

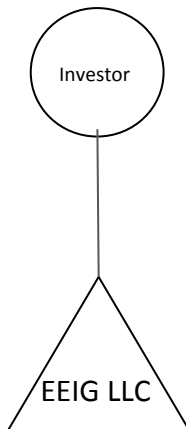


EEIG LLC is a flow-through entity which means that it does not pay tax, but rather the owners and investors pay tax on their share of EEIG's income.

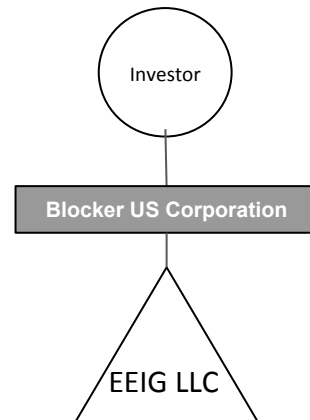
For US investors, the income and expenses are reported on a US tax return and tax is assessed there.

For non-US residents, the government requires EEIG to withhold tax and for the investor to file a personal tax return in the US.

Option 1:



Option 2:



Pros:

1. Simple: no extra entities
2. Allows for smaller investment

Cons:

1. Requires obtaining US tax number (send in passport to IRS)
2. Requires EEIG cash flow to make tax payments on behalf of investor
3. Requires investor to file annual personal US income tax returns and be personally subject to IRS rules and restrictions

Pros:

1. Save ~50% (or more) off US taxes for non-US investors
2. Ultimate identity of investor protected from IRS (no personal filings)
3. Can be used for other investments
4. IRS cannot take enforcement action on individual

Cons:

1. Requires US corporation to be formed and managed
2. Requires larger initial investment
3. Costs more to implement and maintain for investor