Name of Subscriber:_____
Number of Registration:_____

CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

$35,000,000

VESTALIA OPPORTUNITY INVESTORS, LLC

(Limited Liability Company Membership Interests)
A HOME PARADISE INVESTMENT CENTER, LLC
SPONSORED PROJECT

Dated: August 31, 2015

(Rendering of Proposed Project, to be located in Glendale, California)

CONFIDENTIAL
THIS MEMORANDUM MAY NOT BE REPRODUCED

Contact Information:
Vestalia Opportunity Investors, LLC
7000 E. Slauson Avenue
Commerce, California 90040
Phone: +1 (323) 201-0018 ext. 102

For the Exclusive Use of: _____ **PPM No.:_____**

VESTALIA OPPORTUNITY INVESTORS, LLC

MEMBERSHIP INTERESTS

CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

IMPORTANT NOTICES

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE "***MEMORANDUM***") OF VESTALIA OPPORTUNITY INVESTORS, LLC (THE "***COMPANY***") DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY LIMITED LIABILITY COMPANY INTERESTS AS TO ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. THE OFFER AND SALE OF THE LIMITED LIABILITY COMPANY INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "***SECURITIES ACT***"). WITHIN THE UNITED STATES, THIS OFFERING IS MADE AS A PRIVATE PLACEMENT PURSUANT TO SECTION 4(A)(2) OF THE SECURITIES ACT OF 1933, AND ONLY TO PARTIES THAT ARE "*ACCREDITED INVESTORS*" AS DEFINED IN RULE 501(A) OF REGULATION D UNDER THE SECURITIES ACT. OUTSIDE THE UNITED STATES, THIS OFFERING IS MADE PURSUANT TO REGULATION S UNDER THE SECURITIES ACT ONLY TO PARTIES THAT ARE NOT "U.S. PERSONS" AS DEFINED IN SUCH REGULATION AND PURSUANT TO EXEMPTIONS FROM APPLICABLE SECURITIES LAWS OF OTHER COUNTRIES ("***FOREIGN SECURITIES LAWS***").

THIS MEMORANDUM IS NOT A PROSPECTUS OR AN ADVERTISEMENT, AND THE OFFERING IS NOT BEING MADE TO THE PUBLIC.

THIS OFFERING IS MADE IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND FOREIGN SECURITIES LAWS AS DESCRIBED ABOVE. THE COMPANY WILL NOT BE OBLIGATED TO REGISTER THE LIMITED LIABILITY COMPANY INTERESTS OFFERED HEREBY (THE "***MEMBERSHIP INTERESTS***" ***OR*** "***UNITS***") UNDER THE SECURITIES ACT OR ANY FOREIGN SECURITIES LAWS IN THE FUTURE. THERE CURRENTLY IS NO PUBLIC OR OTHER MARKET FOR THE MEMBERSHIP INTERESTS AND THE COMPANY DOES NOT EXPECT THAT ANY SUCH MARKET WILL DEVELOP. ALL OF THE MEMBERSHIP INTERESTS, WHETHER ACQUIRED WITHIN THE UNITED STATES OR OUTSIDE THE UNITED STATES, WILL BE "*RESTRICTED SECURITIES*" WITHIN THE MEANING OF RULE 144 OF THE SECURITIES ACT AND THEREFORE MAY NOT BE TRANSFERRED BY A HOLDER THEREOF WITHIN THE UNITED STATES OR TO A "*U.S. PERSON*" UNLESS SUCH TRANSFER IS MADE PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, PURSUANT TO AN EXEMPTION THEREFROM, OR IN A TRANSACTION OUTSIDE THE UNITED STATES PURSUANT TO THE RESALE PROVISIONS OF REGULATION S AND AS PERMITTED UNDER

APPLICABLE STATE SECURITIES LAWS. MOREOVER, HEDGING TRANSACTIONS MAY NOT BE CONDUCTED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT, AND THE MEMBERSHIP INTERESTS MAY BE TRANSFERRED ONLY WITH THE CONSENT OF THE MANAGER (AS DEFINED IN THE MEMORANDUM SUMMARY BELOW) AND THE SATISFACTION OF CERTAIN OTHER CONDITIONS.

THE MEMBERSHIP INTERESTS ARE SPECULATIVE AND PRESENT A HIGH DEGREE OF RISK. ***SEE*** "**ARTICLE XI—RISK FACTORS**." INVESTORS MUST BE PREPARED TO BEAR SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND BE ABLE TO WITHSTAND A TOTAL LOSS OF THE AMOUNT INVESTED.

THE MEMBERSHIP INTERESTS ARE BEING OFFERED SUBJECT TO VARIOUS CONDITIONS, INCLUDING: (I) THE RIGHT OF THE MANAGER TO REJECT ANY SUBSCRIPTION FOR A MEMBERSHIP INTEREST, IN WHOLE OR IN PART, FOR ANY REASON; AND (II) THE APPROVAL OF CERTAIN MATTERS BY LEGAL COUNSEL.

THE INFORMATION SET FORTH IN THIS MEMORANDUM IS CONFIDENTIAL AND FOR THE EXCLUSIVE USE OF THE INTENDED RECIPIENT NAMED ON THE FIRST PAGE OF THIS MEMORANDUM (THE "***INVESTOR***"). THIS MEMORANDUM AND THE INFORMATION CONTAINED IN IT SHOULD NOT BE SHOWN OR GIVEN TO ANY PERSON OTHER THAN THE INVESTOR (AND THE INVESTOR'S PROFESSIONAL ADVISORS FOR THE SOLE BENEFIT OF THE INVESTOR). THE INVESTOR AND HIS OR HER PROFESSIONAL ADVISORS MUST NOT FORWARD, TRANSMIT, DISTRIBUTE, COPY OR OTHERWISE REPRODUCE THIS MEMORANDUM OR ANY PORTION OF IT IN ANY MANNER WHATSOEVER. FAILURE TO COMPLY WITH THIS DIRECTIVE COULD RESULT IN A VIOLATION OF THE SECURITIES ACT. NOTWITHSTANDING THE FOREGOING, EACH INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF THE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF AN INVESTMENT IN THE COMPANY AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. ACCEPTANCE OF THIS MEMORANDUM BY A RECIPIENT CONSTITUTES AN AGREEMENT TO BE BOUND BY THE FOREGOING TERMS.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR TO GIVE ANY INFORMATION WITH RESPECT TO THE COMPANY, THE MANAGERS OR THE MEMBERSHIP INTERESTS, OTHER THAN AS CONTAINED IN THIS MEMORANDUM, THE COMPANY'S OPERATING AGREEMENT (THE "***OPERATING AGREEMENT***"), THE SUBSCRIPTION AGREEMENT (THE "***SUBSCRIPTION AGREEMENT***") TO BE EXECUTED BY EACH INVESTOR OR A WRITTEN SUPPLEMENT TO THIS MEMORANDUM APPROVED BY THE MANAGER. PROSPECTIVE INVESTORS SHOULD NOT RELY UPON INFORMATION OR REPRESENTATIONS FROM ANY OTHER SOURCE.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THIS MEMORANDUM AS INVESTMENT, LEGAL OR TAX ADVICE. PRIOR TO ACQUIRING A MEMBERSHIP

INTEREST, A PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN LEGAL, INVESTMENT, TAX, ACCOUNTING AND OTHER ADVISORS TO DETERMINE THE POTENTIAL BENEFITS, BURDENS AND OTHER CONSEQUENCES OF SUCH INVESTMENT. IN PARTICULAR, IT IS THE RESPONSIBILITY OF EACH INVESTOR TO ENSURE THAT THE LEGAL AND REGULATORY REQUIREMENTS OF ANY RELEVANT JURISDICTION OUTSIDE THE UNITED STATES ARE SATISFIED IN CONNECTION WITH SUCH INVESTOR'S ACQUISITION OF AN INTEREST.

CERTAIN DOCUMENTS RELATING TO THE COMPANY WILL BE COMPLEX OR TECHNICAL IN NATURE, AND PROSPECTIVE INVESTORS MAY REQUIRE THE ASSISTANCE OF LEGAL COUNSEL TO PROPERLY ASSESS THE IMPLICATIONS OF THE TERMS AND CONDITIONS SET FORTH THEREIN. LEGAL COUNSEL TO THE COMPANY WILL REPRESENT THE INTERESTS SOLELY OF THE COMPANY. NO LEGAL COUNSEL HAS BEEN ENGAGED BY THE COMPANY OR THE CLASS A MANAGER TO REPRESENT THE INTERESTS OF PROSPECTIVE INVESTORS. EACH PROSPECTIVE INVESTOR IS URGED TO ENGAGE AND CONSULT WITH HIS OR HER OWN LEGAL COUNSEL IN REVIEWING DOCUMENTS RELATING TO THE COMPANY.

EXCEPT WHERE OTHERWISE SPECIFICALLY INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE HEREOF. NEITHER THE SUBSEQUENT DELIVERY OF THIS MEMORANDUM NOR ANY SALE OF MEMBERSHIP INTERESTS SHALL BE DEEMED A REPRESENTATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS, PROSPECTS OR ATTRIBUTES OF THE COMPANY SINCE THE DATE HEREOF.

NOTHING CONTAINED HEREIN IS, OR SHOULD BE RELIED UPON AS, A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE COMPANY. ANY STATEMENTS, ESTIMATES AND PROJECTIONS WITH RESPECT TO SUCH FUTURE PERFORMANCE SET FORTH IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS MADE BY THE MANAGER, WHICH MAY OR MAY NOT PROVE TO BE CORRECT. NO REPRESENTATION IS MADE AS TO THE ACCURACY OF SUCH STATEMENTS, ESTIMATES AND PROJECTIONS.

EACH INVESTOR THAT ACQUIRES A MEMBERSHIP INTEREST WILL BECOME SUBJECT TO THE COMPANY'S OPERATING AGREEMENT. IN THE EVENT ANY TERMS OR PROVISIONS OF THE OPERATING AGREEMENT CONFLICT WITH THE INFORMATION CONTAINED IN THIS MEMORANDUM, THE OPERATING AGREEMENT SHALL CONTROL.

<u>NOTICE TO ALL PROSPECTIVE INVESTORS</u>

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE MEMBERSHIP INTERESTS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE MEMBERSHIP INTERESTS OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE

NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE EB-5 PROGRAM IS DUE TO EXPIRE ON SEPTEMBER 30, 2015 UNLESS THE PROGRAM IS RE-AUTHORIZED BY CONGRESS.

NOTICE REGARDING NATIVE LANGUAGE TRANSLATION

INVESTOR HEREBY AGREES THAT IT IS THE SOLE RESPONSIBILITY OF INVESTOR TO ENSURE PROPER TRANSLATION OF THIS AGREEMENT INTO HIS OR HER NATIVE LANGUAGE IF NECESSARY FOR INVESTOR'S UNDERSTANDING OF THE RIGHTS AND OBLIGATIONS CONTAINED HEREIN. ANY LANGUAGE TRANSLATION OF THIS MEMORANDUM PROVIDED BY ANY OF THE PARTIES HERETO IS NOT A BINDING LEGAL DOCUMENT AND IS BEING PROVIDED SOLELY FOR THE INVESTOR'S CONVENIENCE. NONE OF THE PARTIES HERETO ARE LIABLE FOR ANY INACCURACIES IN ANY LANGUAGE TRANSLATION OR FOR ANY MISUNDERSTANDINGS DUE TO DIFFERENCES IN LANGUAGE USAGE OR DIALECT. IN THE EVENT OF ANY INCONSISTENCIES BETWEEN THIS MEMORANDUM AS SET FORTH IN ENGLISH AND ANY LANGUAGE TRANSLATION, THIS MEMORANDUM AS SET FORTH IN ENGLISH SHALL GOVERN. THE INVESTOR ASSUMES THE RESPONSIBILITY FOR FULLY UNDERSTANDING THE NATURE AND TERMS OF THE RIGHTS AND OBLIGATIONS UNDER THIS MEMORANDUM.

FORWARD-LOOKING STATEMENTS

This Memorandum contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, and the Company and the Class A Manager (as defined below) intend that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements include the plans and objectives of management for future operations, including plans and objectives relating to the future economic performance of the Developer (as defined below). The forward-looking statements and associated risks set forth in this Memorandum include or relate to the successful implementation and operation of the Company's and the Developer's investment strategies and business plan.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on various assumptions regarding the Developer and its proposed operations. Such assumptions involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company and the Developer. Although the Company and the Developer believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking information will be realized. In addition, as disclosed elsewhere and under "***ARTICLE XI, RISK FACTORS***," the business and operations of the Company and the Developer are subject to substantial risks, which increase the uncertainty inherent in such forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should **not** be regarded as a representation by the Company, the Developer or any other person that the objectives or plans of the Company or the Developer will be achieved.

THE WORDS "ESTIMATE," "PLAN," "INTEND," "EXPECT," "PROPOSE," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE AND ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE (FINANCIAL OR OPERATING) OF THE DEVELOPER OR THE COMPANY OR ACHIEVEMENTS TO DIFFER MATERIALLY FROM THE OUTCOMES, EXPRESSED OR IMPLIED, BY SUCH FORWARD-LOOKING STATEMENTS OR THE PROJECTIONS SET FORTH HEREIN. PROSPECTIVE INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF. THE COMPANY SPECIFICALLY DISCLAIMS ANY OBLIGATION TO RELEASE ANY REVISIONS TO THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS TO DIFFER FROM THOSE EXPRESSED HEREIN MAY INCLUDE, BUT ARE NOT LIMITED TO:

- THE SUCCESS OR FAILURE OF THE DEVELOPER'S EFFORTS TO SUCCESSFULLY COMPLETE THE PROJECT AS SCHEDULED AND TO LEASE RETAIL SPACE AND ATTRACT TENANTS, AND BUILD AND MAINTAIN A GUEST, CUSTOMER, AND RETAIL TENANT BASE;

- THE EFFECT OF PRESENT OR CHANGING ECONOMIC CONDITIONS;

- THE ABILITY OF THE DEVELOPER TO OBTAIN ADEQUATE FINANCING FOR THE PROJECT IN CASE THE MAXIMUM OFFERING AMOUNT IS NOT SOLD; AND

- THE CONSTRUCTION OF THE PROJECT IS PREVENTED OR DELAYED (FOR EXAMPLE, DUE TO FAILURE TO OBTAIN APPROVALS, PERMITS OR LICENSES OR ADVERSE WEATHER CONDITIONS).

THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE THE FORWARD LOOKING INFORMATION TO REFLECT ACTUAL RESULTS OR CHANGES IN ASSUMPTIONS OR OTHER FACTORS THAT COULD AFFECT THOSE STATEMENTS.

