTS OF LAW. IN THE EVENT THAT A JUDICIAL PROCEEDING IS NECESSARY, THE SOLE FORUM FOR RESOLVING DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT IS THE COURTS STATE OF NEW YORK IN AND FOR THE COUNTY OF NEW YORK OR THE FEDERAL COURTS FOR SUCH STATE AND COUNTY, AND ALL RELATED APPELLATE COURTS, THE PARTIES HEREBY IRREVOCABLY CONSENT TO THE JURISDICTION OF SUCH COURTS AND AGREE TO SAID VENUE.

6.6. In order to discourage frivolous claims the parties agree that unless a claimant in any proceeding arising out of this Agreement succeeds in establishing his claim and recovering a judgment against another party (regardless of whether such claimant succeeds against one of the other parties to the action), then the other party shall be entitled to recover from such claimant all of its/their reasonable legal costs and expenses relating to such proceeding and/or incurred in preparation therefor.

6.7. The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect. If any provision of this Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, such provision shall be interpreted so as to remain enforceable to the maximum extent permissible consistent with applicable law and the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable, and no provisions shall be deemed dependent upon any other covenant or provision unless so expressed herein.

6.8. It is agreed that a waiver by either party of a breach of any provision of this Agreement shall not operate, or be construed, as a waiver of any subsequent breach by that same party.

6.9. The Company agrees to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

6.10. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same agreement. In the event that any signature is delivered by facsimile transmission or email attachment, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or email-attached signature page were an original thereof.

6.11. Nothing in this Agreement shall create or be deemed to create any rights in any person or entity not a party to this Agreement.

6.12. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Subscriber and the Company will be entitled to specific performance under this Agreement. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.13. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

6.14. The obligations of each Investor under any Transaction Document are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under any Transaction Documents. The decision of each Investor to purchase Units pursuant to this Agreement has been made by such Investor independently of any other Investor and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company which may have been made or given by any other Investor or by any agent or employee of any other Investor, and no Investor or any of its agents or employees shall have any liability to any other Investor (or any other person) relating to or arising from any such information, materials, statements or opinions. Nothing contained herein or in any Transaction Document, and no action taken by any Investor pursuant thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Investor acknowledges that no other Investor has acted as agent for such Investor in connection with making its investment hereunder and that no other Investor will be acting as

agent of such Investor in connection with monitoring its investment hereunder. Each Investor shall be entitled to independently protect and enforce its rights, including the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Investor to be joined as an additional party in any Proceeding for such purpose.

6.15. Unless the context otherwise requires, (i) all references to Sections, Schedules or Exhibits are to Sections, Schedules or Exhibits contained in or attached to this Agreement, (ii) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (iii) words in the singular or plural include the singular and plural and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter, (iv) the use of the word “including” in this Agreement shall be by way of example rather than limitation and (v) the word “or” shall not be exclusive.

\$ _____ / \$3.00 = _____ **NUMBER OF SHARES OF COMMON STOCK**

Signature

Signature (if purchasing jointly)

Name (Typed or Printed)

Name (Typed or Printed)

Title (if Subscriber is an Entity)

Title (if Subscriber is an Entity)

Entity Name (if applicable)

Entity Name (if applicable)

Address

Address

City, State and Zip Code

City, State and Zip Code

Telephone

Telephone

Tax ID # or Social Security #

Tax ID # or Social Security #

Email Address

Email Address

Exact name in which securities should be issued: _____

Dated: _____, 20__

This Subscription Agreement is agreed to and accepted as of _____, 20__.

SUPERIOR OSTRICH, INC.

By: _____
Name: Jose A. Soto III
Title: Treasurer

EXHIBIT B

**INVESTOR QUESTIONNAIRE FOR PURCHASE OF SUPERIOR OSTRICH EQUITY
(to be completed by all Investors)**

Total Cash Dollar Amount of Common Stock Purchased: \$ _____

Investor Information:

Name of Individual or Entity: Mr./Ms. _____

Federal Tax ID or Social Security Number: _____

Marital Status (Natural Persons): _____ Date of Birth: _____

Citizen of or State of Organization: _____

Principal Address: _____
(street)

_____ (city) _____ (state) _____ (zip)

E-mail: _____ Telephone Number: _____

Mailing Address: _____
(if different)

_____ (city) _____ (state) _____ (zip)

Co-Investor Information:

Name of Individual or Entity: Mr./Ms. _____

Federal Tax ID or Social Security Number: _____

Marital Status (Natural Persons): _____ Date of Birth: _____

Citizen of or State of Organization: _____

Principal Address: _____
(street)

_____ (city) _____ (state) _____ (zip)

E-mail: _____ Telephone Number: _____

Mailing Address: _____
(if different)

 (city) (state) (zip)

Indicate Type of Ownership:

_____ Individual	_____ Keogh Plan
_____ Tenants by the Entireties*	_____ Trust
_____ Joint tenants with Rights of Survivorship*	_____ Partnership
_____ Community Property*	_____ Limited Liability Company
_____ Tenants in Common*	_____ Corporation
_____ Individual Retirement Account (IRA)* (signature of Custodian also Required)	_____ Uniform Gift to Minors Act
	State: _____
_____ Pension Plan	Custodian's Name: _____
	Minor's Name: _____

*Two or more signatures required

FOR INDIVIDUALS

1.

