

Renewable Notes – Direct Response Distribution Model

Awareness

Retail investors are solicited through keyword search ads on the Internet. Redwater does not make outbound calls to solicit investors. The cost of the ads and the related marketing expenses are paid by the Issuer.

RESPONSE

Interested investors click the online ads to visit the offering web site, which explains the rudiments of the investment. There they can review or download the investment documents or complete an online form to request an investment kit. The investment kit includes the prospectus, company financials, subscription agreement, and other investment documents.

Conversion

Investors mail their investment documents to Redwater along with a check made payable to the Issuer. Redwater processes the investments and either delivers the check to the Issuer or deposits it in the Issuer's cash management account, whichever is preferred.

ADMINISTRATION

Redwater manages the investor interface on a turnkey basis, including the delivery of confirmations, quarterly statements, and maturity notices; coordinating principal and interest payments with the Issuer and the paying agent; and responding to ongoing investor inquiries. The notes are issued on a book-entry basis. Principal and interest payments are delivered to investors via direct deposit.

Renewal

Most investors continually renew their notes at maturity, extending the funding duration well beyond the original term. During the offering, the Issuer resets interest rates for new and renewing notes to achieve its cost of capital and funding goals independent of market trends.

ADDITIONAL INVESTMENT

Investors often make subsequent investments after their initial note purchases. Limited time bonus offers are mailed to investors to encourage additional investments.

Renewable Notes Benefits and Features

Raise Millions of Dollars Annually on Your Terms • Hundreds of Proprietary Retail Investors Become Your Reliable Source of Capital • Subordinated • Single Covenant – no cash dividends to shareholders if a payment default exists • No Dilution • No Hard Refinancing Date • Callable Anytime at Par