

FRESH Carolina, LLC Prospectus

Strategic Business Plan Excerpts

1. Introduction

The original idea for FRESH Carolina was first conceived in the Fall of 1987 when Mr. Jesu Sanchez moved to North Carolina with his wife Brenda, bringing with them their two toddler Children. As a Venezuelan national, Mr. Sanchez had previously dreamed of saving enough money to eventually return to his homeland, buy a large piece of property, and then help build a small retirement community there. However, in October 1987, after settling down in Durham with his family, Mr. Sanchez began to realize that the state of North Carolina already offered the opportunity to begin realizing that same dream, right here in the United States.

Thirty years later, that same dream of building a small retirement community has been transformed into the project vision described in this document. This project vision is supported by a long-term investment endeavor deemed capable of maintaining the same original core values, but translated into a more tangible self-sustaining business model. This self-sustaining business model integrates elements from the five following industries:

1. Food, beverage, and hospitality business
2. Recreation (indoor & outdoor)
3. Events, entertainment and education
4. Scientific research
5. Health services

The business plan outlined in this document consists of various elements that comprise an initial five-year strategy consisting of these following four phases:

- Phase 1 – Identify and secure a location
- Phase 2 – Develop basic infrastructure and test the business model
- Phase 3 – Activate business model and corresponding revenue stream
- Phase 4 – Business expansion phase

The infrastructure phase officially begun on Monday, January 1, 2019. As of March 31, 2022, about \$867,500 have been invested in the project. This modest sum includes capital raised by the sale of shares, renovations, capital equipment, and sweat equity. Additionally, phase 1 and phase 2 have been completed. Phase 3 is currently being developed and Fiscal Year 2022 is expected to be the first year the company will generate a profit.

More details regarding the development of these four phases are provided below.

FRESH is an acronym that stands for the names of what is to become five distinct business units of FRESH Carolina, LLC. The five distinct business units are **Food and Beverages, Recreation, Events, Science, and Health**. These five business units are briefly described below.

F: The Food and Beverages business unit is focused on the preparation, sale, and distribution of food items considered to be in the category of wholesome nutrition. These food items offered will be specifically endorsed by certified nutritionists and prepared by licensed chefs (**focused on wholesome nutrition**). Additionally, the Food and Beverages business unit will manage the provision of nutritional beverages and include spirits. This business unit is only partially operational.

R: The Recreation business unit covers both outdoor and indoor activities. For example, outdoor activities include nature trail hikes, 2W-ATR excursions, fishing, camping, outdoor cooking, canoeing, and other planned outdoor activities. Additionally, indoor activities include guest lodging, table games, computer games, LASER tag, and special exhibitions (**both outdoor and indoor**). This business unit is currently operational.

E: The Events business unit is focused on retreats, social gatherings, dancing, live presentations, private parties, seminars, workshops, personalized tutoring, planned events, and hospitality stay in overnight chalets (**private parties, planned social events, and hospitality**). This business unit is only partially operational.

S: The Science business unit will be focused on those areas of leading-edge technological advances for scientific research that are directly involved with the improvement of human health and the enhancement of social connection (**technology and human health research**). This business unit is not currently operational.

H: The Health business unit manages all activities and professional services related to physical health, mental health, and spiritual health. Some examples are Zumba, tai chi, yoga, meditation, prayer groups, cognitive logic training, biofeedback therapy, music therapy, and art therapy (**physical, mental, spiritual**). This business unit is only partially operational.

More details about each of the five business units appear in the Business Description (chapter 2) and the Operations (chapter 6) sections of the business plan.

2. Project Vision

The vision of FRESH Carolina, LLC is “**to create life balance**” and this vision can best be described using the following four metaphors:

1. FRESH is an oasis – an oasis to replenish nourishment and quench our thirst.
2. FRESH is a refuge – a refuge to shelter from the turmoil and the toil of modern life.
3. FRESH is a place of respite – a place of respite to rest from the labor and struggle imposed by the proverbial rat race.
4. FRESH is a natural sanctuary – a natural sanctuary where we go to restore our physical strength, emotional energy, and spiritual peace.

In short, the vision of FRESH Carolina, LLC is to create life balance by becoming a nearby place where people can go for nourishment, to shelter from stress, to seek relief from tension, to regain physical strength, to recuperate emotional energy, and to regain spiritual peace.