CONFIDENTIALITY AND UNDERTAKINGS

The information contained in this Memorandum is confidential and proprietary to the Company. By accepting delivery of this Memorandum, the Investor whose name appears on the cover page of this Memorandum is deemed to have acknowledged and agreed to the following:

- The information contained in this Memorandum will be used by the Investor solely for the purpose of deciding whether to proceed with an investment in the Company;

- This Memorandum or information derived from this Memorandum will be kept in strict confidence by the Investor and will not, whether in whole or in part, be released or discussed by the Investor for any purpose other than an analysis of the merits of an eventual investment in the Company by the Investor, nor will recipient make any reproductions of such information; and

- Upon the written request of the Company, this Memorandum, and any other documents or information furnished to the Investor and any and all reproductions thereof and notes relating thereto will be promptly returned to the Company.

DIRECTORY

Company:	Vestalia Opportunity Investors, LLC 7000 E. Slauson Avenue Commerce, CA 90040 U.S.A.
Class A Manager:	Foresight Planning, LLC 7000 E. Slauson Avenue Commerce, CA 90040 U.S.A**.**
Interim Class B Manager:	Tripex Capital, Inc. 2473 Oneida Street Pasadena, CA 91107 U.S.A.
Class B Manager:	To be selected by majority vote of the Investors
Regional Center:	Home Paradise Investment Center, LLC 7000 E. Slauson Avenue, Ste 1 Commerce, CA 90040 U.S.A.
Legal Counsel:	*With respect to the Offering only*: Holland & Knight LLP 100 North Tampa Street Suite 4100 Tampa, Florida 33602 U.S.A. Attn: Richard B. Hadlow, Esq. *With respect to Immigration Matters only:* Miller Mayer LLP 215 East State Street, Suite 7000 Ithaca, New York 14850 www.millermayer.com (607)273-4200 U.S.A.

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I. MEMORANDUM SUMMARY

The following is a summary of certain information about the Company and the offering of the Membership Interests. This summary does not purport to be complete and is qualified in its entirety by more detailed information contained elsewhere in this Memorandum, including its Appendices. Prospective investors should read this Memorandum in its entirety before considering an investment in the Membership Interests.

The Company	Vestalia Opportunity Investors, LLC, a California limited liability company, is designed specifically for investment by non-"U.S. Persons" (as such term is defined in Rule 902(k) of Regulation S of the Securities Act) and/or "Accredited Investors" (as such term is defined in Rule 501 of Regulation D of the Securities Act) seeking to immigrate to the United States (each an "***Investor***" and collectively, the "***Investors***"). The Company is intended to serve as a qualifying investment under the United States Citizenship and Immigration Service's ("***USCIS***") program designed specifically to serve non-U.S. Persons and/or Accredited Investors seeking to immigrate to and receive lawful permanent residency in the United States by making a qualifying investment through a "Regional Center," as such term is defined in 8 CFR 204.6(e), approved under the Immigrant Investor Program (the "***EB-5 Program***") as provided in 8 CFR 204.6(m).
The Regional Center	The Home Paradise Investment Center, LLC, a California limited liability company (the "***Regional Center***") is a duly designated "Regional Center" (as such term is defined in 8 CFR 204.6(e)), which designation was issued by the USCIS on September 23, 2011, as amended on October 8, 2014. The Company is a qualifying Regional Center investment pursuant to a Regional Center Administrative Agreement by and among the Regional Center, the Company and the Project Company (the "***Administrative Agreement***"). *See* **"ARTICLE IV—ASSOCIATION WITH THE REGIONAL CENTER, Terms of the Administrative Agreement**" for additional information.
Company Investment	The Company intends to invest up to $35,000,000 in Broadway Vestalia, LLC (the "***Project Company***") (the "***Investment***"), subject to the right of the Project Company to not accept additional capital contributions by the Company after July 1, 2016. Octane Broadway Manager, LLC, the Managing Member of the Project Company, will be the developer of the project (the "***Developer***"). The capital contributions from the other three

other members of the Project Company shall total up to $28,000,000 (the "***Class A Members***"), which contributions will be returned on a dollar-per-dollar basis upon the investment of EB-5 funds by the Company in the Project Company. The Class A Members own 100% of the percentage interests in the Project Company. The Managing Member has a "carried interest" equal to 30% of the Project Company's net profit after the Company and the Class A Members are paid their preferred returns (as defined below).

The real property upon which the Project (as defined below) will be constructed is located at 515 West Broadway, Glendale, California (the "***Real Property***"). Upon completion, the Project Company anticipates that the Real Property will consist of (i) 180 residential apartment units, (ii) a 18,200 square-foot space of ground-level retail or restaurant space, (iii) 394 underground parking spaces for residential and retail customers (collectively, the "***Project***").

Both the Class A Members and the Company, as the Class B Member (the "***Class B Member***"), receive a Preferred Return with respect to their membership interests (a "***Preferred Return***"). Each Class A Member receives a Preferred Return equal to 8% per annum (the "***Class A Preferred Return***"), and the Company, as the Class B Member, receives a Preferred Return equal to 4% per annum (the "***Class B Preferred Return***"), in each case calculated on a Member's unreturned capital contributions (the "***Unreturned Capital Contributions***"). Until the Class B Member has made capital contributions of at least $30,000,000, the Class B Preferred Return will only be payable when there is sufficient cash flow to pay it. Unpaid amounts will accrue until sufficient cash flow is available to pay them. After $30,000,000 is contributed, the Preferred Return is payable quarterly. The Class B Preferred Return will increase to 8% as of the fifth anniversary of the receipt by the Project Company of the first funds invested by the Company, and that amount will increase to 10% on the sixth anniversary of that event. The Class A Preferred Return will also be paid at 4% on all capital contributions that have been returned to the Class A Members. Profits are allocated to the Class B Member until its Class B Preferred Return has been fully allocated, and then Class A Preferred Return is allocated to the Class A Members until their Class A Preferred Returns have been fully allocated.

	Operational cash flow is distributable to the Members in the following priority: (a) at the discretion of the Managing Member, for the repayment of any member loans; (b) to the Class B Member until its accrued Class B Preferred Return has been reduced to zero; (c) to the Class A Members until their accrued Class A Preferred Returns have been reduced to zero; and (d) 70% to the Class A Members in accordance with their Percentage Interests, and 30% to the Managing Member. Non-operational cash flow (for example, cash flow generated from the sale, refinance, or condemnation of the Project) is distributed in the following order: (a) at the discretion of the Managing Member, to the payment of member loans; (b) to the Class B Member until its accrued Class B Preferred Return has been reduced to zero; (c) to the Class A Members until their accrued Class A Preferred Returns have been reduced to zero; (d) to the Class B Member until the Class B Member's Unreturned Capital Contributions have been reduced to zero; (e) to the Members until their Unreturned Capital Contributions have been reduced to zero; and (f) 70% to the Members in accordance with their Percentage Interests, and 30% to the Managing Member. On a dollar-per-dollar basis, when funds are invested in the Project Company by the Company, a distribution of such funds will be made to the Class A Members in accordance with their Percentage Interests. These distributions are treated as a return of capital. The Project Company Operating Agreement contains multiple conditions that must be met before any Capital Contribution will be made by the Company to the Project Company. The Project Company Operating Agreement also sets forth (a) requirements as to a construction schedule for the Project; (b) requirements

	for guaranties by the Developer of the completion of the Project by the Developer, against hard cost overruns, and for timely completion of the Project; (c) requirement that representatives of the Members other than the Managing Member, together with a representative of the Managing Member, consent to certain "Major Decisions" to be made by the Project Company; (d) provides for the Company to appoint a "Class B Member Representative" to act on its behalf to participate in certain enumerated activities; and (e) limits the transfer of membership interests in the Project Company. From and after the earlier of (A) the later of (i) the date that is fifty-four (54) months after the first investment of Company funds in the Project Company, and (ii) the date that all of the Company's I-829 Petitions have received final adjudication by USCIS; or (B) the fifth (5^{th}) anniversary of the first investment of the Company Funds in the Project Company, the Project Company shall have the right and option to purchase the Class B Membership for a cash amount equal to the "Call Price" (as defined below). "***Call Price***" for the Class B Membership shall be the amount of any Class B Unpaid Preferred Return, plus the Class B Unreturned Capital Contribution. Upon the sixth (6th) anniversary of the first investment of the Company funds in the Project Company, the Class B Member shall have the right to convert the Class B Membership Interest into a Class A Membership Interest at a rate such that the Class B Membership Interest will be converted into a Class A Membership Interest which represents a Percentage Interest of 90% in the Project Company, and receive in cash the amount of the Class B Unpaid Preferred Return balance through the day preceding the conversion date. If exercised, effective as of the conversion date, the Percentage Interests of the Class A Members and the Managing Member shall be reduced proportionately by the total Percentage Interests granted to the Class B Member who has converted its Class B Membership Interest into Class A Membership Interests in the conversion. Of the Class B Preferred Returns paid by the Project Company, 3.0% will be used to pay certain fees to the Class B Manager and other third party service providers, as more fully set forth in this Memorandum Summary. The remainder of the Preferred Returns (1.0% during years 1 through 5 of the Investment, and, if applicable, 5.0% as of the fifth anniversary of the receipt by the Project Company of the first funds invested by the Company, and 7.0% as of the sixth anniversary of that event, is anticipated to be allocable to the Class B Members (as defined

	below), payable in accordance with the Company's Operating Agreement. It is expected that the Company's Unreturned Capital Contributions and any accrued Preferred Returns thereon will be paid in a single payment in approximately five years from the Project Company's net cash flow from operations and/or upon the sale or refinancing of the Project. According to the independent, third party appraisal prepared by JLL, (the "***Appraisal***"), the "as is" market value of the fee simple interest in the proposed Project as of August 1, 2015 is $17,000,000. The "as completed" prospective market value of the fee simple interest in the Project as of January 1, 2018 is expected to be $94,000,000. The "as stabilized" prospective market value of the fee simple interest in the Project as of January 1, 2021 is expected to be $110,000,000. Please refer to the Appraisal for further details, which is available upon request. See, "**ARTICLE VI, INVESTMENT STRUCTURE.**", for a full discussion of the Investment.
The Managers	The Company shall be managed by or under the direction of its managers (each a "***Manager***" and collectively, the "***Managers***"). During its existence, the Company shall have three Managers: the Interim Class B Manager, the Class B Manager and the Class A Manager (as such terms are defined below). The Interim Class B Manager will resign when the Class B Manager is appointed, so there shall never be more than two (2) Managers at any one time. At any time that the Company shall have more than one Manager, including a Class A Manager, Interim Class B Manager, and/or a Class B Manager, all decisions requiring Manager approval must be approved by both of the Managers, except to the extent, however, that the matter to be decided is one as to which the Operating Agreement provides to a specific Manager exclusive power and authority to act with respect to such matter. Any deadlock between the Managers shall be decided by a vote of the Class B Members (as defined below) holding a majority of the Membership Interests ("***Majority Vote***").
Class A Manager	Foresight Planning, LLC shall, in accordance with the Operating Agreement, act as the "***Class A Manager***", and also the "***Class A Member***." The Class A Manager shall have exclusive management and control over the following matters affecting the Company: (a) management and control of all day-to-day aspects of the business of the Company (other than those matters

	reserved for exclusive management and control by the Interim Class B Manager) until the Transition Date (a) communication responsibilities with USCIS on EB-5 compliance matters and other immigration matters affecting the Offering; (b) approve, along with the Class B Manager, Capital Contributions to the Developer in a manner consistent with the terms of the Developer Operating Agreement, (c) along with Class B Manager, approve certain payments to be made by the Company, (d) along with the Class B Manager, approve distributions to be made by the Company to the Members, (e) until the Transition Date, in conjunction with Interim Class B Manager, initial negotiation of the Developer Operating Agreement on behalf of the Company, (f) engagement, for and on behalf of the Company, of (i) counsel to the Company with respect to the Offering and (ii) other consultants and professionals with respect to the Company's business plan, economic report and Real Property appraisal.
Interim Class B Manager	The Interim Class B Manager will be Tripex Capital, Inc. On or after the date on which any Investor's first I-526 Petition is filed (and becomes a Class B Member as defined below) with the USCIS (the "***Transition Date***"), the Interim Class B Manager shall automatically resign as the Interim Class B Manager, and the Class B Manager shall be appointed by majority vote (as described below). Upon such withdrawal, it is anticipated that the Company shall have only two Managers, the Class A Manager and the Class B Manager. The Interim Class B Manager and/or its designated agents shall have exclusive management and control over the following matters: (a) management and control of all day-to-day aspects of the business of the Company (other than those matters reserved for exclusive management and control by the Class A Manager) until the Transition Date; and (b) the negotiation of the terms and conditions of the Offering and, in conjunction with the Class A Manager, the Developer Operating Agreement, as it deems advisable, in its discretion, and to enter into the Developer Operating Agreement on behalf of the Company.
Class B Manager	The Investors who have filed I-526 Petitions may, by Majority Vote at any time on or after the date on which any Investor's first I-526 Petition is filed (and becomes a Class B Member as defined below) with the USCIS (the "***Transition Date***"), appoint an independent third party to act as the investment manager of the Company (the "***Class B Manager***"). It is anticipated that the Interim Class B Manager will be appointed as the Class B Manager. Other than those matters reserved for the exclusive management and control by the Class A Manager, it is

	anticipated that the Class B Manager, if so appointed, shall, among other powers, have the right from and after the Transition Date to manage and control all day-to-day aspects of the business of the Company. The Class B Manager shall be an independent manager of the Company and will be unaffiliated with the Developer, the Company, or the Class A Manager. The Class B Manager will be selected by majority vote of the Class B Members. The Company will pay an annual management fee equal to 1% per annum of the Company's Unreturned Capital Contributions to the Class B Manager, calculated on an actual/360 year on a non-compounding basis, which shall be paid on a calendar quarter basis (the "***Management Fee***"). If the Management Fee is not paid on a quarterly basis, it will be accrued until the Company receives sufficient Preferred Returns paid from the Project Company. If the Investment is converted to a Class A Membership Interest, the Management Fee will increase to 4% per annum.
The Offering	The Company is making a private offering (the "***Offering***"), pursuant to Regulation S and/or Regulation D of the Securities Act to a limited number of individual Investors who: (i) are not U.S. Persons and/or (ii) are Accredited Investors (each a "***Subscriber***"). The Offering shall be for a maximum of $35,000,000 (the "***Maximum Offering Amount***") and a minimum of $500,000 (the "***Minimum Offering Amount***") of Membership Interests. The minimum investment by an Investor is $500,000 (the "***Subscription Amount***"). Notwithstanding the foregoing, the Minimum Offering Amount and the Subscription Amount will be increased if federal law or regulations are changed to require a greater capital contribution in order for an Investor to support his or her I-526 Petition. Each unit of Membership Interest ("***Unit***") will have a purchase price of $10,000 and each Investor will acquire that number of Units equal to the Subscription Amount divided by $10,000. In the event that the Maximum Offering Amount is not raised, the Developer reserves the right to seek additional equity contributions in order to complete the Project.
Subscription Amount; Admission as Member	Each Subscriber must deliver the Subscription Amount, as payment for the Membership Interest, directly to the Company. The Subscription Amount shall be booked as a capital contribution to the Company (a "***Capital Contribution***"). The Subscriber, however, shall be admitted as a member of the Company (each a "***Class B Member***" and collectively, the "***Class B Members***") upon the filing of such Subscriber's I-526

