

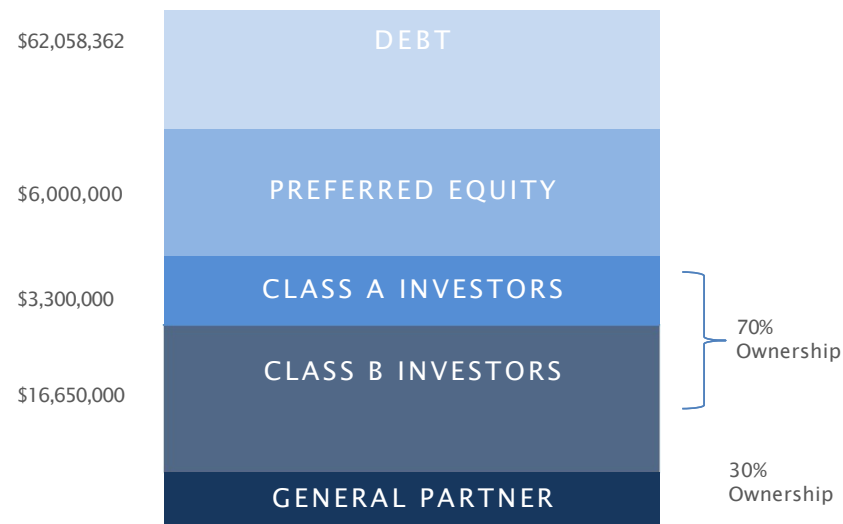
TWO-TIER EQUITY STRUCTURE OFFERS MAX FLEXIBILITY

Investors can choose to invest in Class A, Class B, or a combination of both Classes. The two-tier structure gives investors the flexibility to choose the right investment class that matches their goals.

Class A Investors earn a 9% Preferred Return and sit behind the debt in the capital stack. This tier is limited to only \$3.3M of the total capital*. **The minimum investment to participate in the A share class is \$100,000.** This tier offers stronger projected cash flow and reduced risk compared to Class B Investors. Class A investors have no upside in the sale at the end of the business plan or any capital event. This tier is for investors who prefer stronger cashflow and minimal risk.

Class B Investors earn a 7% Preferred Return after Class A has been paid. Upon the disposition of Element 41, payment of debt and any pref equity, return of Class A and Class B original investments, unpaid Class A and Class B yearly returns, Class B Investors will get 70% of the profits from the sale. **The minimum investment for Class B is \$50,000.** This tier has reduced projected cash on cash returns; however, offers greater participation upon disposition compared to Class A Investors. This tier is for investors who want to maximize their returns over the life of the investment.

Investors can split their investment between both Class A and Class B shares, as long as their total investment is \$100,000 minimum. For example, an investor can invest \$75,000 in Class A and \$25,000 in Class B or vice versa so long as the total investment in the deal is \$100,000.



Projected total capitalization of Element 41

* Subject to change

Alternative share classes are available for minimum \$500,000 investments.

Blue Lake will *only* be paid *after* cash returns are distributed in full to Investors.

PROJECTED RETURNS



Class A - Investor Returns Based on \$1,000,000 Investment

| | Investment | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------|---------------|----------|----------|----------|----------|-------------|
| Investor Annual Percent Return | | 9.0% | 9.0% | 9.0% | 9.0% | 9.0% |
| Investor Return on Investment | (\$1,000,000) | \$90,000 | \$90,000 | \$90,000 | \$90,000 | \$90,000 |
| Return from Disposition | | | | | | \$1,000,469 |
| Total Return | (\$1,000,000) | \$90,000 | \$90,000 | \$90,000 | \$90,000 | \$1,090,469 |

Class B - Investor Returns Based on \$1,000,000 Investment

| | Investment | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------|---------------|----------|----------|----------|----------|-------------|
| Investor Annual Percent Return | | 7.00% | 7.42% | 7.75% | 7.04% | 170.45% |
| Investor Return on Investment | (\$1,000,000) | \$70,000 | \$74,200 | \$77,500 | \$70,400 | \$64,700 |
| Return from Disposition | | | | | | \$1,274,052 |
| Total Return | (\$1,000,000) | \$70,000 | \$74,200 | \$77,500 | \$70,400 | \$1,338,752 |

Class A Investors

| | |
|-------------------------------|-------------|
| Total Equity | \$3,300,000 |
| Average Cash on Cash* | 9% |
| Total Average Return** | 9% |
| Internal Rate of Return (IRR) | 9% |
| Equity Multiple | 1.45X |

Class B Investors

| | |
|-------------------------------|--------------|
| Total Equity | \$16,650,000 |
| Average Cash on Cash* | 7.2%-7.5% |
| Total Average Return** | 15.31% |
| Internal Rate of Return (IRR) | 14%-15% |
| Equity Multiple | 1.77X |

* Excludes proceeds from sale ** Includes proceeds from sale