3. Physical Location of FRESH Carolina, LLC

The search for an appropriate location begun back in January 2014. The area of interest was selected based on the following five requirements:

1. Minimum of ten acres of commercial land with private access to a body of water
2. Situated approximately equidistant between Charlotte and Raleigh, NC
3. Be located no further than 15-minutes of Interstate I-40/85
4. Be within a short driving distance of the Greensboro-Randolph Megasite
5. Have property frontage access to a major paved road

As shown on figure 1 below, the property purchased consists of 13 acres of commercial land conveniently located in Swepsonville, North Carolina, which is just South of the City of Graham, and only 7-minutes away from exit 153 (SR 119) of interstate I-40/85. The chosen



Figure 1: FRESH Carolina Location
Source: Alamance County Geographic Information System (GIS)

property is located about one hour from Raleigh and less than two hours from Charlotte. The town of Swepsonville is located about 30-minutes away from Julian, NC, which is inside the Southeastern border of the Greensboro-Randolph Megasite. Additionally, the property has about 490 feet of frontage access to a major paved road (Darrell Newton Drive). Furthermore, the property is situated across the road from the Haw River (600 feet) and less than one mile away from the Swepsonville River Park, which includes paddle access to the West river bank and walking access to the Haw River Trail.

4. Executive Summary

As mentioned in the introductions, the strategic business plan for FRESH Carolina, LLC includes the following four phases;

- Phase 1 – Identify and secure location
- Phase 2 – Develop basic infrastructure and test the business model
- Phase 3 – Activate business model and corresponding revenue stream
- Phase 4 – Business expansion phase

The first phase of the strategic business plan was complete with an initial investment amount of \$125,000. Since February 2017, a portion of the initial investment amount was used to develop portions of the 13-acres of commercial land and existing warehouse. Additional funds

were invested in developing structures and several basic improvements required to make the property suitable for the next three strategic phases.

The second phase begun on January 1, 2018 with an additional \$600,000 in funds being raised for the following four tactical business activities:

1. Complete the development of facilities required by the business operation
2. Acquire the required equipment and inventory
3. Assign the necessary operational expenses budget
4. Allocate reserve capital for planned portfolio of goods and services

The third phase planning is already underway and a pilot program for testing the business model is scheduled to begin on Saturday, March 3, 2018. This pilot program is designed to test the operational business models planned for the products and services offered by the first two business units (Food/Beverages and Recreation). More details regarding this third phase pilot program is available in a separate document.

As each business unit operational concept is piloted and tested, FRESH Carolina, LLC will continue to grow gradually in parallel with the basic infrastructure facilities being constructed for each of the business units. There are five distinct business units in FRESH Carolina, LLC and these are summarized below.

FRESH is an acronym that stands for the names of five distinct business units of FRESH Carolina, LLC. The five business units are **Food and Beverages, Recreation, Events, Science, and Health**. These five business units are briefly described as follows.

F: The Food and Beverages business unit is focused on the preparation, sale, and distribution of food items considered to be in the category of wholesome nutrition. These food items offered are specifically endorsed by certified nutritionists and prepared by licensed chefs (**focused on wholesome nutrition**). Additionally, the Food and Beverages business unit manages the provision of nutritional beverages and spirits.

R: The Recreation business unit covers both outdoor and indoor activities. For example, outdoor activities include nature trail hikes, 2W-ATR excursions, fishing, camping, outdoor cooking, canoeing, swimming, and other planned outdoor activities. Additionally, indoor activities include guest lodging, table games, computer games, LASER tag, and special exhibitions (**both outdoor and indoor**).

E: The Events business unit is focused on retreats, social gatherings, dancing, live presentations, private parties, seminars, workshops, personalized tutoring, planned events, and hospitality stay in overnight chalets (**private parties, planned social events, and hospitality**).

S: The Science business unit is focused on those areas of leading-edge technological advances for scientific research that are directly involved with the improvement of human health and the enhancement of social connection (**technology and human health research**).

H: The Health business unit manages all activities and professional services related to physical health, mental health, and spiritual health. Some examples are Zumba, tai chi, yoga, meditation, prayer groups, cognitive logic training, biofeedback therapy, music therapy, and art therapy (**physical, mental, spiritual**).

More details about each of the five business units appear in the Business Description (chapter 2) and the Operations (chapter 6) sections of the business plan.

FRESH Carolina, LLC started out as a 5-year, \$5,000,000 project that first began on January 1, 2018 when the company launched 500 Corporate Shares for sale at \$5,000 each. On March 1, 2019, these shares were valued at \$7,000 each (40% increase in only 13 months).

On February 29, 2020, each of the 500 existing shares were split into four (divided by 4) and the value set for each of the 2,000 ordinary shares was set at \$1,750. So, if you purchased any \$7,000 shares prior to February 29, 2020, that means you now own four (4) \$1,750 shares for each of the \$7,000 shares that you had prior to February 29, 2020.

On December 31, 2021, all Type A shares became worth \$2,000 each. The value of each Type A share had been \$1,750 since February 2020.

5. Infrastructure Development (summary)

Part of the funds raised with the initial sale of the 120 shares released on January 1, 2018 were allocated for the constructing many of the facilities illustrated and colored “green” on figure 2 below.



Figure 2: Planned Infrastructure (refer to table 1 for detailed descriptions)

The names assigned to each of the facilities illustrated on figure 2 above are listed on Table 1 below.

1. Simon Bolivar Hall (event venue)	9. Fountain Angel Falls
2. Miranda Plaza (restrooms/vending)	10. Freedom Bridge
3. Boyaca Bridge	11. Fishing Pond Guri
4. Overnight Chalet	12. Acarigua Bridge
5. Shelter Orinoco (completed)	13. Shelter Ignacio Sanchez Nieto
6. Canoe Dock Puerto Cabello	14. Woods Chapel
7. Multi-use Game Court Páez (completed)	15. Bridge of Truth
8. Floating Gazebo Edith María	16. Swimming Hole Teresa Careño
17. Perimeter Fence	

Table 1: Key to names of numbered facilities

Figure 3 below illustrates the existing warehouse building and the planned adjacent structures being built.



6. Planned Revenue Streams (calculated monthly net)

The following sections outline the monthly percentage gross and net estimates for each individual revenue stream. The net monthly estimates are based on the 100% completion of phase 2 (Basic infrastructure development). However, there is also an estimated initial revenue stream from the pilot program of the first two business units which is highlighted at the end of this section.

a. Food and Beverages Sale (35% gross at 6.5% margin)

A primary source of revenue for FRESH Carolina originates from the sale of food and beverages and associated activities. This critical revenue stream depends on the number of individuals and families attracted to visit FRESH Carolina every weekend. Based on the 707,900 people living in nearby areas (2010 census) and the provability of attendance parameters used, it is estimated that about 1,200 people would attend on a weekly basis. Estimating that each person consumes an average of about \$5.63 of food and beverages per person during each event, then 1,200 people at \$5.63 each = \$6,756 estimated gross per week.

To attract attendance and promote consumption, there will be regularly scheduled event every Saturday (Farmer's Market, antique sales, arts/craft sales) and at least two special events every week (concerts, competitions, exhibitions, auctions). From these events at \$6,756 per week, the monthly revenue is estimated to be \$6,756 x 4 weeks = \$27,024 of gross revenue per month. Calculating at the rate of 6.5% profit margin to cover all relevant expenses, the net monthly revenue for Food and Beverages sale is estimated to be \$1,756.56/month (net)

Activities related to the Food and Beverages Sale revenue stream include:

- a. Serving food and beverages to all on site visitors
- b. Catering services for private events (Weddings, Birthdays, Retreats, etc.)
- c. Setup, maintenance, cleanup for all on-site events

The calculated estimate above includes revenue from food and beverages sold and catered during private events coordinated within the Events and Venue Facility Rental, which are counted as expenses in that revenue stream.

b. Events - Including Venue Facility Rental (45% gross at 11.5% margin)

The 3,500-square foot facility has an overall capacity of 250 people. The calculated revenue stream includes facility rental, sale of food and beverages, event planning, facility decoration, and catering services. All told, this revenue stream is estimated to produce a gross revenue of \$3,850 for each single event. The plan is to offer the event venue for a minimum of two weekly events. This estimation comes to $\$3,850 \times 2 = \$7,700/\text{week}$, which translates into $\$7,700 \times 4 = \$30,800/\text{month}$ gross for this revenue stream. Once again, the event rental is

offered as a package that includes event planning, facility setup, food catering, non-alcoholic beverages service (tea, sodas, water, lemonade), take down, and cleanup.

Calculating a 11.5% profit margin after covering all relevant expenses, the net monthly revenue for event venue rental is estimated to be: \$3,542.00/month (net).

This revenue stream includes hospitality stay in the overnight chalets. Overnight chalets have full hotel-like facilities and are operational during all year.

c. Recreation Revenue (10% gross at 14% margin)

The recreation revenue is estimated to be only 10% gross but at a profit margin of 30% due to the low overhead and maintenance costs. The estimated gross revenue in this revenue stream is expected to be \$7,225/month. At the expected 14% margin, this gross estimate translates into \$1,011.50/month (net).

Activities in this category includes the following:

- d. Recreation equipment rentals (2Wheel-All Terrain Rider, Canoe, Bicycle, Outdoor Games, indoor games, computer games)
- e. Special indoor class sessions (Yoga, Zumba, Tai-Chi, Line dancing, Meditation)

d. Science & Technology Revenue (4% gross at 35% margin)

The incidental technology use revenue is estimated to be only 4% gross but at a profit margin of 35% due to the very low overhead and maintenance costs of the used technology (software). The estimated gross revenue in this revenue stream is expected to be about \$2,890/month. At the expected 35% margin, this gross estimate translates into \$1,011.50/month (net).

- a. Incidental fees for use of proprietary technology for acquiring goods and services during events (FRESH Carolina phone app)
- b. Use of bio-feedback equipment
- c. Use of studio recording equipment

e. Health Services & Research Revenue (6% gross at 11% margin)

The research and health services revenue stream is estimated to be initially at about 6% gross with a profit margin of 11% due to the high cost of health services contract agreements and overhead costs. The estimated gross revenue in this revenue stream is expected to be about \$4,335/month. At the expected 11% margin, this gross estimate translates into \$476.85/moth (net).

The research and health services revenue stream include the following activities:

- a. Group and individual health related services (physical/mental/spiritual)
- b. Biofeedback techniques training and applications
- c. Basic and intermediate nutrition training

This first-year estimate for the research health services revenue stream is expected to increase for gross revenue in subsequent years, but the 11% net rate of profits is not expected to change significantly.

f. Estimated revenue from initial pilot program

The initial pilot program launched on March 3, 2018 included the following four components:

1. Farmer's Market with antiques and arts/crafts sale
2. Recreation with coordinated outdoor games and live events
3. Rental of 2-Wheel All Terrain Riders (2W-ATR) and canoes
4. Sale of food and beverages

Although the revenue stream estimation may not be completely accurate, the estimate is based on a study of the existing nearby area population (707,900) and the daily flow of traffic through the main road (Darrell Newton Drive) that borders the entire 490 feet frontage of the property. Table 2 below outlines the nearby populated areas (2010 census). Table 2 also shows results from the provability measures that were used to estimate the potential attendance and to calculate the weekly and monthly revenue streams.

Nearby populated areas	Population	Drive Time in minutes	Distance in miles	% Attendance Provability	Potential Attendance	Attendance Provability Estimate @ 8.5%
Sweptonville	1,200	0	0	5	60	5
Graham	15,000	10	5	4	600	51
Mebane	15,000	14	8	3	450	38
Saxapahaw	1,700	10	6	3	51	4
Chapel Hill	60,000	33	30	1	600	51
Burlington	53,000	15	9	1	530	45
Hillsboro	7,000	22	18	0.5	35	3
Durham	265,000	32	30	0.5	1325	113
Greensboro	290,000	22	27	0.3	870	74
	707,900					
					Total Weekly Attendance	384.285
					Average expenditure/person	\$4.50
					Estimated weekly revenue	\$1,729.28
					Monthly revenue/estimate	\$6,917.13

Table 2: Estimated monthly revenue for pilot program

Based on results from the initial pilot program for the first two business units and the 100% completion of phase 2 (Basic infrastructure development), it is estimated that there will be a separate revenue stream from each of the five business units. Table 3 below outlines the estimated monthly contributions made by each the five revenue streams calculated using a different profit margin for each business unit.

Revenue Stream Name	Stream (Gross)	Stream (Net)	% Margin
Food & Beverages Sale	\$27,000.00	\$1,755.00	6.50
Event Venue Facility Rental	\$30,800.00	\$3,542.00	11.50
Recreation	\$7,225.00	\$1,011.50	14.00
Science/Technology	\$2,890.00	\$1,011.50	35.00
Research & Health Services	\$4,335.00	\$476.85	11.00
Monthly Totals	\$72,250.00	\$7,796.85	

Table 3: Monthly contribution by individual revenue stream

Table 4 below outlines the estimated annual rate of return, contingent upon 100% completion of stage 2 (Basic infrastructure development).

Estimated annual return on investment (after December 2019):	
\$7,796.85 monthly net x 12 months	\$93,562.20
\$39562.20 / 120 shares (earning/share)	\$779.69
rate of return	15.59 %

Table 4: Estimated annual rate of return

As mentioned above, the revenue stream amounts are based on a study of the existing nearby area population and the daily flow of traffic through the main road.

Table 5 below outlines the estimated revenue values on a weekly and monthly basis contingent upon 100% completion of stage 2.

Nearby populated areas	Population	Drive Time in minutes	Distance in miles	% Attendance Provability	Potential Attendance	Attendance Provability Estimate @ 8.5%
Swepsonville	1,200	0	0	15	180	15.3
Graham	15,000	10	5	12	1800	153
Mebane	15,000	14	8	12	1800	153
Saxapahaw	1,700	10	6	10	170	14.45
Chapel Hill	60,000	33	30	5	3000	255
Burlington	53,000	15	9	3	1590	135.15
Hillsboro	7,000	22	18	2	140	11.9
Durham	265,000	32	30	1	2650	225.25
Greensboro	290,000	22	27	1	2900	246.5
	707,900				Total Weekly Attendance	1209.55
					Average expenditure/person	\$14.93
					Estimated weekly revenue	\$18,058.58
					Monthly revenue/estimate	\$72,234.33

Table 5: Attendance Based Revenue Estimate for Stage 2

7. Financial Investment Summary

As mentioned in the executive summary, \$125,000 were invested to complete phase 1 (Identify and secure location). These initial \$125,000 were invested by the land owner, who offered the use of the property to FRESH Carolina, LLC in order to lay the groundwork for stage 2 (Basic infrastructure development) on a contracted lease basis. FRESH Carolina, LLC has already signed a ten-year no-cost lease contract with the property owner which was executed on January 1, 2018 and expires on December 31, 2028. The no-cost lease contract takes exception only for the costs of utilities incurred by FRESH Carolina operations and for the property taxes incurred during the ten-year lease period.

Additionally, the ten-year no-cost lease contract specifies that all facilities built by FRESH Carolina during the ten-year lease period will be solely owned by FRESH Carolina, LLC. In other words, all facilities and infrastructure built by FRESH Carolina, LLC on the 13-acre property designated as parcel ID 151545 in Alamance County, NC, will become the sole property of FRESH Carolina, LLC.

As a vehicle to raise the \$600,000 in funds required in phase 2 of the FRESH Carolina, LLC business operation, one hundred and twenty (120) shares were released for sale on January 1, 2018 at the price of \$5,000 per share. The raised funds have been allocated according to Table 6 below.

Project Item	Funds Allocated	Notes
Sewer Lines Construction	\$85,000.00	Completed to nearest manhole
Restroom/Vending Facility	\$65,000.00	Fully equipped 4 bath (1 handicap) and 3 sinks
Warehouse Building Restoration	\$45,000.00	Floors, walls, windows, lighting, tables, chairs, decorations
Fire Protection System	\$75,000.00	Sprinkler system
Dam Restoration	\$35,000.00	Between the two ponds
Floating Gazebo	\$27,000.00	
3 x Model Chalets	\$75,000.00	Fully furnished with plumbing and HVAC
HVAC System	\$25,000.00	System for restrooms and main building
Electrical Service/Wiring	\$12,000.00	Service/Wiring for restrooms and main building
Parking Area	\$23,000.00	
Perimeter Fencing	\$17,500.00	
Bridges	\$3,500.00	
Canoe Deck	\$11,000.00	
Outdoor Stage	\$5,200.00	
Side Deck w Handicap Ramp	\$9,000.00	
Rear Deck	\$3,500.00	
Total Estimated Expenses	\$516,700.00	
Series 01-18 shares released = 120	\$600,000.00	
Estimated Reserve Funds	\$83,300.00	

Table 6: Raised funds allocation