	Petition, at which time the Subscriber will have all of the rights of a Class B Member, including the right to vote on any matter as to which a Class B Member may vote pursuant to the Operating Agreement (including, by Majority Vote to appoint the Class B Manager). In the event that a Class B Member's I-526 Petition is not approved by the USCIS, the Subscription Amount will be returned to the Class B Member, the Investor's Membership Interest will automatically be cancelled and the Investor shall cease to have any rights as a Class B Member of the Company under the Operating Agreement or the California LLC Law (as defined below).
Administrative Fee	In addition to the Subscription Amount, each Subscriber for a Membership Interest will be required, at the time of subscription, to pay an administrative fee of $1,100 per Unit or 11% of the Subscription Fee (the "***Administrative Fee***"). If the Minimum Offering Amount increases, the Administrative Fee on the additional Units subscribed may be set by the Company at less than $1,100 per Unit. The Administrative Fee is refundable in full in the event a Subscriber's I-526 Petition is not approved by the USCIS, unless the Managers reasonably determine that the Class B Member or prospective Class B Member did not act in good faith with respect to seeking I-526 Petition approval, in which case the Administrative Fee shall be paid to the Company (or retained by the Company, as the case may be). If the Class B Member or prospective Class B Member has provided false or materially inaccurate information in connection with his or her I-526 Petition, or has failed in our Manager's judgment to diligently pursue appeals from a denial of his or her I-526 Petition, then the Class B Member or prospective Class B Member shall be deemed to have not acted in good faith with regard to the foregoing sentence. Otherwise, the Administrative Fee shall not be refundable.
Subscription Matters; Subscriber's Representations and Warranties	Persons interested in investing in the Company are required to complete, sign and return to the Class A Manager the following documents: 1. Subscription Agreement, a copy of which is attached hereto as **Appendix A**; 2. Operating Agreement of the Company, a copy of which is attached hereto as **Appendix B**; and 3. Management Agreement appointing the Class B Manager (the "***Management Agreement***"), a copy of which is attached hereto as **Appendix C** (to be executed

by all Subscribers after the Class B Manager is approved).

The foregoing documents may be signed by hand, scanned, and submitted electronically. There is no need to submit original copies by postal mail.

Payment of the Subscription Amount and the Administrative Fee must be made by wire transfer of readily available U.S. dollars, by check (personal or cashier's) or by money order to the account of the Company designated in the Subscription Agreement at least one business day prior to the proposed date of subscription. Subscriptions may be accepted or rejected in the Company's sole discretion.

Each purchaser of a Membership Interest will be deemed to have understood, represented and agreed with the Company and the Managers as follows: (i) the purchaser is purchasing a Membership Interest for the purchaser's own account; (ii) the purchaser is an accredited investor under Rule 501 of the Securities Act or is outside the United States and is not a U.S. Person (i.e., is not a resident or citizen of the United States); (iii) the Membership Interests have not been registered under the Securities Act or any other applicable securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except as set forth below; (iv) if the Manager(s) permits a transfer of a Membership Interest to occur, in the Manager's sole discretion, the purchaser may only resell or transfer the Membership Interest (a) in accordance with the provisions of Regulation S under the Securities Act, (b) pursuant to an exemption from registration under the Securities Act, or (c) pursuant to an effective registration statement under the Securities Act, and, in any case, the purchaser understands that any such transfer or resale may jeopardize the purchaser's ability to obtain lawful permanent residency in the United States under the EB-5 Program; (v) if the Manager(s) permits a transfer of a Membership Interest to occur, the purchaser will give each person to whom the purchaser transfers such Membership Interest notice of any restrictions on transfer of such Membership Interest; and (vi) if the purchaser is not a U.S. Person and is outside the United States, the purchaser is purchasing the Membership Interest in accordance with Regulation S and has not engaged in, and will not engage in any short selling of any equity security issued by the Company (including, without limitation, the Membership Interests) or any hedging transaction with respect to any such

	equity security, including without limitation, put, call or other option transactions, option writing and equity swaps.
Additional Contributions	The Subscription Amount and the payment of the Administrative Fee are the only amounts required to be paid to the Company in connection with a subscription for the Membership Interests. The Manager(s) in its discretion may permit additional Capital Contributions to be made to the Company, but no Class B Member will be obligated to make any future Capital Contributions, except as otherwise may be required under the Operating Agreement or applicable law. A non-contributing Class B Member's interest will be diluted, however, based upon the amount of the additional Capital Contributions.
Priority of EB-5 Program Job Creation Allocations	The EB-5 Program rules require creation of not less than ten qualifying jobs (each an "***EB-5 Job***," and collectively, "***EB-5 Jobs***") per Class B Member. EB-5 Jobs created as a result of the Project will be allocated to each Class B Member based on a "first-in" priority allocation method, which will be measured as of the date and time the Investor's I-526 Petition has been approved by the USCIS (the "***Approval Date***"). Each Class B Member will be allocated EB-5 Jobs based on the seniority of his or her Approval Date relative to the Approval Dates of other Class B Members, whereby the Class B Member with the earliest Approval Date will be the first to be allocated ten EB-5 Jobs. This process will continue until all EB-5 Jobs have been allocated to the Class B Members. ***While the Company believes enough EB-5 Jobs will be generated to meet I-829 Petition requirements, there is no assurance that the investment of the proceeds in the Project by the Developer will generate enough EB-5 Jobs for all Class B Members.*** If not enough EB-5 Jobs are created to allocate ten (10) EB-5 Jobs to a particular Class B Member, then such Class B Member's investment in the Company may not qualify to allow the Class B Member to obtain approval of his or her I-829 Petition and removal of conditions for lawful permanent residence under the EB-5 Program. Notwithstanding the failure to qualify, the Class B Member will continue to be a Class B Member in the Company and, subject to the Company's Available Cash or other factors that materially impact the Company, as determined by the Manager(s), may not be entitled to an early return of his or her Subscription Amount.
Closing	The Company may close on each subscription accepted by the Company once the Minimum Offering Amount has been met.

	Thereafter, the Offering will continue until subscriptions for up to the Maximum Offering Amount of Membership Interests have been received. At such time, the Offering will close. The Subscribers to the Membership Interests that have filed their respective I-526 Petitions will be admitted as Class B Members of the Company. The Company reserves the right to terminate the Offering at any time, in its sole discretion.
Membership Interests and Rights of Class A and Class B Members	The Class A Member will own one Class A Unit (the only Class A Unit issued), which has no voting rights and no economic interest. The Units held by the Class B Members will represent an aggregate 100% of the Membership Interests. The Class B Members will have the right to vote by a Majority Vote on certain "major decisions" of the Company as set forth in the Operating Agreement.
Distributions to Class B Members of Available Cash	The Company will make distributions of Available Cash at such times and in such amounts as it determines in its sole discretion. It is not anticipated that any distributions of Available Cash will be made to the Class B Members during the period before the Investment is repurchased by the Project Company or otherwise liquidated. All amounts to be distributed to the Class B Members will be allocated among the Class B Members in proportion to their respective Capital Contributions as provided in the Operating Agreement. "***Available Cash***" means the net cash proceeds from the Company's operations (including all principal amounts received in repurchase or other liquidation of the Investment and interest earned thereon), less the portion thereof used to pay any Company expenses and contingencies as determined by the Managers. ***Notwithstanding the foregoing, in no event will Available Cash be distributed to a Class B Member if the result would cause a violation of EB-5 Program rules or otherwise jeopardize the EB-5 visa process, or otherwise violate applicable law.*** *See* "**ARTICLE VII—IMMIGRATION MATTERS**" for additional information.
Expenses	The Company, the Interim Class B Manager, the Class B Manager and the Class A Manager will pay all of their own ordinary administrative and overhead expenses, including salaries, benefits and rent, if any. None of such fees shall be

	paid out of the Subscription Amount or investment in the Membership Interests of the Company.
Transfer of Membership Interests	Class B Members will generally be prohibited from assigning, selling, exchanging or otherwise transferring any portion of their Membership Interests in the Company. Certain assignments by operation of law or with the consent of the Class B Manager (which consent may be given or withheld in the Class B Manager's sole discretion) will be permitted; *provided*, that no such assignee will be admitted as a substitute Class B Member without the consent of the Class B Manager.
Withdrawals	No Class B Member will be permitted to voluntarily withdraw from the Company or withdraw any of his or her Capital Contribution.
Indemnification	The Interim Class B Manager, the Class B Manager and the Class A Manager and their respective members, managers, officers, employees, agents, attorneys and other affiliates (in each case, an "***Indemnitee***") will not be liable to the Company or to the Class B Members for (i) any act performed or omission made by an Indemnitee in the absence of its own fraud, willful misconduct or gross negligence, or (ii) losses due to the negligence of agents of the Company. The Company will indemnify each Indemnitee for any loss, damage or expense incurred by such Indemnitee on behalf of the Company or in furtherance of the interest of the Class B Members or otherwise arising out of or in connection with the Company or the business of the Company, except for losses arising from such Indemnitee's own fraud, willful misconduct or gross negligence. Class B Members will not be individually obligated with respect to such indemnification beyond their respective Capital Contributions. The Manager(s) may cause the Company to purchase, at the Company's expense, insurance to cover the Manager(s) or any other Indemnitee against liability for any breach or alleged breach of their duties or similar responsibilities.
Rights of Class B Members in Capital	No Class B Member has the right to the return of his or her Capital Contribution, except through distributions of (i) Available Cash or (ii) assets of the Company upon the winding up of the Company.
Tax Considerations	Class B Members are encouraged to consult their advisors concerning the U.S. federal, state and local and foreign tax

	consequences of an investment in the Company. *See* "**ARTICLE X—TAX MATTERS**" for additional information.
Reports	*Annual Reports* As soon as practicable following the end of the Company's fiscal year, the Manager(s) will provide to each Class B Member: (i) annual financial statements of the Company, audited by a U.S. accounting firm, prepared in accordance with United States generally accepted accounting principles, consisting of a balance sheet, income statement and statement of cash flows ("***Financial Statements***") of the Company; and (ii) a performance assessment of the Project Company. *Quarterly Reports* As soon as practicable following the end of each fiscal quarter, the Manager(s) will provide to each Class B Member: (i) unaudited, quarterly Financial Statements; and (ii) a brief narrative description of any material events occurring during such fiscal quarter and affecting the Company or the Membership Interests.
Risk Factors and Conflicts of Interest	***An investment in the Company involves certain risks and potential conflicts of interest, which are described in more detail below.*** *See* "**ARTICLE XI—RISK FACTORS**" and "**ARTICLE XII—CONFLICTS OF INTEREST**" for additional information.
Payment of Certain Fees	The Company expects to utilize overseas consultants that may provide some of all of the following services: (i) retaining overseas agents and finders to seek potential investors in the Company (each a "***Program Locator***"); (ii) offering consulting and immigration services to potential and existing investors, including assisting in immigration document processing (each, a "***Processor***"), translation services, and other consulting services related to the investment in the Company; and (iii) providing other as-needed services to the Company. The Company will also utilize consultants in the United States to assist investors with the immigration process, including paperwork. The Company will pay a fee to compensate firms and individuals for the foregoing services. The fees shall be payable by the Company out of the Preferred Returns paid to the Company up to approximately 2% of the Company's unreturned Capital Contribution balance per year. To the extent cash flow

	is not available to pay this fee, it will accrue and be payable when there is sufficient cash flow. In addition, all of the Administrative Fees are paid to Program Locators and Processors for capital raising and document processing services and to the Regional Center for its fee as Regional Center. Project Company will also pay to the Interim Class B Manager a one-time fee of up to $350,000 for immigration consulting services and related expenses in connection with the Project. None of such fees shall be paid out of the Subscription Amount or investment in the Membership Interests of the Company. Notwithstanding the payment of any such fees, no Program Locator shall be deemed an agent or representative of the Company, and the Company is not bound by, and shall have no liability with respect to, any statements, agreements, or representations made by any such Program Locator. Additionally, none of such fees shall be paid to a Program Locator operating from the United States or selling to any person in the United States. ***See*** **"ARTICLE VIII—INVESTOR SUBSCRIPTION PROCEDURES, Plan of Distribution; Certain Fees"** for additional information.
Exit Strategy	Based on information provided by the Project Company, upon completion of construction, the Developer plans to lease the property for a period of approximately five or more years before exiting through a sales event, or the Investment will be repurchased from the refinance of the Project. However, there can be no assurance that the sales event or refinance will occur.

THE SECURITIES OFFERED HEREBY INVOLVE A HIGH DEGREE OF RISK. *SEE* "ARTICLE XI—RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY INVESTORS WITH RESPECT TO THE UNITS OFFERED HEREBY.

II. INVESTMENT SUMMARY

Overview

The Company is a limited liability company organized under the laws of the State of California. The Company will invest the proceeds of Units sold to the Investors in the Project Company. The Project Company will deploy the investment proceeds into the Project, as further described below.

The Company is designed specifically to serve non-U.S. Persons and/or Accredited Investors seeking to immigrate to the United States by making a qualifying investment through the Regional Center.

The Company is structured with the goal of providing Class B Members with a fair return on invested capital, and lawful permanent resident status, subject to the Class B Member's compliance with the requirements of USCIS and the EB-5 Program. The key advantage of the regional center designation is that the EB-5 Jobs required to be created by each Class B Member's investment may be satisfied by indirect and/or induced jobs as well as direct jobs created by the Project. The Company's strategy for meeting the job-creation requirement is described in more detail below.

Description of the Project

Project - Generally

Upon completion, the Project Company anticipates that the Project will be a 367,441 gross square foot complex consisting of a five-story mixed-use building in central Glendale, California, located on the Real Property. The Project is planned to be LEED-certifiable and is expected to feature environmentally sensitive design features intended to maximize natural light, air and view for residents.

The Project is expected to include:

- 180 residential units on the four upper floors;
- 18,200 square feet of ground-level retail or restaurant space; and
- 374 parking stalls on 136,590 square feet of gross building area.

Apartment Overview

The 180 residential units located on the top four levels of the building are planned to have direct access, via stairways and elevators, to the common areas and retail and restaurant space below. The following apartment sizes are planned for the apartment component: 111 Studio apartments, 4 one-bedroom apartments, 56 two-bedroom apartments, and 9 three-bedroom apartments. The proposed units are planned to range from 667 square feet to 1,504 square feet and have an average of 986 square feet. According to the Developer, the interior of the building is envisioned to have high-quality finishes (such as Italian kitchens, custom granite counter tops, Hansgrohe plumbing faucets, and aluminum-clad Anderson dual-glazed wood windows). Private balconies will also be featured on many of the one- and two-bedroom units. It is expected that exterior amenities of the

building will include a pool, hot tubs, roof-top decking, a roof-top dog park, and landscaping and other open spaces on the ground levels of the Property.

Retail Overview

The 18,200 square feet of retail space located on the ground floor will have frontage along West Broadway which is a main street through Glendale, and is expected to have good visibility and traffic. Retail tenants have not been determined.

Parking Structure Overview

An onsite parking structure comprising one level of parking is anticipated to have approximately 374 parking stalls on 136,590 square feet of gross building area to be shared between apartment residents, retail visitors, and other uses. Approximately 67 parking stalls are expected to be surplus spaces, of which 60 may be rented by month. The remainder of the surplus spaces may potentially be reserved for a retail space.

Project Timeline

It is anticipated that the construction period will span a total of approximately 26 months. The Project Company anticipates beginning demolition and excavation in November 2015. Construction is anticipated to be completed in mid-January 2018, with commencement of operations of the building, building amenities, common areas, rooftop lounge, and restaurant space anticipated to occur in February 2018. However, weather delays such as rain and/or other force majeure events could reduce the contractors' ability to perform work and could result in delays beyond the standard allotted amount.

Project Location

The Real Property is located at 515 West Broadway within the City of Glendale. The City of Glendale is roughly encircled by Sun Valley to the north, Pasadena to the east, Los Angeles to the south, and Burbank to the west. The Property is in close proximity to Downtown Glendale and Los Angeles. It is approximately seven miles southeast of Bob Hope Airport and 27 miles northeast of Los Angeles International Airport. The '5' and '134' Freeways are less than a mile away, and other Freeways are less than ten minutes away.

Surrounding Development

According to the Appraisal by Jones Lang LaSalle, the immediately surrounding development is composed of single-family residences to the north, stand-alone retail buildings to the east, community, retail, and residential buildings to the south and an assisted living facility to the west. Development in the wider surrounding area is predominantly low-density commercial real estate along Broadway and residential neighborhoods north and south of Broadway. One block east is Downtown Glendale which consists of demand generators including the Glendale Galleria, Americana at Brand, concentration of dining establishments, and street retail. Other apartment developments located nearby include Bio, Americana at Brand, Lex on Orange, 416 on Broadway, the Brand, and Eleve Lofts.

Project Feasibility

Jones Lang LaSalle ("*JLL*") conducted a Market and Demand Study (the "*Study*") with respect to the Project. Their findings are summarized below.

Economic Overview

Los Angeles Economic Overview

The Project is located within the Los Angeles metropolitan area, which includes numerous cities such as Los Angeles, Glendale, Burbank, Pasadena, Anaheim, as well as the immediately surrounding areas. Los Angeles County, otherwise referred to as the Los Angeles-Long Beach-Glendale metropolitan division, has a population of approximately 10.1 million people. It is the nation's second largest metropolitan area, and the world's 13th largest metropolitan area. In the past 80 years, the county has evolved into a large commercial and industrial powerhouse, making it the 12th largest economy in the world, powered by international trade, manufacturing, tourism, entertainment, technology and professional services. Known for its ethnic diversity, celebrity culture, film and television industry and Mediterranean climate, Los Angeles is an attractive tourist and resident destination.

The Gross Metropolitan Product ("GMP") of the Los Angeles metropolitan area was $590.8 billion in 2014, representing 2.1% growth from 2013. Total employment was 4.2 million persons, an improvement of 2.4% over 2013. Conversely, the unemployment rate for the area decreased to 8.3% in 2014, the lowest level since 2009. Between 2015 and 2018, GMP is forecast to increase at the compound average annual rate of 2.6% to $656.9 billion by 2018, and personal income is forecast to increase at the compound annual rate of 6.2% over the same horizon, well above the anticipated underlying rate of inflation. Employment is expected to continue to grow over the next four years by 1.5% per annum, and above the anticipated population growth of 0.7% per annum. In 2015, unemployment is forecast to decline further to 7.4%, and then experience continued minimal contraction to reach 7.2% in 2018. Los Angeles County is expected to keep pace with the nation in job and income growth over the next two years, though its economic growth is not expected to be faster than the rest of the United States due to the area's high business and living costs and mature economic structure.

The employment profile of Los Angeles County is dominated by the trade, transportation and utilities sector, which accounts for 19.0% of total employment, and the education and health sector, which accounts for 17.3% of total employment. Professional and business services, government and leisure and hospitality employment are also major sources of employment in Los Angeles County.

Los Angeles Accessibility Overview

The Los Angeles area has excellent air linkages as a result of its proximity to the Los Angeles International Airport ("LAX") and Burbank Bob Hope Airport ("BUR"), located 27 miles southwest and 10 miles northwest of downtown Glendale, respectively. In 2014, LAX served just over 70.6 million passengers while BUR served nearly 4 million passengers. LAX serves over 90 commercial and cargo airlines with over 1,600 aircraft departures and arrivals taking place every

day, connecting Los Angeles to more than 156 cities worldwide. BUR is a regional airport that focuses on domestic destinations primarily on the west coast.

LAX, a major hub for London, Tokyo, and Sydney internationally and San Francisco, New York, and Chicago domestically, is the 6th busiest airport in the world and the 3rd busiest airport in the United States in terms of passenger volume, with non-stop flights to over 87 domestic and 69 international destinations. A capital improvement program is underway at LAX with $4.1 billion in completed or ongoing projects, including the $1.5 billion new Tom Bradley International Terminal Project with new gates for the latest-generation of aircraft, new concourses and seating areas, new retail and food-and-beverage offerings reflecting Los Angeles' cuisine and culture and expanded passenger areas. The terminal project was completed in late 2014.

In terms of passenger traffic, LAX has experienced positive year-over-year growth increases of 3.0%, 4.7% and 6.0% in 2012, 2013 and 2014, respectively. Year-to-date July 2015 also showed an increase of 4.4% compared to the prior year, a volume of traffic that has greatly surpassed the previous peak in 2007.

While significantly smaller than LAX, BUR provides a convenient access point to the northern Greater Los Angeles area which includes Glendale, Pasadena and Burbank. After the recession, BUR continued to experience a gradual decline in passenger volume from 2010 to 2013. However, in 2014, BUR passenger traffic increased by 0.4%, and year-to-date July 2015 is reflecting a 2.4% increase in volume.

Los Angeles Office Market Overview

Activity within the Los Angeles office market reflected a strong performance in the second quarter of 2015 with a net absorption of 1,043,798 square feet, and the vacancy rate dropping 60 basis points to 16.1% compared to the second quarter of 2014. In the second quarter of 2015, media and technology activity accounted for half of leasing activities throughout the market; however, the media and technology companies are concentrated in Santa Monica and Venice, now known as "Silicon Beach". As Silicon Beach becomes more compressed, creative industries are now being pushed out into Playa Vista, where Google recently purchased 12 acres of developable land.

The Glendale submarket recorded absorption of 84,598 square feet as of the second quarter of 2015, with a total vacancy drop of 10 basis points to 14.0% compared to the previous quarter. In 2015, Glendale has no new supply under construction with asking rents at $2.49 per square foot. Investment activity remained active during the first half of the year. The 460,000 square-foot DreamWorks Animation campus sold for $185.0 million, or $402 per square foot. Smaller transactions include the 46,000 square-foot 525 North Brand Boulevard office and 109,000 square-foot 535 North Brand Boulevard for $17.5 million and $19.0 million, respectively. Glendale sales activity is expected to remain strong in 2015, as investors become increasingly comfortable with Glendale's long-term outlook and lack of developable land for future supply.

While the Glendale submarket reflects lower overall lease rents, the vacancy rate is the lowest in the Tri-Cities market. Downtown Glendale continues to transform itself and will provide valuable amenities attractive to office tenants. With the city becoming increasingly more desirable for residents and investors, JLL believes the outlook for office space in Glendale is strong.

Los Angeles Convention Demand Overview

The Los Angeles Convention Center has been an important factor in making Los Angeles one of the world's premier destinations for major conventions and tradeshows. The venue was originally built in 1971 with 210,865 square feet of exhibit space, 21 meeting rooms and 9,230 square feet of pre-function and registration space. A major expansion project was completed in 1993, adding 347,000 square feet of exhibit space, 43 meeting rooms and a 299-seat theater. In 1997, Kentia Hall, with 162,000 square feet of exhibit space, was added to the venue.

Today, the Los Angeles Convention Center features 720,000 square feet of exhibition space and 147,000 square feet of meeting room space. As the Convention Center's largest exhibition hall, the South Exhibit Hall measures nearly 347,000 square feet and has capacity for up to 22,870 convention delegates.

Over the years, the Los Angeles Convention Center has consistently encountered steep competition from two nearby competitors: the Anaheim Convention Center and the San Diego Convention Center. As part of the area's revitalization, the convention center recently initiated a year long, $10 million renovation which includes an energy-efficient roof, new carpet and other upgrades. An expansion plan that would encompass a potential $315 million expansion is in the planning stages. In October 2013, Anschutz Entertainment Group ("AEG"), which also owns the Staples Center and the restaurants and entertainment venues at L.A. Live, won a five-year contract from the city to manage the Convention Center. AEG named Brad Gessner, former general manager of the San Diego Convention Center, as the new general manager for the Los Angeles Convention Center.

Beginning in 2004, the convention center experienced a downward trend culminating in a trough in 2007. Attendance has been strong since 2007, with slight dips in 2009 and 2013. 2011 surpassed the previous peak with nearly 290,500 room nights. Room night activity projected for 2015 through 2019 is optimistic as forecasted by the Los Angeles Convention Center.

Los Angeles Economic Drivers

The Los Angeles economy encompasses a broad spectrum of industries with professional and business services education and health services, retail trade, leisure and hospitality and financial activities services forming the basis of the area's economy. A few of Los Angeles's economic highlights are as follows:

- **Ports.** Los Angeles is a major center for financial activities and international trade in the global economy, serving as the primary gateway for trade to Asia and the Pacific Rim. Los Angeles is home to the two largest ports in the nation, the Port of Los Angeles and the Port of Long Beach, which receive approximately 40% of all imports to the United States, making it collectively the world's ninth busiest port complex by container volume. The Los Angeles Customs District, which includes the Port of Los Angeles, Port of Long Beach, Port Hueneme and the Los Angeles Airport, is the nation's largest customs district based on value of two-way trade.

- **Workforce.** The Los Angeles metropolitan division boasts a workforce comprising more than 4.2 million people. Although known for more traditional industries, Los Angeles has expanded to include many high-growth sectors such as technology, bio-tech, digital information and multimedia, and draws from its well-educated population base as a result of the over 100 public and private colleges and universities located in the County. Los Angeles County's current population is one of the most educated in the country with 29% having earned a bachelor's, graduate, or professional degree, more than twice the national rate of 13%.

- **Motion Picture and Television Industry.** Los Angeles serves as the global home to the motion picture and television industry. According to the Los Angeles County Economic Development Corporation, direct employment derived from the entertainment industry is 246,900 professionals, and domestic box office receipts exceeded $10 billion in 2014. In August 2014, the Governor of California signed a bill that will effectively triple the California Film Tax Credit to $330 million. This is expected to create thousands of new jobs in the region from increased production in the state, bolstering one of the County's signature industries.

- **Manufacturing.** Los Angeles is the largest manufacturing center in the United States, employing more than 365,000 people. The most important manufacturing sectors include transportation equipment with 47,300 workers; apparel with 46,000 workers; fabricated metal products with 43,400 workers; computer and electronic products with 39,400 workers; and food products with 38,400 workers.

- **Economy.** Los Angeles is the world's 13th most populated metropolitan area boasting the world's 12th biggest economy. The sheer size and presence of the County's economy gives it a significant economic advantage over other regions in the country, as well as the world.

- **Major League Sports.** Los Angeles is home to seven major league sports teams including the Los Angeles Lakers (NBA), Los Angeles Clippers (NBA), Los Angeles Dodgers (MLB), Los Angeles Angels (MLB), Los Angeles Kings (NHL), Anaheim Ducks (NHL) and Los Angeles Galaxy (MLS).

Market Drivers ─ Glendale

City of Glendale

Glendale is the third-largest city in Los Angeles County, covering 30.6 square miles and situated just 10 miles north of downtown Los Angeles. Home to more than 192,000 residents, Glendale is the gateway to many of Los Angeles County's most affluent communities and benefits from being framed by three major freeways. Glendale's central location, reputation for safety, excellent business environment, outstanding schools, healthcare facilities and growing restaurant and entertainment options have attracted numerous businesses and provided local residents with a high

quality of life. Downtown Glendale's economy is one of the most diverse in the Los Angeles area due to its mix of business and industry.

Glendale is continuing to evolve into a true urban hub, largely supported by the growth in private development, such as the 475,000 square-foot Americana at Brand, a luxury lifestyle center, and adequate governmental capital. Additionally, Glendale is the closest city in the Tri-Cities area to downtown Los Angeles, Hollywood and West Los Angeles, which allows residents of Glendale much shorter commutes to the major amenities and job centers throughout the region. The Project is located on the edge of downtown Glendale, only one block from major retail centers and fine dining.

One of the major catalysts behind the rapidly growing residential market in Glendale is the Glendale Downtown Specific Plan, which was approved and adopted by the city council in 2006, and establishes the regulatory framework for the desired vision of growth for downtown Glendale. The Americana at Brand opening in 2008 has been a major driver for significant growth in multifamily and mixed-use development in the downtown area. While the Glendale apartment market historically comprised smaller properties of 50 units or less, substantial multifamily projects have been the trend in recent years. As such, large apartment complexes have been built, many of them falling within the category of luxury or high-end combined with extensive amenities. There are currently approximately 3,000 apartment units in the development pipeline, all of which follow the current multifamily trend.

There have been significant concerns from Glendale residents regarding the pace of development, and the impact on traffic and basic city services. Consequently, aside from the current pipeline, new project proposals have nearly ceased due to the lack of buildable land as well as a political environment that has shifted against new development. Regardless, the downtown area had received substantial investment and development before the current change in the political dynamics.

Developments

The Project's surrounding area in Glendale has benefited from development projects that have encouraged the growth and transformation of the area. The significant investment in retail centers, dining establishments and mixed-use developments has substantially improved the appeal of these suburban towns, increasing demand for retail space, dining options and lodging units as more people have been drawn to live, work and spend leisure time in these neighborhoods.

The Americana at Brand is a large upscale lifestyle retail center with over 475,000 square feet of commercial retail space that opened in 2008. In total, there are over 75 retail shops that include renowned retailers such as Nordstrom, Urban Outfitters, J. Crew, Anthropologie and other retail chains. Other entertainment and dining options include the Pacific Theaters, Din Tai Fung, Granville Café and Bourbon Steakhouse. The developer, Caurso Affiliated, has also built major retail centers such as The Grove in Los Angeles.

Glendale Galleria, another major retail center directly adjacent to the Americana at Brand, was built in 1978 and has over 1.5 million square feet of retail space. The regional shopping mall has grown through several expansions with the opening of Bloomingdales in 2013 along with the

expansion of its outdoor plaza. The mall also went through a major renovation in 2013 to modernize the interior and exterior. Its several retail anchors include Macy's, JCPenney and Bloomingdales.

The Glendale Marketplace is a shopping center located in the heart of downtown Glendale along Brand Boulevard. The shopping center encompasses over 2.2 acres and provides significant public parking for visitors. Major retailers include DSW Shoe Warehouse, LA Fitness and Outback Steakhouse, as well as a Buffalo Wild Wings projected to open in 2015.

The Glendale Fashion Center is a shopping center further east of downtown Glendale. Retailers located there include Nordstrom Rack, Ross, TJ Maxx, Staples and Petco.

Downtown Glendale is the central business district of Glendale with over 3.5 million square feet of office space. On the north end, the headquarters of Nestle anchors the office development. Overall, the office space in Glendale has a low vacancy rate of 14.1%, lower than the Tri-Cities average of 15.6%, which includes the cities of Pasadena and Burbank.

Multi-Family Demand

A key factor for the demand of the Project's 180 apartment units will be the strong multi-family demand fundamentals in Glendale. The high-end apartment market reached a low vacancy rate of below 5% before the onset of significant multi-family developments over the past two years. Per JLL's research, new projects introduced to the market are not having difficulties reaching essentially full occupancy numbers. One of the newest properties, Lex on Orange, opened in early 2014 and was able to reach above 90% occupancy within a year. The Brand and Camden Glendale, with openings in 2015, have reportedly reached above 25% occupancy within only a few months of opening. Low vacancy rates combined with rents at an all-time high have created a demand for luxury multi-family products that has proven to be strong.

The Project will be one of the newest apartment buildings in the market and is anticipated to be positioned in the high-end of the luxury spectrum. With the stifling of future long-term development, the Project is expected to remain among the most competitive apartment properties in the market. The Project has a high walkability factor due to its proximity to Glendale's commercial core, increasing desirability for prospective residents. The continued economic expansion of neighboring cities such as Los Angeles and Burbank will highlight the advantageous central location of Glendale and potentially push more residents into the city and induce new demand for multifamily units in the market.

Retail Overview

Los Angeles Retail Market Overview

In the context of the region's strong population growth and economic performance, retail vacancy rates have declined to a three-year low. According to CoStar, the retail vacancy rate in Los Angeles declined from 5.2% in 2013 to 4.7% in 2014. Given the limited amount of new retail space currently under construction, CoStar projects that new demand will continue to outstrip new supply growth through 2015, after which the markedly improved fundamentals are projected to drive

stronger supply growth. Through the first half of 2015, the retail vacancy rate decreased further, to 4.6%.

While vacancy rates are decreasing given the favorable supply and demand dynamics, average asking rates for retail space in Los Angeles have been relatively stagnant until this year, when rates increased by 3.7%. The average asking rent rate growth in 2012 and 2013 were -0.5% and 1.0%, respectively, with significant rent decreases in 2010 and 2011. The average asking rent in the Los Angeles area increased moderately from $24.89 per square foot in 2010 to $25.15 per square foot in 2014, representing an average annual growth rate of just 0.2%. However, now that there is little room for continued declines in vacancy rates, retail landlords are expected to leverage the market compression to drive strong growth in average asking rents while the demand and supply dynamics continue to be relatively favorable over the course of the next several years.

New Retail Supply

The pipeline of new retail supply has slowed in recent years with rentable building area from 2012 to 2014 averaging 1.1 million square feet. In contrast, between 2008 and 2011, new retail supply that entered the market averaged 3.3 million square feet per year. In the second quarter of 2015, 12 buildings with 323,152 square feet of retail space were delivered. Major retail centers that were delivered in 2015 include the Runway Playa Vista with 241,000 square feet of rentable building area and Rancho Vista Town Center at 40,596 square feet. Currently, CoStar reports no retail buildings are under construction in its Glendale submarket. In the greater Los Angeles area, there are currently 48 buildings under construction that encompass 1.4 million square feet of gross leasable area.

Los Angeles Retail Investment Market

Sales of retail properties in Los Angeles amounted to $5.8 billion in 2014, making it the second largest retail market in the United States by transaction volume, a 61% increase year-over-year. Only Manhattan recorded a higher transaction volume at nearly $7 billion. The average cap rate for the market was 5.7%, and the average price per square foot was $342. The Los Angeles market's cap rate is slightly lower than the national average and the average price per square foot is higher, indicating a highly desirable market. Through the second quarter of 2015, the positive growth continued with a 36% increase over the same time period last year, at $2.4 billion. In the same time period, the average cap rate dropped to 5.6%, and the average price per square foot increased to $354.

Glendale Retail Submarket Overview

In the last 10 years, the Glendale market has seen a meaningful expansion in both the retail and residential sectors as the downtown area has continued its transformation to a retail, residential and cultural hub for the city. According to CoStar, the Glendale retail submarket contains nearly 14 million square feet of gross leasable area as of the second quarter of 2015. In 2008, the opening of the Americana at Brand delivered over 550,000 square feet of retail space, creating a substantial retail concentration in downtown Glendale next to the Glendale Galleria. The opening coincided with the recession, pushing vacancy rates above 5% from 2009 through 2012. In 2013, the vacancy rate improved to 3.7% and further declined to 2.6% in 2014, reaching a record low and

demonstrating strong demand in the market. Vacancy rates bumped up to 3.4% in the second quarter of 2015, but with no current new supply in the pipeline, available space is expected to be absorbed quickly.

The economic recession had a particularly strong impact on average asking rates. The Americana and its premium retail space maintained rates in 2009, but retail rents decreased significantly in 2010 and 2011 by 10.3% and 18.1%, respectively. After the trough in 2011, the market recovered quickly with rent growths of 19.8% and 12.0% in 2012 and 2013, respectively. As available space tightened more, the retail rents continued to grow, surpassing the previous peak with an average asking rate of $29.32 in the second quarter of 2015.

Overall, demand fundamentals remain strong for the Glendale retail submarket with a 3.4% vacancy rate, lower than overall Los Angeles vacancy rate of 4.6%. The average asking rate through the first half of 2015 reached $29.32 per square foot, well above the Los Angeles average of $25.94 per square foot. Glendale saw only 15,870 square feet of deliveries through the second quarter of 2015, with no further supply in the pipeline. With a lack of developable commercial land and growing demand in Glendale, retail fundamentals are likely to remain strong through the short to medium term.

Multi-Family Overview

Los Angeles Multi-Family Market Overview

The Los Angeles residential market is a diverse housing market ranging from smaller condominium units in Hollywood to ultra-luxury million dollar homes with coastal views in Malibu. Los Angeles County includes Beverly Hills, Culver City, Burbank, Inglewood, Glendale, Long Beach, Hollywood and Santa Monica, amongst many other cities. The County's apartment market is characterized by low vacancy rates and rising rents as the late-cycle economic recovery continues to take shape in Los Angeles. According to REIS, a real estate custom data and market intelligence firm, there were 776,257 apartment units in Los Angeles County in the first quarter of 2015. Average asking rent in the first quarter of 2015 was $1,537 per month, up 2.5% compared to $1,499 per month in the same time period in 2014. Furthermore, the vacancy rate has maintained an eight-year low of 3.2%.

Los Angeles Class A Multi-Family Overview

Class A apartment properties are generally described as luxury units less than 10 years old located in desirable areas such as central business districts, commanding high rents. As of the first quarter of 2015, there are 250,667 Class A apartment units in Los Angeles, representing approximately 32% of total apartment units in Los Angeles. Class A apartment average rents reached a peak in 2008 at $1,939 per month before experiencing a 5.3% decline due to the recession. However, rents were able to effectively rebound with modest growth beginning in 2011 and surpassing the previous peak in 2013 at $1,964 per month. Class A rents have continued to improve, culminating in a 2.4% increase in the first quarter of 2015 over the same time period in 2014.

Class A apartments in Los Angeles reached a record low in vacancy rates at 4.2% by 2005, before rising to a high of 6.5% in 2008 due to supply outpacing demand and recessionary conditions. The vacancy rates for Class A apartments reached a post-recession low of 4.4% in 2012 as demand

fundamentals improved. However, an influx of new supply in recent years has steadily pushed vacancy rates up. Incoming supply has outstripped demand the last two years resulting in the vacancy rate rising to 5.9% in 2014. Despite the rising vacancy rates, rents are still continuing to climb as Los Angeles remains a desirable market and Los Angeles County continues to grow.

Glendale Population and Resident Demographics Overview

Glendale's residential market has remained competitive in recent years due to its central location and close proximity to several employment concentrations such as downtown Los Angeles, Burbank, Hollywood, Pasadena and locally in downtown Glendale. The costs of commuting both financially in terms of increasing gas prices and in terms of time spent behind the wheel have motivated individuals to move to Glendale. Therefore, the city has attracted highly educated workers with disposable income in the last decade, spurring the development of luxury and high-end rental units. The population in Glendale has experienced growths and declines over the years. There was a population boom in the late 1980s due to significant immigration of Armenians. This migration established the strong Armenian presence in the city today.

According to the 2010 U.S. Census and the city of Glendale, there were 196,021 residents in downtown Los Angeles, representing less than 2% of population in Los Angeles County. In comparison to Los Angeles County, residents in Glendale are older (median age is lower at 40 years), but have lower income (median income of $50,172 is slightly below the county, but higher than the city).

Glendale Multi-Family Market Overview

The Glendale apartment market has seen a recent surge in high-end multifamily development, especially around the downtown area along Brand Boulevard and Central Avenue. According to REIS, there are 24,167 apartment units in the South Glendale/Highland Park submarket as of the first quarter of 2015, which comprises most of the multifamily development in Glendale. The Class A apartment market comprises 21.9% of the total inventory in South Glendale/Highland Park. There has been new supply entering the Class A market since 2008, whereas the Class B/C apartment market has seen no additional units built in at least the last 14 years.

The average asking rents of Class A apartments in Glendale steadily rose starting in 2003 and peaked in 2008 at $1,605 per month at the height of the market, as well as the opening of the Americana at Brand. Rents dipped by 3.8% in 2009 due to the recession, but quickly recovered to surpass the previous peak in 2012. In 2013, the average asking rents increased by 6.6% as high-end apartments entered the market, though rents declined by 3.8% in 2014 potentially due to the high volume of supply entering the market at once, as well as grand opening promotions. In the first quarter of 2015, rents have slightly shifted upwards, but rents are expected to increase at a healthy rate as new properties stabilize.

Vacancy rates in the Class A apartment market in Glendale have experienced some volatility despite steady rent growths. The market vacancy rate reached a record low of 1.5% in 2006, but it suddenly spiked to 14.9% in 2008 due to a combination of the recession and the large Americana apartments entering the market. However, the market stock was quickly absorbed, and vacancy rates decreased from 11.3% in 2009 to 4.8% in 2012. As the urban core of Glendale transformed

during this time period, the city attracted many new residents that quickly leased up the high-end product. In 2013, multiple new luxury developments entered the market, driving vacancy rates up sharply to 10.6% as the properties attempt to reach stabilization. Vacancy rates continued to rise in 2014 as the Lex on Orange finished construction, introducing more Class A product into the market and culminating in a vacancy rate of 16.1%. It should be noted that in recent years, areas like downtown Los Angeles, Burbank and Pasadena have also joined the high-end multifamily boom, creating further competition for the Class A apartment demand. Through the first quarter of 2015, more new supply has entered the market as phase 1 of Camden Glendale opens to residents, pushing up vacancy rates to 17.3%. JLL believes the current vacancy rate is a result of new multifamily stock stabilizing and should quickly decline in the near future.

Glendale Competitive Multi-Family Market

The primary target demographic for the Broadway Vestalia apartments will be both established residents in the Glendale market as well as younger millennials seeking a central location to major employment centers. The advantageous location coupled with the high-quality product and service offerings that will be provided by the Project are likely to attract strong rent premiums for the Project. In addition, Glendale's sources of employment continue to expand with companies such as Nestle, DreamWorks and the Disney Grand Central Creative Campus. The growing amenities available in Glendale have also been a major draw for residents such as the opening of the Americana in 2008 and the revitalization of downtown Glendale.

Within the Glendale apartment market, the proposed Project would primarily compete with a select set of apartment buildings based on various factors. These factors include location, price point, product quality, amenities and building age, among other factors. JLL has reviewed these pertinent attributes and established a competitive set based upon this review and its discussions with real estate professionals familiar with the market. The proposed Project will compete primarily with the following properties: Brio, Lex on Orange, Eleve Lofts, Americana at Brand, 416 on Broadway, Camden Glendale and The Brand.

The Americana at Brand and 416 on Broadway are the two oldest properties, with openings in 2008 and 2009, respectively. Between 2012 and 2014, three more multifamily developments were delivered, bringing over 600 units to the high-end apartment market. In 2015, the two largest properties among the competitive set, the Brand and Camden Glendale, entered the market with over 700 total units. As of July 2015, the competitive apartment developments opened before 2015 were running at nearly full capacity, while the two recent apartments were between 25-30% occupancy.

The apartment complexes generally have extensive amenities such as fitness centers, multiple courtyards, swimming pools and weekly events. The Brand apartment project is the most direct competitor to the Project. The Brand is the newest multifamily development in the city, and fully opened in May 2015. Its location is superior along the bustling Brand Boulevard and a short distance away from the major retailers in downtown Glendale.

Pricing for the competitive apartments is typically high, at above $2,000 per month per unit, with smaller studio type units running at least $1,800. The cheapest units are at Eleve Lofts where some studios can be leased for approximately $1,600 per month, though these units are the smallest by

far, at less than 400 square feet. JLL believes that the success of these competitive high-end apartments set an excellent precedent for the Project and provide support for the record rates renters are willing to pay for luxury and fully-amenitized apartment units in Glendale.

New Supply Overview

There are over 3,000 apartment units under construction or proposed in the Glendale market. New apartment developments were sparse before 2008 and the onset of Americana at Brand. Due to strong demand fundamentals over the past several years, developers have rushed into the Glendale market to build large multifamily projects. The new political environment, which has shifted against new development, along with a lack of developable land has reduced long-term future supply to a minimum, though many large projects were already approved before the political environment shifted in 2014.

Due to the unique location and amenity offerings included in the Project's plan, it is difficult to identify a direct comparable development either currently under construction or in the approved pipeline. However, multifamily developments greater than 90 units are likely to be competitive with the Project.

Financial Information

A total of $35,000,000 will be raised through EB-5 investors to fund construction, development, and preliminary operations. The total cost of the project is $83,294,242. Funding from the total sources of funds is planned to be used for property acquisition, to fund construction hard and soft costs, and to provide a preliminary marketing budget to engage in promotion and leasing activities prior to the operations phase. To commence the development efforts and accelerate the timeframe for completion, the three other Class A Members of the Project Company have advanced all sums necessary related to land acquisition, design, architecture, engineering and entitlement expenses. The EB-5 funds raised will be used to repay this advancement in whole. The table below details the Project's estimated Sources and Uses of funds.

SOURCES & USES

Sources of Funds			
EB-5 Investment	$35,000,000		
Construction Loan	$48,294,242		
Total Sources	**$83,294,242**		
Uses of Funds	**Project Budget**	**%**	**Per Unit**
Building Hard Cost	$51,030,000	61.26%	$283,500
Designs, Consultants, Fees & Entitlements	$3,160,000	3.79%	$17,556
Permit Fees	$3,088,010	3.71%	$17,156
Marketing & Advertising	$150,000	0.18%	$833
Staging of Models	$120,000	0.14%	$667
Insurance	$300,000	0.36%	$1,667
Bank Fund Control Fee	$280,000	0.34%	$1,556
Soft Cost Contingency	$500,000	0.60%	$2,778
Taxes	$500,000	0.60%	$2,778
Loan Fees	$500,000	0.60%	$2,778
Construction Loan Interest & Reserve	$3,528,398	4.24%	$19,602
Development Management Fee	$2,460,186	2.95%	$13,668
Loan Guarantee Fee	$829,400	1.00%	$4,608
Vestalia Fees	$848,248	1.02%	$4,712
Project Costs	**$67,294,242**	80.79%	$373,857
Land Purchase	$16,000,000	19.21%	$88,889
Total Development Costs	**$83,294,242**	100.00%	$462,746

Project Development Team

Management Team of the Developer

Development of the Project will be overseen and managed by Broadway Vestalia, LLC, which is managed by Octane Broadway Managers, LLC. That entity is managed by Patrick Chraghchian and Greg McLemore.

Patrick Chraghchian, Managing Member of the Developer

Patrick Chraghchian is the principal of American General Design, Inc. and American General Constructors, Inc. Mr. Chraghchian has over 29 years of experience administrating and managing construction development projects. His companies have designed and built projects with a total value of hundreds of millions of dollars nationally. Mr. Chraghchian has expertise in design, technical engineering, construction, and experience in finance and development. He has built apartment buildings, office buildings, retail centers and public works project such as the Los Robles Projects (the Livingston, Burton and the Grant), Arroyo Parkway, Del Mar, Boston-Centennial and the Dalton. Mr. Chraghchian has served as the chairman of Old Pasadena Management District and chair of its Economic Development Committee. He is a civil engineering graduate of the University of Southern California.

Greg McLemore, Managing Member of the Developer

Greg McLemore is the principal of Octane Realty and Development, the real estate development division of Octane, LLC, and WebMagic, Inc. which manages and operates real estate and internet properties. Mr. McLemore oversees a diverse real estate portfolio, over one thousand Internet sites, and a wide variety of intellectual property assets and technology companies. He is a developer of, investor in, and operator of residential, office, and retail properties located throughout Southern California and Arizona. Mr. McLemore and Mr. Chraghchian have collaborated on many projects over the years, including most recently three in Pasadena located at 133 S. Los Robles Ave., 139 S. Los Robles Ave., and 496 S. Arroyo Parkway.

Octane Group

Octane, LLC is a Pasadena-based asset manager. The Octane group of companies holds investments in real estate, technology, and general business. Its real estate interests include both development projects as well as existing properties in California and Arizona. These holdings span the residential, retail, and office sectors and range from office and retail space in Old Town Pasadena to a shopping center in Greater Phoenix.

American General Design

American General Design, Inc. ("**AGD**") and its predecessors have over 50 years of design, architecture and engineering experience in mixed use, commercial, residential, and industrial development. Key staff have substantial design, architecture, and engineering experience, and AGD's designs have won numerous awards.

At AGD, fifty years of collaborative professional experience are focused in a contemporary digitally based practice. The principal Architects Glenn deVeer R.A. and Prof. Kip Dickson R.A. have a wide range of professional experience blending prestigious and complex institutional projects with smaller practical designs built to suit specific client needs. The design team leadership works directly with managing principal Patrick Chraghchian to ensure that the design meets the development goals of our team and clients.

American General Constructors

American General Constructors, Inc. ("**AGC**") has built a wide variety of mixed-use projects, large residential estates, and public works projects over the last several decades. It has also overseen construction projects in California, Arizona and Nevada on a variety of property types ranging from residential development to shopping centers.

AGC specializes in construction with a wide range of project and construction types in its portfolio. These range from simple wood structures to complex steel and concrete building types. A family business headed up by Hamlet Chraghchian G.C. and son Patrick Chraghchian C.E., AGC focuses nearly 60 years of collaborative local and international engineering and constructions services. The principal builders have a lifelong family association encompassing an impressive range of large scale international public works construction and local experience building commercial and institutional work. AGC has significant experience in design-build/design-assist, sustainability design and LEED construction, and budget and schedule management. Its construction management expertise is tied to its design and development projects but can operate independently offering on site construction management for other builders.

Interim Class B Manager

Tripex Capital, Inc.

Tripex Capital, Inc. ("Tripex"), the Interim Class B Manager, is a commercial real estate and private equity investment management and consulting firm. With a unique combination of experience in private equity and immigration based financing, Tripex's principals bring over three decades of real estate, investing, consulting, and investment management experience to each of its engagements.

Tripex and its principals have a strong track record of success in the commercial real estate industry. Through its established network of developers, attorneys, and consultants, Tripex has the ability to source investment opportunities, negotiate and structure deal terms, provide consulting services to developers and lenders, and offer post investment management capabilities to its clients.

Tripex Capital, Inc.'s core duties and responsibilities from origination to post investment management may include but are not limited to the following activities:

- Management and control of all day-to-day aspects of the business of the Company (other than those matters reserved for exclusive management and control by other managers);

- The negotiation of the terms and conditions of the Project Company's operating agreement;

- The selection of, and engagement for and on behalf of the Company, third party professionals in dealing with accounting, legal, auditing, and other administrative matters;

- The selection of, and engagement for and on behalf of the Company, legal counsel and consultants for the Company;

- The distribution of the Company's assets to the Members upon partial or full repayment of individual Member's capital contributions;

- Providing access to the books and records of the Company; and

- The Company's exercise of all rights and remedies under the Project Company's operating agreement, including appointment of the Class B Representative.

The Project Company is expected to enter into a contractual agreement with a project management firm to engage in the marketing, lease up and management of the Project. The specific management firm has not yet been selected.

Job Creation and TEA Status

EB-5 Program rules require creation of not less than ten EB-5 Jobs per Class B Member. The Company is expected to have up to 70 Class B Members subscribed if the Maximum Offering Amount of $35,000,000 is subscribed for, meaning the Project will need to create at least 700 EB-5 Jobs or ten per investor in order to meet this requirement. Job creation will be evidenced to USCIS using the Regional Industrial Multiplier System ("*RIMS II*"). RIMS II is a tool developed by the US Bureau of Economic Analysis ("*BEA*") for conducting regional economic impact analysis, and is an USCIS-approved methodology for estimating total job creation under the EB-5 Program.

The primary job-creating activity will come from three activities: (a) construction, (b) furniture and appliance purchases, and (c) retail and residential leasing activity. Performance Economics LLC has conducted an analysis of the economic impact of the Project Company's proposed capital spending and operating strategy for the Project, entitled Report on Direct, Indirect and Induced Employment Impacts of the Broadway Vestalia Project for Home Paradise Regional Center and dated August 2015 (the "***Economic Study***"), in order to ensure that the Company and the Class B Members will comply with EB-5 Program job-creation requirements. A copy of the Economic Study is available upon request.

Job Creation & Economic Impact Analysis Highlights

The Economic Study prepared by Performance Economics LLC is a comprehensive analysis of the regional economic impacts attributed to the development of the Project. The Economic Study discusses in detail the input, methodology, and regional economic impacts, reported through such metrics as job creation.

A summary of the job creation from the RIMS II model predictions of the initial investment follows below (summarized from the Economic Study):

Construction on the Project is expected to commence in November 2015 and is scheduled to continue through January 2018. In total, construction for the $83.3 million Project will take an estimated 26 months to complete. Using RIMS II modeling analysis, the Project will create an estimated 958.7 new jobs, of which 954.8 are EB-5 eligible for the Project. In addition to construction phase jobs, the Project will also create new employment through furniture and appliance purchases and retail and residential leasing activity. The full economic impact of the Project is displayed in the table below.

Table E1. Total Economic Impacts of the Broadway Vestalia Project

Economic Activity	Employment	Output (Millions of Dollars)	Value Added (Millions of Dollars)	Earnings (millions of Dollars)
Construction Hard Costs	768.7	$120.33	$65.18	$39.06
Construction Soft Costs	92.4	$14.71	$9.15	$5.03
Furniture and Appliance Purchases	8.0	$1.33	$0.77	$2.27
Leasing Operations	89.6	$13.01	$9.17	$2.34
Total	**958.7**	**$149.38**	**$84.27**	**$48.70**

Source: Bureau of Economic Analysis, Performance Economics

Job Creation Buffer

While Performance Economics LLC determined that approximately 954.8 permanent new direct, indirect and induced jobs will be created by the Project, the total Maximum Offering Amount only requires the creation of 700 new jobs, thus providing a potential job-creation buffer for each EB-5 Investor.

Nexus of Job Creation

The job-creating entity is spending the full amount of the EB-5 capital investment. The complete EB-5 capital investment is made available to the business, the Project Company, most closely responsible for creating the direct and indirect employment. The manner in which funds are applied is described within the Project's budget and used as the basis for the economic analysis.

Job Verification

The Economic Study identifies the inputs and multipliers used in the input /output model to predict the Project job creation. As such, at the I-829 stage, EB-5 investors will be provided the necessary documentation to validate the results and detail the number of jobs actually created**.**

TEA Qualification

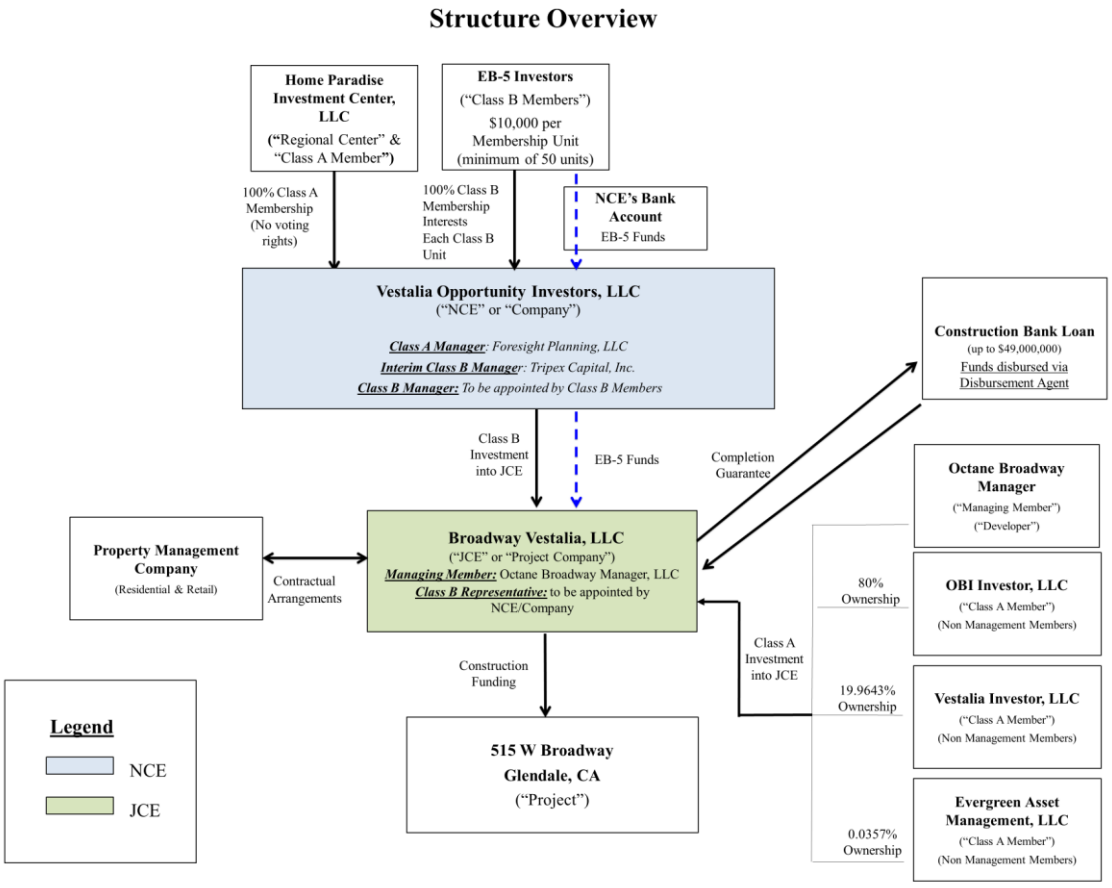
The Project is located in a targeted employment area ("***TEA***"), as certified and designated by the California Governor's Office of Business and Economic Development on July 24, 2015. Therefore, the Class B Members of the Company are permitted to participate in the EB-5 Program with a downward-adjusted Subscription Amount of $500,000 rather than the $1,000,000 otherwise required. However, USCIS makes the determination of TEA eligibility for each individual EB-5 Investor as of the date of his or her investment, and there is no guarantee that USCIS will accept a state's designation of a TEA for every investor.

III. CAPITAL INVESTMENT ENTITY

Description

The EB-5 investment will be structured as an investment model, illustrated in the below chart. The Company will serve as the entity in which EB-5 funds are pooled, with such total amount then invested in the Project Company. The Project Company will then deploy the investment proceeds into the Project.

Structure Overview



IV. ASSOCIATION WITH THE REGIONAL CENTER

The Project is located within the geographic region of the Home Paradise Investment Center (the "***Regional Center***"), which was approved by USCIS as a Regional Center on September 23, 2011.

The Regional Center has been approved to operate within the geographic region consisting of the following California counties: Kern, Los Angeles, Orange, San Bernardino, Riverside, Imperial and San Diego.

The Office of the Regional Center

Name:	Home Paradise Investment Center, LLC
Address:	7000 E. Slauson Avenue, Ste 1 Commerce, CA 90040
Website:	http://ushpic.com/

Terms of the Administrative Agreement

Fees to Regional Center

Pursuant to the Administrative Agreement, in consideration of the Regional Center's agreement to perform the services set forth in the Administrative Agreement, a portion of the Administrative Fee will be paid to the Regional Center.

Rights to Information

In addition to the fees payable to the Regional Center, the Company is required to provide the Regional Center with reports on the Investment, the Project and any other information reasonably requested by the Regional Center from the Company on at least a semi-annual basis. Furthermore, the Manager(s) is required to notify the Regional Center of every 1-526 Petition that is approved until all 1-526 Petitions are approved and all Class B Members are accepted as Class B Members in the Company.

Obligations of the Regional Center

Under the terms of the Administrative Agreement, the Regional Center is required to act and respond timely in connection with any USCIS and related filings, including any periodic filings required by USCIS to maintain the Regional Center in good standing as a Regional Center, and in connection with the Project and the Investment. Furthermore, the Regional Center is required under the terms of the Administrative Agreement to maintain the Regional Center in operation and good standing for so long as any USCIS petition related to the Class B Members is pending adjudication (including the exhaustion of all appeal proceedings).

V. MANAGEMENT OF THE COMPANY

Limited Liability Company Form

The Company was formed on June 25, 2015 upon the filing of a Limited Liability Company Certificate of Formation (the "***Certificate***") with the Secretary of State of the State of California pursuant to and in accordance with the California Limited Liability Company Act (the "***California LLC Law***") and other applicable laws of the State of California.

The Managers

In accordance with the Operating Agreement, the Company will be managed by up to two managers, consisting of two of the following: the Class A Manager, the Interim Class B Manager, and the Class B Manager. Initially, the Company will have two Managers: the Class A Manager and the Interim Class B Manager. The Interim Class B Manager will be Tripex Capital, Inc. and will serve until the Transition Date. On the Transition Date, the Interim Class B Manager will automatically resign and the Class B Manager will be selected by a Majority Vote of the Class B Members. Thereafter, the two Managers will be responsible for conducting the Company's business, each in accordance with their respective roles.

The Managers are agents of the Company for purposes of its business. An act of the Managers in a manner consistent with the Operating Agreement, including the signing of an instrument in the Company's name, generally binds the Company. The Managers will have the sole responsibility for the management and the day-to-day operations of the Company. The Class B Members, however, will have the right to vote by a Majority Vote on certain "major decisions" of the Company as further described in the Operating Agreement.

Whenever the Company shall have more than one Manager, including an Initial Manager, a Class A Manager, an Interim Class B Manager, and/or an Class B Manager, certain decisions requiring Manager approval must be approved by at least two (2) of the Managers, except to the extent the matter to be decided involves a power and authority granted to a specific Manager, in which case such Manager shall act without any approval or input of the other Manager(s), it being the intent of the Operating Agreement that each Manager shall have sole and distinct powers and authority to the extent so specifically expressed. Any deadlock between the Managers shall be decided by a Majority Vote.

Each Manager shall hold office for a term commencing on the date of designation (or in the case of the Class A Manager, commencing on the date hereof) and expiring upon the earlier of (a) the date on which such Manager is removed; or (b) the date on which such Manager resigns or dies or dissolves. In the event of the removal, resignation, death or dissolution of a Manager, the Class B Members shall have the unilateral right and power to elect a successor Manager by Majority Vote. A Manager does not need to be a Member.

Without limiting the generality of the foregoing, the Managers shall have the rights, powers and authority in respect of the Company (without the Class B Members' approval but subject to the other provisions of Article V of the Operating Agreement) to do or cause to be done each of the following:

(a) Purchase a membership interest from the Project Company, and in connection therewith negotiate the terms of and enter into the Project Company Operating Agreement on behalf of the Company;

(b) Pay any compensation to the Managers, any Member, or any of their Affiliates for services provided by any of them to the Company, including as provided in clause (k) below;

(c) Consent to, approve or agree to settle any claim, litigation or threatened litigation involving the Company;

(d) Make any tax election, settle any tax controversy or make tax decisions with respect to the Company;

(e) Subject to Section 4.8.6, lend Company funds;

(f) Hire employees to carry on the Company's business;

(g) Appoint and remove the Company's legal counsel, accountant, tax adviser, registered agent, agent of service, and other professional service providers;

(h) Negotiate, amend and/or supplement the terms of any investment made or to be made by the Company in the Developer;

(i) Enforce the rights of the Company with respect to the Investment and any agreement (including the Project Company Operating Agreement made between the Company and the Project Company) made between the Company and the Developer, including, without limitation, the commencement of legal proceedings, against the Developer;

(j) Execute any employment or service agreement between the Managers and the Company, provided that such agreement has been approved by Members in accordance with Section 4.5 and Section 4.8 hereof and make payments to the Managers in accordance with or otherwise carry out the terms of any such approved agreement;

(k) Enter into any agreement which the Managers may reasonably deem appropriate for any purpose beneficial to the Company;

(l) Distribute funds to the Class B Members, by way of cash or otherwise, all in accordance with the provisions of the Operating Agreement;

(m) Perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party; and

(n) Execute, acknowledge and deliver any and all instruments necessary to effectuate any of the foregoing.

Class A Manager

The Class A Manager is Foresight Planning, LLC. The Class A Manager and/or its designated agents shall have exclusive management and control over the following matters, as well as other matters as outlined in the Operating Agreement, affecting the Company:

(a) Communication responsibilities with the USCIS on EB-5 compliance matters and other immigration matters affecting the Offering;

(b) Approve, along with the Class B Manager, capital contributions to the Developer in a manner consistent with the terms of the Project Company Operating Agreement; provided, however, that the Class B Manager will confirm that all conditions under the Project Company Operating Agreement have been duly satisfied or that an amendment of the Project Company Operating Agreement has been approved that would allow such capital contributions;

(c) Provided that payments referenced herein do not pertain to the day-to-day business operations of the Company nor to the annual management fee paid by the Company to its applicable Manager, approve (and, if required, co-endorse), along with the Class B Manager (after written notification by the Class B Manager that such approval is required and receipt by the Class A Manager of reasonable information from the Class B Manager regarding such request for approval), payments to be made by the Company that exceed (i) $25,000 for any single payment or (ii) $250,000 in the aggregate for all payments during any 12-month period; provided, however, that to facilitate such payments, the Class B Manager will confirm to the Class A Manager that all necessary approvals for such payments (other than the approval of the Class A Manager) have been obtained by the Class B Manager (and, if requested by the Class A Manager, the Class B Manager will provide reasonable evidence with respect thereto);

(d) Approve (and, if required, co-endorse), along with the Class B Manager (after written notification by the Class B Manager that such approval is required and receipt by the Class A Manager of reasonable information from the Class B Manager regarding such request for approval), distributions to be made by the Company to the Members (other than tax distributions contemplated by Section 6.8.2); provided, however, that to facilitate such distributions, the Class B Manager will confirm to the Class A Manager that all necessary approvals for such distributions (other than the approval of the Class A Manager) have been obtained by the Class B Manager (and, if requested by the Class A Manager, the Class B Manager will provide reasonable evidence with respect thereto);

(e) Until the Transition Date, in conjunction with Interim Class B Manager, negotiation of the Project Company Operating Agreement on behalf of the Company;

(f) Engagement, for and on behalf of the Company, of (i) counsel to the Company with respect to the Offering and (ii) other consultants and professionals with respect to the Company's business plan, economic report and Real Property appraisal; and

(g) For and on behalf of the Company, (i) assistance with marketing the Offering to the EB-5 immigrant investors, (ii) conducting the offering of securities under the Offering, and (iii) reviewing and either accepting or rejecting each EB-5 immigrant investor's subscription agreement.

Interim Class B Manager

The Interim Class B Manager and/or its designated agents shall have exclusive management and control over the following matters, as well as other matters as outlined in the Operating Agreement, affecting the Company:

(a) Management and control of all day-to-day aspects of the business of the Company (other than those matters reserved for exclusive management and control by the Class A Manager) until the Transition Date; and

(b) The negotiation of the terms and conditions of the Offering and, in conjunction with the Class A Manager, the Project Company Operating Agreement, as it deems advisable, in its discretion, and to enter into the Project Company Operating Agreement on behalf of the Company.

Class B Manager

The Class B Manager shall be appointed by a Majority Vote. The Class B Manager and its designated agents shall have exclusive management and control over the following matters, as well as other matters as outlined in the Operating Agreement, affecting the Company:

(a) The Company will pay a service fee to the Class B Manager of $75,000 per annum ("**Service Fee**"), which will cover administration of legal, accounting and administrative services rendered to the Company, and which shall be paid (but in any case not from Offering proceeds) in quarterly payments with the first payment paid upon the first Capital Contribution by the Company under the Project Company Operating Agreement, and subsequent payments paid in upfront quarterly payments. If there is insufficient cash flow to pay the Service Fee, any unpaid amount will accrue and be paid when cash flow is sufficient.

(b) all day-to-day aspects of the business of the Company (other than those matters reserved for exclusive management and control by the Class A Manager);

(c) the selection of, and engagement for and on behalf of the Company, of legal counsel and consultants for the Company;

(d) the distribution of the Company's assets to the Members upon partial or full liquidation of the Investment;

(e) providing access at any time to the books and records of the Company; and

(f) the Company's exercise of all rights and remedies under the Project Company Operating Agreement, including without limitation, the right to declare an event

of default in order to protect the Company and the interests of the Members, the right to commence a legal proceeding and the exercise of any other remedies allowed by law, as the Class B Manager deems appropriate, in its discretion.

The Operating Agreement provides that no Manager will have any liability to the Company or any Class B Member for any loss or liability suffered by them if the Manager acted in good faith and in a manner that such Manager reasonably believed to be in the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable belief such conduct was unlawful. The Operating Agreement provides for the termination or removal of any Manager (i) for "Cause" (as defined in the Operating Agreement) by a Majority Vote; or (ii) without Cause by a "Supermajority Vote" (i.e., the affirmative vote of Class B Members holding 67% or more of Membership Interests).

VI. INVESTMENT STRUCTURE

As previously stated, proceeds of Units sold to the Investors will be pooled by the Company, with such total amount then invested (the "***Investment***") in Broadway Vestalia, LLC ("***Project Company***"). The Project Company will deploy the Investment proceeds into the Project. The Investment will be evidenced by the Amended and Restated Limited Liability Company Operating Agreement of Broadway Vestalia, LLC (the "***Project Company Operating Agreement***" which is attached as Appendix D). Certain terms of the Investment as set forth in the Project Company Operating Agreement, are set forth below, but Investors are urged to read the Project Company Operating Agreement in its entirety:

Amount: Assuming that the Company raises the Maximum Offering Amount and that the conditions are satisfied as to each Subscriber, the amount available for the Investment will be up to $35,000,000.

Other Capital Contributions: Three other members of the Project Company (the "***Class A Members***") will make capital contributions totaling $28,000,000. These members, along with the Company, are the "Non-Managing Members" of the Project Company. Octane Broadway Manager, LLC has made a nominal capital contribution and is the Managing Member of the Project Company.

Additional Capital Contributions: Neither the Company nor the other Non-Managing Members is required to make additional capital contributions to the Project Company, but if the Managing Member makes a capital call for additional capital contributions, any member failing to meet such capital call will be diluted as provided in the Project Company Operating Agreement.

Membership Interests: The Class A Members own 100% of the percentage interests ("***Percentage Interests***") in the Project Company. Percentage Interests are equal to the ratio of the sum of each Class A Member's

capital contributions to the total capital contributions of all the Class A Members. The Managing Member has a "carried interest" equal to 30% of the Project Company's net profit after the Company and the Class A Members are paid their Preferred Return (as defined below).

Both the Class A Members and the Company, as the Class B Member (the "***Class B Member***") receive a Preferred Return with respect to their membership interests (a "***Preferred Return***"). Each Class A Member receives a Preferred Return equal to 8% per annum (the "***Class A Preferred Return***"), and the Company, as the Class B Member, receives a Preferred Return equal to 4% per annum (the "***Class B Preferred Return***"), in each case calculated on a Member's unreturned capital contributions (the "***Unreturned Capital Contributions***"). Until the Class B Member has made capital contributions of at least $30,000,000, the Class B Preferred Return will only be payable when there is sufficient cash flow to pay it. Unpaid amounts will accrue until sufficient cash flow is available to pay them. After $30,000,000 is contributed, the Preferred Return is payable quarterly. The Class B Preferred Return will increase to 8% as of the fifth anniversary of the receipt by the Project Company of the first funds invested by the Company, and that amount will increase to 10% on the sixth anniversary of that event. The Class A Preferred Return will also be paid at 4% on all capital contributions that have been returned to the Class A Members. Profits are allocated to the Class B Member until its Class B Preferred Return has been fully allocated, and then Class A Preferred Return is allocated to the Class A Members until their Class A Preferred Returns have been fully allocated.

Distributions: Operational cash flow is distributable to the Members in the following priority:

(a) at the discretion of the Managing Member, for the repayment of any member loans;

(b) to the Class B Member until its accrued Class B Preferred Return has been reduced to zero;

(c) to the Class A Members until their accrued Class A Preferred Returns have been reduced to zero; and

(d) 70% to the Class A Members in accordance with their Percentage Interests, and 30% to the Managing Member.

Non-operational cash flow (for example, cash flow generated from the sale, refinance, or condemnation of the Project) is distributed in the following order:

(a) at the discretion of the Managing Member, to the payment of member loans;

(b) to the Class B Member until its accrued Class B Preferred Return has been reduced to zero;

(c) to the Class A Members until their accrued Class A Preferred Returns have been reduced to zero;

(d) to the Class B Member until the Class B Member's Unreturned Capital Contributions have been reduced to zero;

(e) to the Members until their Unreturned Capital Contributions have been reduced to zero; and

(f) 70% to the Members in accordance with their Percentage Interests, and 30% to the Managing Member.

On a dollar-per-dollar basis, when funds are invested in the Project Company by the Company, a distribution of such funds will be made to the Class A Members in accordance with their Percentage Interests. These distributions are treated as a return of capital.

Conditions to Closing of Investment:

The following are conditions that must be met before any capital contribution will be made by the Company to the Project Company.

(a) The Company has reviewed and approved the final budget;

(b) The Company has received a real estate appraisal, addressed to the Company, prepared by an independent professional appraiser, in form and substance acceptable to the Company with a current as is market value (net realizable value of the real property "as is" from an orderly liquidation under reasonable market conditions, without regard to any existing encumbrances) of not less than $16,000,000, and a stabilized market value that equates to a minimum 1.75:1 asset coverage ratio;

(c) The Company has reviewed and approved an Environmental Site Assessment, which assessment is acceptable to the Company in the Company's sole discretion;

(d) The Company has received a current survey of the property acceptable to the Company and its counsel;

(e) The Company has received a third party cost review of the Project paid for by the Project Company and acceptable to the Company;

(f) The Company has received and approved a construction contract for the completion of the improvements;

(g) The Company has determined that there is no material adverse change in the prospects or financial condition of the Project Company and the Project;

(h) The execution and delivery of this Agreement and any other documentation reasonably required by the Company, and the receipt by the Company of a legal opinion, addressed to the Company, confirming the enforceability of this Agreement and other such documentation;

(i) A Fund Control (as defined below) has been established to administer disbursement of funds from the EB-5 Investor;

(j) There are no pending lawsuits that could materially affect the Project;

(k) There is a first lien on the Real Property recorded by the construction lender; and

(l) $28,000,000 in total equity investment (inclusive of land value not to exceed $18,500,000) has been contributed towards the Project satisfactory to the Company.