- (a) The current value of my **liquid assets** is sufficient to provide for my current needs and possible personal contingencies:

Yes _____ No _____

- (b) The Investor is a Qualified Purchaser (see Subscription Agreement in PPM for definition of Qualified Purchaser):

Yes _____ No _____

2. Based upon the foregoing, which of the following categories, if any, constitutes you as an Accredited Investor (as defined in the Subscription Agreement)?

(Initial one)

_____ I have a net worth (**excluding** the value of my principal residence) either jointly or with spouse or individually in excess of \$1,000,000.

_____ I have had an individual income (not including income of spouse) during the past two calendar years in excess of \$200,000, or joint income with my spouse in excess of \$300,000, and I reasonably expect to have income in excess of \$200,000 (or joint income with my spouse in excess of \$300,000) during this current calendar year.

_____ Other (For entity investors, either: (i) has \$5,000,000 or more of assets and is an entity not formed for the purpose of making this investment; or (ii) all beneficial owners meet one of the above tests. A trust with assets under \$5,000,000 is accredited if the trust is a revocable trust, the settlor of the trust is accredited as an individual, the settlor is the person who can revoke the trust, and the settlor has completed this Investor Questionnaire in his or her individual capacity).

6. Based upon the foregoing, which of the following categories, if any, constitutes you as a "Qualified Purchaser" **Please initial all categories that apply.**

For natural persons:

I am an individual that is:

A natural person (including any person who will hold a joint, community property or other similar shared ownership interest in the Company with that person's qualified purchaser spouse) who owns not less than \$5,000,000 in "investments."

For entities:

I represent an entity which is any of the following:

_____ A company, partnership or trust that owns not less than \$5,000,000 in "investments" and that is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations or trusts established by or for the benefit of such persons (a "Family Company").

_____ A trust that is not a Family Company as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is considered a "qualified purchaser" (other than by reason of the provisions of this paragraph).

_____ A person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis not less than \$25,000,000 in "investments."

_____ A qualified institutional buyer as defined in paragraph (a) of Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), acting for its own account, the account of another qualified institutional buyer, or the account of a qualified purchaser; *provided*, that: (i) a dealer described in paragraph (a)(1)(ii) of Rule 144A shall own and invest on a discretionary basis at least \$25 million in securities of issuers that are not affiliated persons of the dealer; and (ii) a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, will not be deemed to be acting for its own account if investment decisions with respect to the plan are made by the beneficiaries of the plan, except with respect to investment decisions made solely by the fiduciary, trustee or sponsor of such plan.

- _____ A company, partnership or trust, each beneficial owner of the securities of which is a qualified purchaser.
7. **If you are a trust**, please identify one of the following categories in which the trust qualifies as an “Accredited Investor” (as that term is defined in Rule 501 of Regulation D of the Securities Act).

Check applicable box:

- ☐ The Investor is a trust with total assets in excess of \$5,000,000, was not formed for the specific purpose of acquiring the securities offered, and its investment decisions are directed by a sophisticated person. *As used in the foregoing sentence, a “sophisticated person” is one who has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of the trust’s investments.*
- ☐ The Investor is: (i) a bank as defined in Section 3(a)(2) of the Securities Act, a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act; and (ii) acting in a fiduciary capacity on behalf of a trust account or accounts.
- ☐ The Investor is a revocable trust which may be amended or revoked at any time by the grantors thereof and all of the grantors are accredited investors. *The Company may request information regarding the basis on which each grantor is accredited (e.g., an Accredited Investor Representation completed by each grantor).*

8. **If you are a corporation, limited liability company (LLC) or a partnership**, please identify one of the following categories in which the entity qualifies as an “Accredited Investor” (as that term is defined in Rule 501 of Regulation D of the Securities Act).

Check applicable box:

- ☐ The Investor has total assets in excess of \$5,000,000 and was not formed for the specific purpose of acquiring the securities offered.
- ☐ Each of the Investor’s equity owners is an Accredited Investor. *If this box is selected, each equity owner should complete the sections of this questionnaire which request information relating to whether an individual investor satisfies the applicable criteria of an individual accredited investor and such persons should execute this questionnaire in their individual capacity.*
- ☐ The Investor is an investment company registered under the Investment Company Act of 1940, as amended or a business development company as defined in Section 2(a)(48) of the Act.
- ☐ The Investor is a bank as defined in Section 3(a)(2) of the Securities Act acting in its individual capacity.
- ☐ The Investor is an insurance company as defined in Section 2(13) of the Securities Act.

[PLEASE AFFIX YOUR SIGNATURE(S) IN THE APPLICABLE SPACES BELOW]

(NOTE: Signatures should conform with those used in the Subscription Agreement for Shareholder Interests in SUPERIOR OSTRICH, INC.)

If an INDIVIDUAL OR JOINT TENANCY or
CO-TENANCY,
complete the following:

Print name of individual or joint co-tenant

Print name of second joint or co-tenant (if any)

Signature of individual or joint co-tenant

Signature of second joint or co-tenant

If a PARTNERSHIP, CORPORATION,
LIMITED LIABILITY CORPORATION,
TRUST OR OTHER ENTITY, complete the
following:

Capacity of Authorized Signatory

Title of Entity

Signature or Authorized Signatory

Signature or Authorized Signatory

If an INDIVIDUAL RETIREMENT
ACCOUNT, complete the following:

Acct. No. at Custodian:

Print Name of Beneficiary

(Signature Name of Beneficiary)

Name of Broker/Dealer Firm Selling Interest:
