CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

DIZRAPTOR FUND 1001, LLC

a Delaware Limited Liability Company

Offering of Limited Liability Company Interests

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Book No. 1

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Dizraptor Fund 1001, LLC (the "Company") is a Delaware limited liability company, organized by Dizraptor Management, LLC, its manager (the "Manager"). The Company and the Manager are affiliates of Dizraptor Inc., a Delaware corporation ("Dizraptor"). The Company is engaged in the business of making, holding, and disposing of investments in OpenAI Inc., 3180 18th St Suite 100, San Francisco, CA 94110 (the "Portfolio Company").

The Company is conducting an offering (the "Offering") of its limited liability company Interests (the "Interests"). The Interests will be offered only to prospective investors which are able to make all of the representations and warranties in the Company's Subscription Agreement and Investor Questionnaire. There is no public market for the Interests, and it is not expected that a public market will develop. The Company will rely on the exclusion from the definition of investment company outlined in Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "Investment Company Act"). See *Section 1 – "WHO SHOULD CONSIDER INVESTING"* and *Section 4 – "THE OFFERING."*

The business of the Company will involve transactions between the Company and the Manager and its affiliates, which involve material compensation and conflicts of interest. See *Section 7 – "COMPENSATION OF THE MANAGER"* and *Section 10 – "CONFLICTS OF INTEREST."* The purchase of an Interest involves certain material risks, including risks related to the Offering, the Interests, Management, General Economic Risk, and Tax Risks. See *Section 3 – "RISK FACTORS."*

Capitalized but undefined terms used herein have the meanings set forth in the Limited Liability Company Agreement of Dizraptor Fund 1001, LLC dated December 15, 2021 (the "LLC Agreement"), a copy of which is attached hereto as *Exhibit B.*

INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS WHO CAN AFFORD TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT AND HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT.

The date of this Memorandum is January 13 , 2023.

IMPORTANT INFORMATION CONCERNING THIS MEMORANDUM

This Confidential Private Placement Memorandum (this "Memorandum") has been prepared for delivery to a limited number of potential purchasers on a confidential basis, solely for use in considering whether to make an investment in the Company. This Memorandum, and the information contained herein, is strictly confidential and includes proprietary information concerning the Company, its investment strategies, and its future plans. By accepting delivery of this Memorandum, each recipient agrees that (i) he, she, or it will not copy, reproduce, or distribute it to any other person or party (including any employee of the recipient, other than an employee directly involved in considering the transaction), in whole or in part, at any time without the prior written consent of a representative of the Company; (ii) he, she, or it will, and will cause its employees to, keep permanently confidential all information contained herein not already public; and (iii) he, she, or it will use this Memorandum only for the purpose set forth herein. The Company requests that this Memorandum, and all copies of it, be returned to a representative of the Company by any recipient who chooses not to participate in the transaction.

This Memorandum has been prepared for the purpose of describing the terms upon which a limited number of purchasers would make an investment in the Company. It is expected that information contained in this Memorandum will be used to assist prospective purchasers in their evaluation of the Company and, in consultation with their legal and financial advisers, to conduct an independent investigation of the Company. Although this information is believed by the Company to be reliable, this Memorandum does not purport to be a complete description of the merits and risks of making an investment in the Company, and the recipient's attention is directed to each of the attached exhibits and other information made available to prospective purchasers for more detailed information. Nothing in this Memorandum should be construed as legal, financial, or tax advice, or as a recommendation that any recipient

invest in the Company. Prospective purchasers should consult their own professional advisers regarding such matters. This Memorandum does not purport to be all inclusive or necessarily to contain all of the information material to a prospective purchaser's investigation of the Company or a possible investment in the Company.

This Memorandum includes certain statements provided by the Company with respect to the anticipated future activities or performance of the Company. Such statements reflect various assumptions by the Company which may or may not prove to be accurate. Prospective purchasers are urged to critically evaluate such statements and any assumptions that underlie or should underlie projections of future results. No person has been authorized to provide any information or make any representations regarding the Company except as contained in this Memorandum. Statements in this Memorandum are made as of the date hereof unless stated otherwise, and neither the delivery of this Memorandum at any time thereafter, nor any sale hereunder, shall imply that the information contained herein is correct as of any time subsequent to the date of this Memorandum.

The Interests offered hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state, in reliance upon exemptions from the registration requirements of such laws. The Interests may be sold only to prospective investors which are purchasing for investment purposes only and not with a view to further distribution. There is no market for the Interests and it is not likely that a market will develop. The Interests will not be registered or listed on any securities exchange. The Interests may be transferred only in compliance with the terms and provisions described herein and in the LLC Agreement. In addition, in the event of a permitted transfer, the transferor or the transferee may be required to deliver a legal opinion satisfactory to the Company that such transfer is in compliance with federal and state securities laws. Holders of Interests should consult their counsel as to the requirements applicable to any transfer or other disposition.

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

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the securities offered hereby. This Memorandum shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Interests, in any state or other jurisdiction in which such offer, solicitation, or sale would be unlawful without registration or qualification under the securities laws of such state or other jurisdiction.

This Memorandum includes “forward-looking statements” within the meaning of various provisions of the Securities Act and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Readers are advised that this Memorandum, and any document incorporated by reference herein, contain both statements of historical facts and forward-looking statements. The forward-looking statements made throughout this Memorandum should not be construed as exhaustive. Forward-looking statements are beyond the ability of the Company to control and, in many cases, the Company cannot predict what factors would cause actual results to differ materially from those indicated by the forward-looking statements. Forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those indicated by the forward-looking statements. Examples of forward-looking

statements include, but are not limited to, (i) projections of revenues, income or loss, capital expenditures, distributions, capital structure, and other financial items, (ii) statements of the plans and objectives of the Company, including the estimates or predictions of actions by partners, businesses in which the Company invests, or regulatory authorities, (iii) statements of future economic performance, and (iv) statements of assumptions underlying other statements and statements about the Company. Forward-looking statements include, without limitation, terms such as “anticipate,” “believe,” “plan,” “could,” “estimate,” “expect,” “intend,” “may,” “potential,” “should,” “will,” and “would” or the negative of these terms or other comparable terminology.

This Memorandum and any documents incorporated by reference herein also identify important factors that could cause actual results to differ materially from those indicated by the forward-looking statements. These risks and uncertainties include the factors described above and other factors that are described herein and/or in documents incorporated by reference herein.

In making an investment decision, prospective purchasers must rely on their own examination of the Company and the terms of the proposed investment, including the merits and risks involved. No documents or other information relating to the Offering or the Interests has been filed with or reviewed by the U.S. Securities and Exchange Commission (the “SEC”), and neither the SEC nor any state securities administrator has passed upon or endorsed the merits of an investment in the Company or the accuracy or adequacy of any information disclosed to prospective purchasers. Any representation to the contrary is a criminal offense.

The securities described in this Memorandum have not been registered with nor approved or disapproved by the SEC nor by the securities regulatory authority of any state and such registration is not contemplated. The securities described in this Memorandum may not be transferred in whole or in part in the absence of an effective registration statement or an opinion of counsel

satisfactory to the Company that an exemption from registration is available.

For Florida Residents: The Interests have not been registered under the Securities Act, or the Florida Securities Act, by reason of specific exemptions thereunder relating to the limited availability of this Offering. The Interests cannot be sold, transferred or otherwise disposed of to any person or entity unless subsequently registered under the Securities Act, or the Securities Act of Florida, if such registration is required. Pursuant to Section 517.061(11) of the Florida Securities Act, when sales are made to five or more persons in Florida, any sale in Florida made pursuant to that section is voidable by the purchaser in such sale either within three days after the first tender of consideration is made by the purchaser to the issuer, an agent of the issuer, or an escrow agent, or within three days after the availability of that privilege is communicated to such purchaser, whichever occurs later. In addition, as required by Section 517.061(11)(a)(3), Florida Statutes and by Rule 69W-500.005(5) thereunder, prior to the sale in Florida, purchasers or their representatives are entitled to be provided with, or given reasonable access to, full and fair disclosure of all material information, a list of which is set forth in such rule.

Additional Notice for Non-US Investors Generally. Non-U.S. investors wishing to subscribe for the Interests in the Company are responsible for informing themselves of all applicable laws and regulations, tax consequences and any foreign exchange restrictions that may be relevant with respect to the acquisition, holding, or disposal of the Interests, including law, regulations, tax consequences, and foreign exchange restrictions within the countries of their residence, citizenship, domicile, and place of business.

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1. WHO SHOULD CONSIDER INVESTING

Offers of the Interests are made only to prospective investors which are accredited investors and are able to make all of the representations and warranties in the Company's Subscription Agreement and Investor Questionnaire.

The Offering will be conducted pursuant to the exemption from federal registration under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder.

The Interests will be sold only to investors which are "accredited investors" as defined in Rule 501 of Regulation D. Generally, a person falls within the definition of an accredited investor if (i) he or she is a natural person whose individual net worth or joint net worth with his or her spouse at the time of purchase exceeds $1,000,000 (but excluding the value of his or her primary residence); (ii) he or she is a natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with his or her spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; (iii) it is an entity of which all of the equity owners are accredited investors; or (iv) it is a business organization, not formed for the specific purpose of acquiring the Interest, with total assets in excess of $5,000,000. Prospective purchasers will be required to provide such information as the Company deems necessary to verify their status as accredited investors.

There is no public market for the Interests and, because there will be only a limited number of investors and significant restrictions on the transferability of the Interests, it is highly unlikely that any market will develop. Since none of the Interests have been registered under the Securities Act, and none has been qualified under the securities laws of any state, substantial restrictions will exist on the rights of investors to resell the Interests. Any transfer of an Interest is further limited by the LLC Agreement. *Accordingly, purchasers of the Interests must bear the economic risk of investment in such Interests for an indefinite period of time.*

Investment in an Interest involves a high degree of risk and is suitable only for persons who can afford to sustain a total loss of their investment and have no need for liquidity in their investment.

2. SUMMARY OF THE OFFERING

The following summary highlights certain information contained in this Memorandum and is intended only as a guide. It does not purport to be complete. Please refer to the remainder of the Memorandum for more detailed information.

The entire Memorandum describes, in detail, numerous aspects of the Offering which are believed to be material to prospective purchasers. The Memorandum does not necessarily contain all the information available with respect to the Company. The Company will make its personnel, files, and information available upon request to answer any inquiries of a prospective purchaser or his or her designated purchaser representative. See Section 11 – "ACCESS TO INFORMATION."

The capitalized terms used in this Memorandum are defined in the Memorandum. Capitalized terms not defined herein shall have the meanings ascribed thereto in the LLC Agreement. The following is a summary of the more material terms of the Offering and the LLC Agreement but such summary should not be viewed as a summary of all terms. *Each prospective purchaser should read this Memorandum and the LLC Agreement in their entirety.*

The Company
Dizraptor Fund 1001, LLC, a Delaware limited liability company.

The Manager
Dizraptor Management, LLC, a Delaware limited liability company.

The Investment Manager
Dizraptor Adviser, LLC, a Delaware limited liability company.

Management

The Manager and the Investment Manager are wholly-owned subsidiaries of Dizraptor Inc., a Delaware corporation ("Dizraptor").

Investment Strategy
Substantially all of the capital raised in this Offering will be used to make an investment, either directly, or indirectly, in the Portfolio Company (the "Investment"). Further information related to the Portfolio Company is located in *Section 4 - "INVESTMENT TARGET."*

Carried Interest Allocation
After the Members have received cumulative distributions equal to their respective Capital Contributions, distributable cash in excess of the Members Capital Contributions will be distributed as follows:

First, 80% to the Members in accordance with their respective percentage interests;

Second, and 20% to the Manager.

Investment Management Fee Percentage
The Investment Manager or an Affiliate thereof shall be paid an investment management fee (the "Investment Management Fee") by the Company an annual amount equal to 0.5% (the "Investment Management Fee Percentage") for 10 years following the Initial Closing. The Investment Management Fee shall be payable in full for all 10 years at the Initial Closing, subject to certain repayment and acceleration provisions as outlined in the LLC Agreement.

Eligible Purchasers
The Interests will be sold only to investors which are "accredited investors" as defined in Rule 501 of Regulation D and "qualified clients" as defined in Rule 205-3 of the Advisers Act.

Prospective purchasers will be required to execute and deliver a completed Subscription Agreement and Investor Questionnaire, which is attached to this Memorandum as *Exhibit A.*

Commitment and Capital Contributions

Each Member's Capital Commitment is set forth in its Subscription Agreement and Investor Questionnaire. Upon admission to the Company as a Member, each Member shall make a Capital Contribution to the Company in an amount equal to such Member's Capital Commitment.

If an Investor Member fails to make a Capital Contribution upon a capital call in accordance with the LLC Agreement, the Manager may (but is not required to) designate the Investor Member a Defaulting Member and may exercise various remedies as described in *Section 5 – The Offering.*

Indemnification
The LLC Agreement includes exculpation, indemnification and other provisions that will limit the circumstances under which the Manager can be held liable to the Company. As a result, the Members may have a more limited right of action in certain cases than they would in the absence of such limitations. The Company's assets may be used to indemnify the Manager for any claim, liability or expense incurred by the Manager or to which the Manager may be subject by reason of its activities on behalf of the Company or in furtherance of the interest of the Company or otherwise arising out of or in connection with the Company or the Investment; provided that such results were not the product of intentional misconduct or fraud. Such liabilities may be material and may have an adverse effect on the returns to the Members.

Description of the Interests
The Interests represent equity interests in the Company and entitle the holder thereof to participate in certain Company allocations and distributions. A person who purchases an Interest from the Company will become a Member of the Company and will be entitled to vote on certain matters as described in the LLC Agreement. The Interests have not been registered under the Securities Act or by the securities regulatory authority of any state. The Interests may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and

qualification are available. The Interests are also subject to transfer restrictions contained in the LLC Agreement.

Reports
The Company will use commercially reasonable efforts to send tax information to each Member by the 15th day of the third month following the end of the Company's fiscal year as is reasonably required for such Member to comply with federal and state tax laws, if any, including, without limitation, all information reasonably required for the preparation of federal and state income tax returns. However, the Manager may cause the Company to file extensions, which will likely be required and in which case such information will be provided after the date set forth above.

Each Member will be afforded access to the Company's books and records applicable to such Member for any proper purpose (subject to reasonable confidentiality restrictions), at a reasonable time during regular business hours upon at least 5 business days' prior written notice to the Company.

Tax Considerations
The Company is classified as a partnership for federal income tax purposes. The Company generally will not be subject to federal income tax. Instead, each United States Investor will be required to report on his or her federal income tax return and will be taxed upon his or her distributive share of each item of the Company's income, gain, loss, deduction and credit for each taxable year of the Company ending with or within the United States Investor's taxable year. Each investor should consult with its tax advisor prior to making an investment in the Company.

Investment by Qualified Plans and IRAs
Investment in the Company is generally open to pension plans and other employee benefit plans and IRAs. The Company may require any such plan investor which is subject to Title I of ERISA or subject to Section 4975 of the Code to provide customary representations or assurances to determine compliance with ERISA. The Manager currently intends to use reasonable efforts to provide that the

underlying assets of the Company will not be considered “plan assets.”

Risk Factors
An investment in an Interest is highly speculative and involves substantial risks including, but not limited to, risks related to the Offering, the Interests, Management, General Economic Risk, and Tax Risks. Prospective purchasers should carefully review the risk factors set forth in this Memorandum. See Section 3 – “RISK FACTORS.”

3.RISK FACTORS

The Company is subject to a number of risks. Prior to investing in the Interests, prospective purchasers should carefully consider the following risk factors and all other information contained in this Memorandum before making a decision to invest in the Company. The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems immaterial, also may become important factors that affect the Company. If any of the following risks occur, the results of the Company’s investment strategy may be materially and adversely affected. In that event, a purchaser could lose all or part of his or her investment. Investment in an Interest is suitable only for persons of substantial means who have no need for liquidity in this investment and can bear the loss of their entire investment.

Prospective investors should be particularly knowledgeable in investment matters and should ensure that they understand the nature of an investment in the Company and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Company, and that they consider the suitability of an investment in the Company as an investment in the light of their own circumstances, investment objectives and financial condition.

Risks Relating to the Offering

1. **Composition of the Portfolio; No Diversification.** The Company has been formed for the sole purpose of making, holding, and disposing of the Investment. As such, the Company will invest substantially all available capital in the Investment. Concentration in a single investment involves risks greater than those generally associated with diversified funds, including significant fluctuations in returns. An unfavorable performance by the Investment would have a substantial adverse impact on the Company.

2. **Performance of the Company and No Operating History.** The Company is a newly-formed entity with no operating history for prospective investors to evaluate. Past results from investments in which Dizraptor or its Affiliates have been involved are not necessarily indicative of future results of the Company and the Investment.

3. **No Minimum Offering Conditions.** The offering is not conditioned on the sale of a minimum number of Interests. There can be no assurance as to the number of Interests that will be sold or as to the amount of proceeds available for investment by the Company. If the Company elects to accept less than the target number of Interests offered, the risk that the Company is not adequately funded for its operations will increase.

4. **No Assurance of Returns.** The Company will enter into a high-risk investment opportunity. The Portfolio Company may not achieve its expected operational objectives and may experience substantial fluctuations in its operating results. The Company will be subject to the risks associated with the underlying business engaged in by the Portfolio Company including market conditions, changes in regulatory environment, general economic and political conditions, the loss of key management personnel, and other factors. There is no assurance that the Manager will be able to generate

returns for the Company's investors or that returns will be commensurate with the risks related to the Investment.

5. **Projections.** The Manager projects that the Investment will be profitable. However, such projections are only estimates of future results that are based upon information received and assumptions made at the time that the projections are developed. There can be no assurance that the results of the Investment set forth in any projections will be attained, and the actual results may be significantly different from any such projections.

6. **Indirect Investments.** It is possible that the Company makes an indirect investment into the Portfolio Company. If the Company makes an indirect investment into the Portfolio Company, it might do so by purchasing an interest in a private fund (an "Underlying Fund"). As a limited partner (or other similar passive ownership interest) in an Underlying Fund, the Company would have limited voting rights and no right to take part in the management of an Underlying Fund or ability to exercise any control with respect to the business and investment decisions made by an Underlying Fund. Thus, the success of the Company will depend almost entirely upon the personal efforts, abilities and judgment of the investment or portfolio managers of an Underlying Funds. An Underlying Fund will likely impose management fees, performance fees, carried interests and other fees and incur costs that will result in lower overall returns to Members than would be achieved if Members invested directly in an Underlying Fund. Members will pay multiple layers of fees and costs – the fees paid to, and costs incurred by the Manager and the Investment Manager, the fees paid to, and costs incurred by an Underlying Fund, and the fees paid to, and costs incurred by any funds in which an Underlying Fund invests. Such fees will be paid, and such costs will be incurred regardless of whether the Company realizes any profits. An Underlying Fund may charge performance-based management fees and have carried or back-in equity interests in favor of management, in addition

to fixed management fees based on the value of assets under management. Performance-based management fees compensate the investment managers of an Underlying Fund based on the appreciation in value (including, in most cases, unrealized appreciation) of an Underlying Fund during specific measuring periods. Finally, the Company may be required to pay or bear an incentive fee or allocation to an Underlying Fund that make a profit for the Company in a particular fiscal year even though the Company may in the aggregate incur a net loss for such fiscal year. Carried or back-in equity interests in favor of the promoter or management typically have the effect of reducing or diluting the overall ownership of the other investors at some point in the life of an Underlying Fund, which usually is tied to other investors having received distributions equivalent to their original investment plus some agreed preferential return on such investment. Similar results are possible with respect to funds or accounts in which an Underlying Fund may be invested.

7. **Dependence on Member Capital.** The Company will be capitalized by the Capital Contributions of the Members. The inability of the Company to secure a sufficient amount of Capital Commitments and successfully call capital could limit the Company's ability to fund the Investment. Any limitation on the ability of the Company to fund the Investment could have a substantial adverse impact on the Company.

8. **No Control by Member.** The Manager has broad management discretion over the business of the Company. No investor, in such person's capacity as a Member, may participate in the conduct or control of the business of the Company, except as otherwise provided in the LLC Agreement.

Risks Relating to the Interests

1. **Limitations on Withdrawals; Lack of Liquidity of Investment.** A Member may not withdraw its Capital

Contribution. This limit may require a Member to retain its investment with the Company longer than it otherwise would do in the absence of such provisions. Further, there is no public market for the Interests and none is expected to develop in the foreseeable future. The Interests are not being registered under the Securities Act or the securities laws of any other jurisdiction in reliance on exemptions from such registration requirements. The Interests may not be resold or otherwise transferred unless they are registered under the Securities Act and the securities laws of any other applicable jurisdiction, or unless exemptions from such registration requirements are available. Each investor will be required to represent that his or her purchase of an Interest will be for investment purposes only and not with a view toward the resale or distribution thereof. The Interests will also be subject to additional sale and transfer restrictions pursuant to the LLC Agreement. Investment in the Company requires a long-term commitment, with no certainty of return. A purchaser may be unable to liquidate an investment in the Company for an indefinite period. In light of the restrictions imposed on a transfer of an Interest, and in light of the limitations imposed on an investor's ability to withdraw all or part of his or her capital from the Company, an investment in the Company should be viewed as illiquid and subject to risk. Prospective purchasers should be able to withstand a total loss of their investment.

2. **Ability of the Company to Meet its Obligations under the Interests.** None of the Manager or any of its affiliates or any other person or entity (other than the Company) will be obligated to make payments on the Interests. Consequently, the Members must rely solely on the Investment for the return of any capital and payment of any other amount pursuant to the Interests. There can be no assurance that the Investment will be successful or yield sufficient returns to make any payments pursuant to the Interests. Where amounts received in respect of the Investment are insufficient to make payments on the Interests, no other

assets will be available for payment of the deficiency and, following the winding up of the Company's affairs pursuant to the LLC Agreement, the obligations of the Company to pay such shortfall shall be extinguished. The Company will only make distributions to the Members if and to the extent that the Manager determines that there is cash available to distribute after (i) taking into account all current debts, liabilities, and obligations of the Company, and (ii) setting aside appropriate reserves for anticipated debts, liabilities, and obligations of the Company.

3. **Company Expenses.** The Company will pay and bear all expenses related to its operations. The Company Expenses may also include broker fees, placement fees, or other transaction related fees incurred in acquiring the Portfolio Company Securities (the "Transaction Fees"). The amount of these Company expenses will reduce the actual returns realized by Members on their investment in the Company (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Company in the Investment). Company expenses include recurring and regular items, as well as extraordinary expenses for which it may be difficult to budget or forecast. As a result, the amount of Company expenses may exceed expectations. As described further in the LLC Agreement, Company expenses encompass a broad range of expenses and include all expenses of operating the Company. Expenses to be borne by the Manager are limited to the routine operating expenses of the Manager, and all other costs and expenses in operating the Company will be borne by the Members.

4. **Effect of Fees and Expenses on Returns.** The Company will bear all expenses (except for the routine operating expenses of the Manager) related to the Company's operations. Such fees and expenses are expected to reduce the actual returns to Members. In some cases, the Transaction Fees are substantial and would have a greater impact on the actual returns to the Members. Most of the fees and expenses will be paid regardless of whether the Company produces

positive investment returns. If the Company does not produce significant positive investment returns, these fees and expenses will reduce the amount of the investment recovered by a Member to an amount less than the amount invested in the Interests by a Member.

5. **Indemnification.** The LLC Agreement includes exculpation, indemnification and other provisions that will limit the circumstances under which the Manager and others can be held liable to the Company. As a result, the Members may have a more limited right of action in certain cases than they would in the absence of such limitations. The Company's assets may be used to indemnify the Manager and its affiliates, members, officers, directors, agents, employees, stockholders, partners and any other person who serves at the request of the Manager on behalf of the Company as an officer, director, member or employee of any other entity for any claim, liability or expense incurred by such person or entity or to which such person or entity may be subject by reason of its activities on behalf of the Company or in furtherance of the interest of the Company or otherwise arising out of or in connection with the Company or the Investment. Such liabilities may be material and have an adverse effect on the returns to the Members.

6. **Litigation Risk.** The Company may be subject to a variety of litigation risks, particularly if The Portfolio Company faces financial or other difficulties during the term of the Company. Legal disputes involving the Company, the Manager or their respective affiliates may arise from the foregoing activities and any other activities relating to the operation of the Company (or the Manager) and could have a significant adverse effect on the Company.

Risks Relating to Management

1. **Other Activities of Management.** The Manager, Investment Manager, Dizraptor, and their respective affiliates are not precluded from engaging in or pursuing, directly or indirectly,

any interest in other business ventures of every kind, nature or description, independently or with others, whether such ventures are competitive with the business of the Portfolio Company, the Company or otherwise, and, without limiting the foregoing, the Manager, Investment Manager, Dizraptor, and their respective affiliates shall be entitled to serve as the manager of or manage any other company or partnership, limited liability company, property or account of any kind whether or not such other company, limited liability company, property or account engages in activities similar to or the same as the activities of the Company. The results of the Company's investment may differ from those of the other activities engaged in by such persons.

2. **Risks Relating to Due Diligence of, and Conduct at, the Portfolio Company.** When conducting due diligence and making an assessment regarding the Investment, the Manager will rely on the resources available to it, including information provided by the Portfolio Company or other third parties. The due diligence investigation that the Manager carries out may not be accurate and may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the Investment being successful. Conduct occurring at the Portfolio Company, even activities that occurred prior to the Company's investment therein, could have an adverse impact on the Company. There can be no assurance that the Company will be able to detect or prevent irregular accounting, negligence, recklessness, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the Investment on an ongoing basis or that any risk management procedures implemented by the Company will be adequate. An additional concern is the possibility of material misrepresentation or omission by the Portfolio Company. Such inaccuracy or incompleteness may adversely affect the Investment. The Company will rely upon the accuracy and completeness of representations made to it in the due diligence

process to the extent reasonable, but cannot guarantee such accuracy or completeness.

3. **Dependence on Key Personnel.** The Company and its Affiliates will be managed by experienced individuals and its success will be dependent on their efforts. The loss or unavailability of key individuals could have an adverse effect on the return to investors. Moreover, such individuals may have responsibilities outside of the management of the Company, although they intend to devote as much time to the Company as they deem necessary to manage and operate it.

4. **Dependence on the Manager.** The terms or structure of the Investment, including material terms, may not be final when a potential investor evaluates these disclosures. The Members will not have any right to approve or review any modification or any change to the Investment. Proposed changes to the terms of the Investment, if any, will be negotiated and accepted or denied in the sole and absolute discretion of the Manager and the Company. Accordingly, Members will be entirely dependent upon the judgment and ability of the Manager in investing and managing the capital of the Company. No assurance can be given that the Company will be successful in making the Investment or that if the Investment is made, the objectives of the Company will be achieved.

5. **Disclosure by the Manager.** The Manager may be required to disclose confidential information relating to the Investment and its financial results to third parties that may request such information if and to the extent required contractually or by federal, state or local law or regulation applicable to the Company or any of the Members. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. In addition, in order to comply with regulations and policies to which the Company, the Manager, or the Portfolio Company are or may become subject, or to satisfy regulatory or other requirements in connection with transactions, the Manager may be required to disclose

information about the Members, including their identities. Such disclosure obligations may adversely affect certain Members, particularly Members who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

6. **Lack of Registration under the Securities Exchange Act of 1934.** Neither the Manager, its Affiliates, nor the Company are registered as broker-dealers under the Securities Exchange Act of 1934 (as amended, the "Exchange Act") or with the Financial Industry Regulatory Authority ("FINRA") and are consequently not subject to the recordkeeping and specific business practice provisions of the Exchange Act and the rules of the FINRA.

7. **Securities Act of 1933.** The Interests have not been registered and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and the Interests may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company is offering the Interests only to investors that are "accredited investors" within the meaning of Rule 501 under the Securities Act.

8. **Investment Company Act of 1940.** The Company will not be registered with the SEC as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance on one or more exclusions or exemptions from registration. No opinion or no-action position with respect to the registration of the Company under the Investment Company Act has been requested of, or received from, the SEC. Consequently, Members will not have the protections of the Investment Company Act afforded to investors in registered investment companies. If the SEC or a court of competent jurisdiction were to find that the Company is required, but in violation of the Investment Company Act has failed, to register as an investment company, possible consequences include, but are not limited to, the following: (a) the SEC could apply to a district court to enjoin the violation; (b)

Members could sue the Company and recover any damages caused by the violation; and (c) any contract to which the Company is party whose performance involves a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. If the Company is subject to any or all of the foregoing findings by the SEC or a court of competent jurisdiction, the Company and the Members would be materially and adversely affected.

9. **Legislation and Regulations in Connection with the Prevention of Money Laundering.** The USA PATRIOT Act, signed into law on and effective as of October 26, 2001, requires that financial institutions, a term that includes banks, broker-dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "Treasury") to prescribe regulations in connection with anti-money laundering policies of financial institutions. It is possible that the Treasury will promulgate regulations requiring the Company, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to Members. Such legislation and/or regulations could require the Company to implement additional restrictions on the transfer of the Interests. As may be required, the Company reserves the right to request such information and take such actions as are necessary to enable it to comply with the USA PATRIOT Act.

10. **Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry.** The Company's ability to achieve its investment objectives, as well as the ability of the Company to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Company's ability to achieve

its investment objectives, as well as the ability of the Company to conduct its operations. There have been significant legislative developments affecting the private fund industry and there continues to be discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private fund industry.

Following the enactment of the Dodd-Frank Act in 2010, numerous non-U.S. advisors to private funds have had to register with the SEC as investment advisers or become so-called exempt reporting advisers under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"). Exempt reporting advisers are required to file certain portions of Form ADV with the SEC, comply with certain recordkeeping obligations under the Advisers Act and are subject to examination by the SEC. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the venture capital industry generally and/or on the Company, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on the Company or otherwise impede the Company's activities.

Risks Relating to General Economic Conditions and Capital Market Conditions

Uncertainty and negative trends in general economic conditions in the United States and abroad may have a negative effect on the Portfolio Company and the Investment. Many factors, including factors that are beyond the Portfolio Company's control, may have a detrimental impact on its operating performance. These factors include general economic conditions, unemployment levels, energy costs and interest rates, as well as events such as natural disasters, acts of war, terrorism, catastrophes, or the threat of severely contagious diseases such as the outbreak of Covid-19 which has effected the securities markets worldwide. There can be no assurance that economic conditions will remain favorable for the Portfolio Company's business or that demand for its product will remain at current levels. Reduced demand for the Portfolio Company's products would negatively impact its financial condition and reduced economic growth may inhibit its access to capital.

Should the Portfolio Company fail to adapt to any significant declines in customers' demand for its products or services, The Portfolio Company's revenues could decrease significantly, and its operations could be harmed. Even if the Portfolio Company does make changes to existing products or services or introduce new products or services to fulfill customer demand, customers may resist or may reject such products or services, which could have a material adverse effect.

Following the financial crisis that began in 2008, the United States experienced an extended period of economic weakness or recession. The period was marked by high unemployment, decreases in home value, increased mortgage and consumer loan delinquencies, defaults and losses on consumer loans and receivables. There can be no assurance that high levels of unemployment or underemployment will not recur, or that other factors relating to the uncertain economic climate will not result in increased stress on the Portfolio Company's business, which would increase the likelihood of losses on the Investment.

The outbreak of the novel coronavirus (COVID-19) in many countries is adversely impacting global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving and has created significant disruptions in global demand and supply chains. Government and self-imposed quarantines and restrictions on travel may continue indefinitely. Such actions are adversely impacting a wide range of different industries. While the long-term scope of the potential impact of the novel coronavirus (COVID-19) on global markets cannot be known at this time, the coronavirus outbreak and any other outbreak of any infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, are likely to have a profound negative impact on economic and market conditions and trigger a period of global economic slowdown. Any such economic impact could adversely affect the performance of the Investment. As a result, the novel coronavirus (COVID-19) presents material uncertainty and risk with respect the Company's overall

performance and financial results may also be materially and adversely affected.

Tax Risks

In light of the complexity of the tax aspects of an investment in the Company, particularly in light of the fact that certain of the tax aspects will not be the same for all purchasers, prospective purchasers should consult their own tax advisers in evaluating the tax aspects of an investment in the Company. The following paragraphs summarize some of the more significant tax risks to purchasers of Interests but does not purport to be an exhaustive list of all tax risks related to the purchase of an Interest.

11. **Taxable Income in Excess of Cash Distributions.** Each Member must report his or her distributive share of the Company's taxable income or loss without regard to the amount of cash actually distributed to the Member by the Company. Taxable income may be used for debt service, withdrawals, or working capital requirements. In such event, a Member's share of the Company's taxable income may exceed the cash distributed to him or her in any given year.

12. **Deduction of Passive Losses.** The Tax Reform Act of 1986 contains rules restricting the ability of non-corporate and certain corporate taxpayers to deduct losses attributable to passive activities against portfolio income (such as dividend or interest income) and active income (such as salary or wages). The effect of the passive loss rules on a Member is wholly dependent on that Member's particular tax situation, and such rules may affect Members differently due to differences in their respective tax situations. However, there is significant likelihood that the passive loss limitation will apply to the Members. Therefore, each prospective purchaser should consult his or her personal tax adviser regarding the effect of the passive loss rules on his or her income tax liability and ability to deduct losses from

the activities of the Company prior to making an investment in the Interests.

13. **Tax Audit.** The Company may be audited by the IRS. Any such audit might result not only in an adjustment of the Company's tax returns (which would make it necessary for each Member to file an amended return for each year in question), but could lead to an audit of each Member's tax return which would result in a delay in the final determination of each Member's tax liability for the year in question. Moreover, the IRS is empowered to determine the tax treatment of the Company's items in a single proceeding at the Company level, which would have the effect of limiting the effective participation by a Member in proceedings directly affecting his or her individual tax liability and which would likely encourage the IRS to audit a larger number of Member's tax returns. Legislation applicable to the Company establishes procedures for entities treated as partnerships (like the Company) and also establishes procedures for assessing and collecting taxes due (including applicable penalties and interest) as a result of an audit. Unless the Company is eligible to (and chooses to) elect to issue revised Schedules K-1 to its Members with respect to an audited and adjusted return, the IRS may assess and collect taxes (including any applicable penalties and interest) directly from the Company in the year in which the audit is complete. If the Company is required to pay taxes, penalties, and interest as the result of audit adjustments, cash available for distribution to Members may be substantially reduced. In addition, because payment would be due for the taxable year in which the audit is completed, Members during that taxable year would bear the expenses of the adjustment even if they were not Members during the audited taxable year.

14. **Loss of Partnership Tax Classification.** The Company intends to be classified as a partnership for federal income tax purposes. If the Company were to be treated

for tax purposes as a corporation, the Members are likely to face material adverse tax consequences. The Company would, among other things, pay income tax on its earnings in the same manner and at the same rate as a corporation, and losses, if any, would not be deductible by the Members. The Manager does not expect the Company to be treated as a publicly traded partnership.

15. **Legislative Changes.** The current federal income tax treatment of an investment in the Company may be modified by legislative, judicial, or administrative action at any time. In December 2017, the United States Congress passed the most significant overhaul of the Internal Revenue Code since 1986, however, many of the changes expire on December 31, 2025. Additional tax law changes were put into effect by the Coronavirus, Aid, Relief, and Economic Security Act on March 27, 2020. Any changes in the United States federal tax laws or interpretations thereof could adversely affect an investment in the Company. Congress constantly scrutinizes the federal tax treatment of private investment funds, and there can be no assurance that newly-enacted legislation will have a favorable impact on an investor's investment in the Company.

4. INVESTMENT TARGET

The Company intends to invest in securities of the Portfolio Company by acquiring an interest in the Portfolio Company Securities. The Portfolio Company Securities may include, among other things: (i) shares of the Portfolio Company, (ii) forward purchase contracts with respect to shares of the Portfolio Company, or other securities that contemplate delivery of such shares in the future, (iii) securities convertible into or exchangeable for shares of Portfolio Company, or (iv) holding companies, funds,

special purpose vehicles, or other entities that own any of the instruments mentioned in (i), (ii), or (iii).

5. THE OFFERING

The Company is offering Interests during a subscription period beginning on the date of this Memorandum and ending on a date selected by the Manager. The subscription price for an Interest is payable in USD.

A person desiring to purchase an Interest will be required to execute and deliver a completed Subscription Agreement and Investor Questionnaire, which is attached to this Memorandum as *Exhibit A*. Each Member's Capital Commitment is set forth in its Subscription Agreement and Investor Questionnaire. Upon admission to the Company as a Member, each Member shall make a Capital Contribution to the Company in an amount equal to such Member's Capital Commitment. No Member may be required to make additional Capital Contributions without such Member's consent except that the Manager may determine, in its sole discretion, that additional funds are required to operate the Company and own, manage, and maintain its assets. If the Manager determines that additional capital is required then additional funds shall be called for by the Company; provided, that no Member will be required to contribute additional funds in excess of 10% of such Member's Capital Commitment. If an Investor Member fails to make a Capital Contribution upon a capital call in accordance with the LLC Agreement, the Manager may (but is not required to) designate the Investor Member a Defaulting Member and may exercise various remedies, including (i) alone or with other non-defaulting Members, lend to the Defaulting Member for contribution to the Company all or any part of the amount not contributed by the Defaulting Member, which loan shall be a demand loan, shall bear interest at a rate per annum equal to the lesser of (x) 18% and (y) the highest rate of interest such Defaulting Member is legally permitted to pay; (ii) permit the non-defaulting Members to purchase the Interest of the Defaulting Member for an amount, in

cash, equal to 75% of the original purchase price of the Defaulting Member's Interest as of the date of such default

The Offering will be made pursuant to the exemptions from the registration provisions of federal securities laws provided by Section 4(a)(2) of the Securities Act and 506(c) of Regulation D promulgated thereunder. The Company will rely on the exclusion from the definition of the term "investment company" outlined in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Consequently, the Company will not be subject to the reporting and other regulatory requirements applicable to entities registered under the Investment Company Act. As a result, a purchaser must be an "accredited investor" within the meaning of Section 2(15) of the Securities Act and Rule 501 promulgated thereunder.

The Company may, in its sole discretion, reject a subscription, and in the event of such rejection, the Company will return the rejected subscriber's payment promptly without interest. Subscriptions may be rejected for failure to conform to the requirements of the Offering, oversubscription to the Offering, failure of a subscriber to meet the standards for purchasers set forth herein, or for any other reason that the Company may determine.

The Subscription Agreement and Investor Questionnaire requires that each subscriber agree to be bound by the terms of the LLC Agreement. A copy of the LLC Agreement is attached to this Memorandum as *Exhibit B*. The rights and obligations of the purchasers of Interests will be governed by the LLC Agreement and prospective purchasers should read the LLC Agreement in its entirety.

As the Company is relying on an exemption from registration under federal and state securities laws, Interests offered hereby will be sold only to persons who take the Interests for investment, and not with a view to offer or sale in connection with the distribution or transfer thereof. The Subscription Agreement and Investor Questionnaire will require each subscriber to represent and warrant to the Company that he or she is purchasing the Interest for investment for his or her own account and not on behalf of any

other person, nor with a view to or for resale or other distribution of, the Interest and is not participating, directly or indirectly, in a distribution or transfer of the Interests, nor participating, directly or indirectly, in the underwriting of any such distribution or transfer of Interests. Each subscriber will also be required to represent and warrant to the Company that he or she will not act in any way that will constitute him or her to be an underwriter of such Interests within the meaning of the Securities Act.

The Interests will not be subject to the requirements of the Exchange Act. Consequently, the Company will not file periodic reports with the SEC pursuant to the requirements of the Exchange Act. The Company has not agreed to register the Interests for distribution in accordance with the provisions of the Securities Act, or any state securities laws, nor has the Company agreed to comply with any exemption under the securities laws for the sale hereafter of the Interests. Therefore, by virtue of certain rules respecting "restricted securities" promulgated under the Securities Act, the Interests may be required to be held indefinitely, unless and until subsequently registered under said applicable federal and state securities laws, or unless an exemption from such registration is available, in which case the number of Interests that may be sold and the manner of sale may be limited. Because of the restrictions on resale or transfer, Interests should be purchased only by persons who can afford to hold such Interests indefinitely.

All subscriptions for an Interest are subject to applicable anti-money laundering regulations. Purchasers will be required to comply with such anti-money laundering procedures as are required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Pub. L. No. 107-56) (USA PATRIOT Act).

As part of the Company's responsibility to comply with regulations aimed at the prevention of money laundering, the Company may require verification of identity from all prospective purchasers. The Company may seek to: verify the identity of a prospective purchaser; ensure that the prospective purchaser is not named on

one of the prohibited lists maintained by the U.S. Treasury Department; verify the source of a prospective purchaser's funds; once a prospective purchaser becomes a Member, monitor communications, capital contributions and withdrawals, and other payments involving the Member; and report suspicious activity to appropriate authorities. The Company may be required to exercise special scrutiny when prospective purchasers employ certain kinds of financial institutions or financial institutions from certain countries or when prospective purchasers are senior governmental or military officials or senior executives of government-owned businesses. U.S. anti-money laundering regulations are developing and changing continually and the Company may be required to implement other anti-money laundering measures from time to time. Prospective purchasers should be aware that in order to comply with any applicable anti-money laundering regulations, whether in the United States or any other applicable jurisdiction, certain information regarding prospective purchasers may be required to be transmitted to, or held in, the United States or disclosed to certain regulatory authorities in any applicable jurisdiction. Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity.

The Company reserves the right to request such information as is necessary to verify the identity of a prospective purchaser. The Company also reserves the right to request such identification evidence with respect to a transferee of an Interest. In the event of delay or failure by the prospective purchaser or transferee to produce any information required for verification purposes, the Company may refuse to accept the application or (as the case may be) to give effect to the relevant transfer and (in the case of a subscription for an Interest) any funds received will be returned without interest to the account from which the monies were originally debited.

The Company also reserves the right to refuse to make any distribution to a holder of an Interest, if the Manager suspects or is advised that the payment of any distribution proceeds to such

holder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company or the Manager with any such laws or regulations in any relevant jurisdiction.

6. THE MANAGER AND THE INVESTMENT MANAGER

Dizraptor Management, LLC

The Company will be managed by its sole manager, Dizraptor Management, LLC (referred to in this Memorandum as the "Manager"). Under the LLC Agreement, the Manager has exclusive control over the management of the Company. The Manager will not be registered as an investment adviser with the U.S. Securities and Exchange Commission or with any state pursuant to exemptions from the registration provisions of the Investment Advisers Act of 1940 and state law. The Manager is wholly-owned by Dizraptor, Inc.

Dizraptor Adviser, LLC

Dizraptor Adviser, LLC a Delaware limited liability company (the "Investment Manager") will act as an investment adviser to the Company, providing discretionary investment advisory services to the Company under an Investment Management Agreement, a form of which is attached to this Memorandum as *Exhibit C*. The Investment Manager will not be registered as an investment adviser with the U.S. Securities and Exchange Commission pursuant to exemptions from the registration provisions of the Investment Advisers Act of 1940.

7. COMPENSATION OF THE MANAGER AND THE INVESTMENT MANAGER

The following information summarizes the forms and estimated amounts of compensation (some of which involve cost reimbursements) to be paid by the Company, or others, to the Manager, and its respective affiliates for management and services provided to the Company. Some of this compensation will be paid regardless of the success or profitability of the Company. None of these forms of compensation were determined by arm's lengths negotiations. The following information is qualified by reference to the full text of the LLC Agreement attached to this Memorandum as *Exhibit B.*

Compensation of the Manager

The following information summarizes the forms and estimated amounts of compensation (some of which involve cost reimbursements) to be paid by the Company, or others, to the Manager, and their respective affiliates for management and services provided to the Company. Some of this compensation will be paid regardless of the success or profitability of the Company or the Investment. None of these forms of compensation were determined by arm's lengths negotiations.

Carried Interest

At such time(s) as the Manager may determine, net cash flow will be distributed to Members with such distributions initially being notionally apportioned among the Members in proportion to their relative Percentage Interests. The amount apportioned to each Member will be distributed as follows:

A. first, 100% to the Member until distributions to such Member on a cumulative basis equal the Member's Capital Contributions; and

B. thereafter, to such Member in accordance with such Member's Carried Interest Allocation.

Reimbursement of Expenses

The Manager will be entitled to reimbursement of expenses paid or incurred in connection with the organization and operation of the Company. It will also be reimbursed for the following expenses it advances: (i) related to the organization of the Company or the marketing of Interests, including, without limitation, legal, accounting, filing, and printing fees; (ii) expenses incurred in connection with obtaining legal, tax, accounting, auditing, valuation and other professional advice, and the advice of other consultants and experts on behalf of the Company; (iii) expenses incurred in connection with the registration, qualification, or exemption from registration of the Interests or the offering of the Interests under any applicable law; (iv) out-of-pocket expenses incurred in connection with the collection of amounts due to the Company from any Person; (v) expenses incurred in connection with the preparation of amendments to this Agreement; (vi) insurance premiums related to protection of the Manager against any liability arising out of, related to, or incurred in connection with this Agreement; (vii) expenses incurred in connection with any legal proceeding involving the Company (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith, provided that any such expenses which, if incurred by any Person, would not be indemnifiable under *LLC Agreement,* shall not constitute Company Expenses; (viii) any indemnification obligation and any other indemnity contribution or reimbursement obligations of the Company with respect to any Person, whether payable in connection with a legal proceeding involving the Company or otherwise; and (ix) all other expenses of the Company incurred in connection with the ongoing operations and administration of the Company.

Investment Management Fee

The LLC Agreement provides for the payment of an Investment Management Fee to the Investment Manager or its affiliate, by the Company each year in an amount equal to the Investment Management Fee Percentage of the Aggregate Commitments for 10 years following the Initial Closing. The Investment Management Fee

shall be payable in full for all 10 years at the Initial Closing. Although the Investment Management fee is paid in advance, it is subject to certain repayment, acceleration, and waiver as set forth in the LLC Agreement.

8. FUND ADMINISTRATOR

NAV Consulting, Inc. (the "Administrator" or "NAV") has been engaged as the administrator of the Company pursuant to a Service Agreement entered into with the Company (the "NAV Agreement"). The Administrator is responsible for, among other things, calculating the Company's net asset value, performing certain other accounting, back-office, data processing, processing subscriptions, redemptions and transfer activities of Members in the Company, certain anti-money laundering functions and related administrative services.

The NAV Agreement provides that the Administrator shall not be liable to the Company, any Member or any other person in absence of finding of willful misconduct, gross negligence, or fraud on the part of NAV. Furthermore, Company shall indemnify and hold harmless the Administrator, its affiliates, and their respective officers, directors, shareholders, employees, agents and representatives (collectively, the "NAV Parties") from and against any liability, damages, claims, loss, cost or expense, including, without limitation, reasonable legal fees and expenses (individually, "Loss" and collectively, "Losses") arising from, related to, or in connection with the services provided to the Company pursuant to the NAV Agreement, unless any such Losses are the direct result of the willful misconduct, gross negligence or fraud of NAV. In no event shall NAV have any liability to the Company, any Member or any other person or entity which seeks to recover alleged damages or losses in excess of the greater of (i) the fees paid to NAV by the Company in the three years preceding the occurrence of any loss, or (ii) $100,000 in the aggregate, nor shall NAV be liable for any indirect, incidental, consequential, collateral, exemplary or punitive damages, including lost profits, revenue or data, regardless of the form of the action or the theory of recovery, even if NAV has been

advised of the possibility of such damages or such damages were foreseeable.

NAV shall not be liable to the Company, any Member or any other person for actions or omissions made in reliance on instructions from the Company or advice of Client's legal counsel.

The services provided by NAV are purely administrative in nature. NAV has no responsibilities or obligations other than the services specifically listed in the NAV Agreement. No assumed or implied legal or fiduciary duties or services are accepted by or shall be asserted against NAV. NAV does not provide tax, legal or investment advice. NAV has no duty to communicate with Members other than as set forth in Exhibit A of the NAV Agreement. NAV does not have custody of Company's assets, it does not verify the existence of, nor does it perform any due diligence on the Company's underlying investments, including, investments in or via related or affiliated entities. In connection with the payment processing functions, NAV shall not be responsible for performance of the due diligence on payment recipients other than in connection with payments for Members' withdrawals from the Company, which are subject to anti-money laundering review functions of the services.

The NAV Agreement also provides that it is the obligation of the Company's management, and not of NAV, to review, monitor or otherwise ensure compliance by the Company with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Company's offering documents, including, without limitation, with its valuation policy or the Company's stated investment strategy, and with laws and regulations applicable to its activities. The Company's management's responsibility for the management of the Company, including without limitation, the valuation of the Company's assets and liabilities, including, defining and maintaining the valuation policy and for fair valuing the Company's assets, the oversight of the services provided by NAV and the review of work product delivered by NAV shall not be affected by or limited by any of the services provided by NAV.

The NAV Agreement provides that NAV is entitled to rely on any information, including valuation information, received by NAV from the Company, the Company's management or other parties, including without limitation, broker-dealers and data vendors, without independent verification, audit, review, inquiry, or performing other due diligence and NAV shall not be liable to the Company, any Member or any other persons for losses suffered as a result of NAV relying on incorrect information. NAV has no responsibility to review, independently value, verify, compare to other pricing sources or otherwise perform due diligence on the valuation information. NAV may accept such information as accurate and complete without independent verification. Furthermore, NAV shall not be liable to the Company, any Member or any other person for any loss incurred as a result of an error or inaccuracy of any valuation information received from the Company or from any pricing or valuation service or data service provider or delay, interruption in service or failure to perform of any pricing or valuation service or data service provider used by NAV.

The information on investor statements and other reports produced by NAV shall not be considered an offer to sell or a solicitation of an offer to purchase any interest in the Company, nor may it be used to induce or recommend the purchase or holding of any interest in the Company.

The NAV Agreement bars non-parties from asserting third party beneficiary claims against NAV. The Company pays NAV fees out of the Company's assets, generally based upon the size of the Company, in accordance with NAV's standard schedule for providing similar services, subject to a monthly minimum.

Either party may terminate the NAV Agreement on 180 days' prior written notice as well as on the occurrence of certain events. Members may review the NAV Agreements by contacting the Company; provided, that NAV reserves the right not to disclose the fees payable thereunder.

NAV is not responsible for the preparation of this Confidential Memorandum or the activities of the Company and therefore

accepts no responsibility for any information contained in any other section of this Confidential Memorandum.

USA Funds Contact Information

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Where to Send Subscriptions and Redemptions

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Oakbrook Terrace, IL 60181
T: 1.630.954.1919
F: 1.630.596.8555
transfer.agency@navconsulting.net

9. FIDUCIARY DUTIES

The Manager has exclusive control over the management of the Company and must exercise good faith and fair dealing in handling the Company's affairs. The Manager may delegate the management, operation, and control of the Company, including to its Affiliates, to the fullest extent permitted by law. The Manager may employ persons or firms to carry out all or any portion of the business of the Company and has the authority to employ consultants, attorneys, accountants, engineers, appraisers or other persons or entities to assist it in the management and operation of the Company.

The LLC Agreement provides that the Manager and its Affiliates (collectively included in the term “Covered Person”) will not be liable to any Member or the Company for any loss, damage, or claim

incurred by reason of any action or omission taken by such Covered Person if such act or omission did not constitute gross negligence, intentional misconduct, or fraud with respect to the Company's business. A Covered Person will be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports, or statements presented by any attorney, independent accountant, appraiser, or other expert or professional employed or engaged by or on behalf of the Company or any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Covered Person believes are within such other Person's professional or expert competence.

Furthermore, the Company will indemnify Covered Persons from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, proceedings, investigations, costs, expenses, and disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Covered Person in any way relating to or arising out of, or in connection with, or alleged to relate to or arise out of, or in connection with any action or inaction on the part of such Covered Person that relates in any way to the Company or the business or assets thereof. However, such Covered Person will not be indemnified with respect to actions of gross negligence, intentional misconduct, or fraud.

Member and other holders of Interests may, accordingly, have a more limited right of action against the Manager than they would have absent such exculpatory and indemnification provision in the LLC Agreement.

10. CONFLICTS OF INTEREST

The Manager and its Affiliates may face certain conflicts of interest in connection with the management and operations of the Company. Some or all of these conflicts of interest will not be resolved through arm's-length negotiations but through the exercise of the Manager's judgment consistent with their fiduciary responsibility to the Company. The Manager has not developed,

and does not expect to develop, any formal process for resolving conflicts of interest. There can be no assurance that any attempt to resolve conflicts of interest will prevent adverse consequences arising from them.

The principal areas in which the Company anticipates conflicts of interest to occur are described below. The conflicts described below are likely not the only ones that will be faced by the Manager. Additional conflicts that the Manager is unaware of, or that the Manager currently deems immaterial, also may become important factors that affect the Company and Member.

1. **Competition with Other Activities.** The Investment Manager and the Manager and their respective Affiliates are engaged in many activities, which may include serving in the management of other companies or pooled investment vehicles. The Investment Manager and the Manager and their respective Affiliates are not required to, and do not expect to, devote themselves full time to the affairs of the Company, and these other activities will be competing with the Company for their time, attention and financial resources.

2. **Co-Investment.** The Company may co-invest with other investment vehicles managed or advised by the Manager or an Affiliate thereof on a basis that the Manager believes in good faith to be fair and reasonable. To the extent that the Company holds interests that are different (either less or more senior) than those held by any such other vehicles or Affiliates, the Manager may be presented with decisions involving circumstances where the interests of such other vehicle are in conflict or competition with the interest of the Members. In that regard, actions may be taken for such other vehicles that are adverse to the Members' interests.

3. **Use of Affiliates.** The Manager has the authority to employ consultants, appraisers, property managers, and other agents, some which may be Affiliates of the Manager. In such instances, the Manager will face a conflict of interest in

any dealings between the Company and such affiliates of the Manager.

4. **Lack of Independent Representation.** The Company may or may not have independent counsel representing it in connection with this Offering and such counsel involved in the preparation of any Offering documentation may not be involved in performing any due diligence on the Portfolio Company. In any event, Member are not being independently represented by such counsel. Prospective purchasers, therefore, should consult with their own independent counsel concerning the Company and their investment therein. Furthermore, in the event of any dispute between any of the Members and the Company, or between any of the Members or the Company, on the one hand, and the Manager or any of its Affiliates represented by counsel for the Company, on the other hand, counsel for the Company may represent the Company or the Manager or such Affiliates, or both, in such dispute to the extent permitted by such rules or as set forth in any engagement letter.

11. DESCRIPTION OF THE INTERESTS

The Interests represent equity interests in the Company and entitle the holder thereof to participate in certain Company allocations and distributions. A person who purchases an Interest from the Company will become a Member of the Company and will be entitled to vote on and approve certain Company matters. Except as otherwise provided in the LLC Agreement, Members will have no right to participate in the management of the business and affairs of the Company.

The Interests may not be freely assigned and are subject to restrictions on transfer by federal law, by regulation in the state where they are sold, and by the LLC Agreement. Before transferring an Interest, an investor must obtain the written consent of the Manager and comply with applicable requirements of federal and state securities laws and regulations. It is highly unlikely that any

market for Interests will ever develop and prospective purchasers should view an investment in an Interest as solely a longterm investment.

In addition, the LLC Agreement provides that an assignee of an Interest may not become a Member without meeting certain conditions and without consent to such substitution by the Manager, which consent the Manager may withhold in its sole discretion. If an assignee is not admitted to the Company as a Member, such assignee will have no right to vote on or approve any Company matters and will have no right to information relating to the Company's business. Such assignee will only be entitled to receive a share of profits and distributions to which a Member would otherwise be entitled.

The Interests offered by this Memorandum have not been registered under the Securities Act or by the securities regulatory authority of any state. The Interests may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available.

12. ACCESS TO INFORMATION

Prospective purchasers and their purchaser representatives, if any, are invited to review any materials, documents, and agreements available to the Company relating to the Offering or any information set forth in this Memorandum. Prospective purchasers should understand that the discussions and summaries in this Memorandum of related materials, documents, and agreements are not intended to be complete and such discussions and summaries are subject to, and are qualified in their entirety by, reference to the original materials, documents, and agreements and their various respective provisions.

The Company will, to the best of its knowledge, answer all inquiries from prospective purchasers concerning the Company and the terms and conditions of the Offering. Prospective purchasers will

also be given the opportunity to obtain any additional information (to the extent that the Company possesses the information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of any representations or information set forth in this Memorandum. Prospective purchasers should address their inquiries to the address listed on the cover page.

The undersigned, desiring to become a Member of Dizraptor Fund 1001, LLC hereby confirms that he/she has received, read carefully, and understands the Private Placement Memorandum provided by the Company, as amended and/or supplemented from time to time.

Print Name of Member

Signature

Date

EXHIBIT A. SUBSCRIPTION AGREEMENT AND INVESTOR QUESTIONNAIRE

[ATTACHED]

EXHIBIT B.

THE LLC AGREEMENT

[ATTACHED]

EXHIBIT C.
THE INVESTMENT MANAGEMENT AGREEMENT

[ATTACHED]