Construction Schedule:

The Project Company shall prepare and deliver to the Class B Representative (as defined below) a preliminary development and construction schedule for every phase of the Project. The Project Company shall regularly update the development and construction schedule for the Project. The Project Company shall diligently develop and complete the Project in accordance with the construction schedule, provided, that, the construction schedule may be adjusted and extended due to force majeure. The Project Company shall promptly notify the Company, and the Company shall approve and adjust the construction schedule, following the Project Company's knowledge of any such material delaying event or condition, provided that all parties shall work to reasonably minimize delays. Notwithstanding the foregoing, cumulative delays

shall not exceed the final construction schedule by more than six (6) months or thirty-six (36) months in total.

Project Guaranties: The Developer of the Project and key principals of the Developer, as mutually agreed upon, shall provide a full recourse Completion Guaranty and guaranty against budgeted construction hard cost overruns to the Project Company.

Management: The business and affairs of the Project Company shall be managed by or under the direction of the Managing Member. Notwithstanding the foregoing, certain decisions ("***Major Decisions***") require the consent of the "Operating Committee" of the Project Company. The Operating Committee consists of a person selected by the Managing Member, the Class B Representative and two additional persons selected by two of the Class A Members. Major Decisions include the following:

(a) the merger, consolidation, or other business combination of the Project Company with any entity or entities;

(b) the sale, exchange, lease, mortgage, pledge or other transfer of all or a substantial part of the assets of the Project Company, other than in the ordinary course of the Project Company's business (including without limitation any leases or sales of Project spaces pursuant to the Project Company's business plan) or pursuant to the terms of this Agreement; provided that no approval shall be unreasonably withheld and no approval shall be necessary for mortgages, pledges or other security interests relating to the financing or refinancing for (i) the construction and completion of the Project in accordance with the Project Company's business plan, or (ii) funding the Project Company's discretionary Call Option (as defined below);

(c) investment of 10% or more of the Project Company's assets in a business not related to the Project;

(d) approval of the dissolution of the Project Company, except (i) in connection with a sale of all or substantially all of the assets of the Project Company that has already been approved, as contemplated above, or (ii) if the Managing Member reasonably establishes that the Class B unpaid Preferred Return and Class B Unreturned Capital Contribution balance of the Class B Member will be reduced to zero as the result of the distributions in connection with such dissolution, in each case after all I-829 Petitions of the

investors in the Class B Member have been finally adjudicated;

(e) making any distributions to any of the Members other than distributions in connection with a Preferred Return and other than for a return of capital as provided for in this Agreement;

(f) changes to line items in the initial and subsequent budgets and business plans that would result in a net budget increase in excess of $10,000;

(g) material matters regarding the operation, management, leasing, development, renovation, financing and sale of the Project;

(h) development and construction change orders outside of the fixed price construction project;

(i) any material change to the nature of the underlying business of the Project Company;

(j) causing the Project Company to redeem, purchase or otherwise acquire membership units of the Company;

(k) marketing for or accepting any offer for the sale of the Project or setting the sales price for same;

(l) causing or permitting the Project Company to make any loan to any person, or to act as guarantor or surety to, for or on behalf of any person, outside of the normal course of business;

(m) creating, incurring or otherwise approving any financing for the Project on terms that are not market terms for similar projects comparable to the Project in terms of size, scope and location;

(n) any amendment or modification of organizational documents, except as otherwise provided herein;

(o) payment of any fees or other compensation to any Manager, other than as provided in the Project Company Operating Agreement;

(p) causing the Project Company to go into bankruptcy or insolvency;

(q) making material amendment, revision or modification to the Project Company's operating budget and/or business plan;

(r) incurring any material net cost or expense in excess of approved project budget or business plan;

(s) causing or permitting the Project Company to distribute any property in kind to any member of the Company;

(t) settling any lawsuit or other claims where the amount in issue exceeds $50,000.00 or where the Project Company becomes bound by any obligation;

(u) obtaining any member loans;

(v) the admission of any additional members;

(w) selecting any independent public accountants and/or auditors for the Project Company other than Hinton, Kreditor & Gronroos, LLP and/or Lodgen, Lacher, Golditch, Sardi, Saunders & Howard LLP, or making any material but non-conventional determination with respect to the accounting policies of the Project Company;

(x) agreeing to any material judgment against the Project Company;

(y) any change to the Class A Preferred Return or the Class B Preferred Return;

(z) certain transactions with affiliates of the Managing Members involving a payment of $50,000 or greater.

Major Decisions will require approval by the Operating Committee. Unless there is a deadlock in the vote of the Operating Committee Members, the Managing Members are approved to act upon any failure by the Operating Committee to render a decision within ten (10) days after being requested to in writing by the Managing Members. If there is a deadlock, the Operating Committee member selected by the Managing Members and the Vestalia Investor (as defined in the Project Company Operating Agreement) shall pick a first representative, and the other two Operating Committee members picked by the OBI Investor (as defined in the Project Company Operating Agreement) and the Class B Representative shall pick a second representative. Each of these representatives shall be picked from a member of the California bar in good standing, with real commercial real estate experience, and currently practicing in Los Angeles County at a

law firm with at least 10 employees. These two representative shall in turn jointly pick an arbitrator located in California with substantial commercial real estate experience (an active or retired member of the California bar) that shall make a final decision on the matter, operating from the viewpoint of representing the Company's interests. In the event that the arbitrator rules that no specific determination would clearly be most favorable (above the others) in the Company's interests, the arbitrator shall defer to the Managing Members.

Class B Member Representative:

The Company (through the Class B Manager) shall have the right to appoint a representative (the "***Class B Representative***") to act on the Company's behalf in exercising the Company's rights under the Project Company Operating Agreement. The Class B Representative shall have the following powers, duties and responsibilities:

(a) Review with the Managing Member on a periodic basis the expenditures of the Project Company under its capital development and operating budgets;

(b) Approve the third party funds control service provider ("***Fund Control***") appointed by the Managing Member from time to time, with such approval not to be unreasonably withheld or delayed;

(c) Approve disbursements, investments and purchases over $500,000 or cumulative of $500,000 per month or $1,000,000 per year, unless included in the development budget for the Project;

(d) Be notified of and otherwise monitor the disbursement of funds from the Company's bank account which are approved by the third party Fund Control;

(e) Assist the Managing Member in dealing with the USCIS on EB-5 compliance matters and other immigration matters and providing suggestions and other input regarding the Managing Member's selection of an immigration attorney to provide counsel and assist with such matters for and on behalf of the Project Company;

(f) Provide general administrative assistance in coordinating the EB-5 program investment process;

(g) Review with the Managing Member quarterly and annual reports and budgets;

(h) Provide services independent of the Project Company to the members of the Class B Member that can assist with their transition to the United States, review the financial books of the Company and coordinate meetings of members of the Class B Member;

(i) Coordinate the Class B Member's exercise of its voting or other approval rights under the Project Company Operating Agreement, including implementing procedures reasonably acceptable to the Managing Member for the Class B Member to exercise its voting and other approval rights under the Project Company Operating Agreement;

(j) Facilitate and implement the procedures pertaining to repurchase (Call Option) and Conversion of Class B Membership;

(k) Approve a lease of any portion of the Project that is significantly below market rate and that is for a term exceeding five (5) years;

(l) Approve any guaranty given by the Project Company for the indebtedness of another person or affiliate;

(m) Approve borrowing of money from any affiliate of the Managing Member, or any other loan to the Project Company (including an independent party), if the Class B Representative reasonably demonstrates (not later than 10 business days after it objects to the proposed loan) that such loan is not on market terms and that the Class B Representative can arrange for a loan in the same amount on terms more advantageous than the loan to which it objected;

(n) such additional responsibilities as agreed by the parties, if and to the extent such responsibilities do not conflict with the Project Company Operating Agreement.

Transfer of Interests: No Member may assign, sell, convey, pledge, or mortgage its membership interest without the express prior written consent of the Managing Member, which consent may be granted or withheld in the Managing Member's sole discretion. If a transfer is permitted, it is first subject to several rights of first refusal as outlined in the Project Company Operating Agreement.

Call Option: From and after the earlier of (A) the later of (i) the date that is fifty-four (54) months after the first investment of Company funds in the Project Company, and (ii) the date that all of the Company's I-829 Petitions have received final adjudication by USCIS; or (B) the fifth

(5th) anniversary of the first investment of the Company Funds in the Project Company, the Project Company shall have the right and option to purchase the Class B Membership for a cash amount equal to the "Call Price" (as defined below). "***Call Price***" for the Class B Membership shall be the amount of any Class B Unpaid Preferred Return, plus the Class B Unreturned Capital Contribution.

Conversion Rights: Upon the sixth (6th) anniversary of the first investment of the Company funds in the Project Company, the Class B Member shall have the right to convert the Class B Membership Interest into a Class A Membership Interest at a rate such that the Class B Membership Interest will be converted into a Class A Membership Interest which represents a Percentage Interest of 90% in the Project Company, and receive in cash the amount of the Class B Unpaid Preferred Return balance through the day preceding the conversion date. If exercised, effective as of the conversion date, the Percentage Interests of the Class A Members and the Managing Member shall be reduced proportionately by the total Percentage Interests granted to the Class B Member who has converted its Class B Membership Interest into Class A Membership Interests in the conversion.

Redeployment of Capital Contributions: If at any time before the Class B Members I-829 Petitions are adjudicated by USCIS, the Investment is liquidated, the Company shall have the right to reinvest such returned Capital Contributions of the Members of the Company in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Members' "at risk" investment and eligibility for removal of CLPR status. See "IMMIGRATION MATTERS – Preservation of Eligibility for Removal of CLPR Status" below.

Bankruptcy: If the Project Company becomes insolvent and must declare bankruptcy or otherwise seek protection from creditors, any resulting liquidation of the Company's assets and distribution to the Members shall follow the provisions set forth above with respect to the distribution of non-operational cash flow as closely as possible, but any such plan shall provide that the Company shall receive its Unreturned Capital Contributions and Preferred Return before any other Member of the Project Company receives any distributions. Additionally, if the Managing Members and/or the Class A Members acquire the Project in the reorganization, any plan of reorganization must provide that the Class B Membership Interest is fully provided for.

VII. IMMIGRATION MATTERS

THE IMMIGRATION INFORMATION PROVIDED IN THIS OFFERING MEMORANDUM IS NOT INTENDED TO BE AND SHOULD NOT BE CONSIDERED AS LEGAL ADVICE TO THE FOREIGN INVESTOR. EACH FOREIGN INVESTOR MUST CONSULT WITH INDEPENDENT IMMIGRATION COUNSEL REGARDING U.S. IMMIGRATION LAW IMPLICATIONS, STRATEGIES, ADMONITIONS, BENEFITS, IF ANY, AND ALL OTHER IMMIGRATION-RELATED ISSUES REGARDING THE INVESTOR AND THE INVESTOR'S QUALIFYING FAMILY MEMBERS.

Overview

The EB-5 visa preference category (the ***"EB-5 Visa"***) is intended to encourage the flow of capital into the United States economy and to promote employment of workers in the United States. To accomplish these goals and so that foreign investors may obtain immigration benefits for having made an investment, the program mandates the minimum capital that foreign investors must contribute, and it mandates that 10 qualifying jobs must be created on account of each investment. In addition to the return that investors hope to achieve on their investment, foreign investors and their qualifying family members are offered the prospect, but not the guarantee, of conditional lawful permanent residence in the United States. Investors are solely responsible for retaining counsel for advice regarding removing the conditions on their conditional resident status by filing an I-829 Petition within the 90 days immediately preceding the expiration of the two-year period of conditional resident status. Neither the Company nor the Project Company is responsible for filing the I-829 Petition on behalf of any Investor. However, both the Company and the Project Company will prepare certain documentation that must be included with I-829 Petitions.

The Offering has been structured so that Investors may meet the investment requirements of the EB-5 Program, i.e., 8 U.S.C. § 1153 (b)(5)(A) - (D); INA § 203(b)(5)(A) - (D) of the Immigration & Nationality Act (the "***Immigration Act***") and qualify under the EB-5 Program to become eligible for admission to the United States of America as lawful conditional permanent residents with their spouses and unmarried, minor children (under the age of 21 years old).

The EB-5 Petition Process

For Investors seeking lawful conditional permanent residence, the first step in the process is to file an I-526 Petition, together with accompanying evidence in support of the EB-5 Program's requirements. USCIS adjudicates I-526 Petitions by reviewing, among other things, the criteria below.

New Commercial Enterprise

There must be evidence that shows that the enterprise is new, and authorized to transact business in the territory of the Regional Center under the applicable rules and regulations of the EB-5 Program.

Investment Capital

The I-526 Petition must be supported by evidence that the petitioner has invested the minimum required capital. USCIS expects these funds to be "at risk," connoting an irrevocable commitment to the enterprise.

Source of Capital

Evidence must support the legal acquisition of the capital used by an Investor to make his or her capital contribution. Funds earned or obtained in the United States while the Investor was in unlawful immigration status are not deemed to be lawfully acquired.

Managerial Role

The Investor is expected to participate in the management of the new enterprise by assisting in the formulation of the enterprise's business policy, by participating in one or more of the activities permitted in the California LLC Law and as otherwise set forth in the Operating Agreement. Investors in an EB-5 enterprise must have all the rights and duties usually accorded to members applicable under the Uniform Limited Partnership Act. The rights of the Investors under the Operating Agreement are consistent with rights normally granted to non-managers under the California LLC Law as well as limited partners under the Uniform Limited Partnership Act.

Amount of the Investment

The EB-5 Petition must be supported by evidence that the required minimum sum has been invested.

Employment Creation

There must be evidence that ten EB-5 Jobs have been created or can be expected to be created within a reasonable time on account of each EB-5 investor upon the filing of the I-829 Petition.

Regional Centers

In further support of the EB-5 Program, the U.S. Congress created a Pilot Program that provided for the authorization of Regional Centers by the U.S. Department of Justice, Immigration and Naturalization Service (now, USCIS, under the Department of Homeland Security). Enterprises affiliated with a Regional Center are not required to directly employ 10 workers for each EB-5 qualifying investment. It suffices if the Investor demonstrates that at least 10 qualifying jobs will be created directly or indirectly as a result of the investment. The Regional Center has been approved as a Regional Center by USCIS. An investment in a commercial enterprise situated within an approved "regional center" should foster economic expansion through increased exports, greater regional productivity, and job creation. *See the Economic Study for more information on the calculation of EB-5 Jobs.*

USCIS has approved the Regional Center to sponsor capital investment projects in the following industry sectors:

- NAICS 444 Building Materials and Garden Equipment and Supplies Dealers
- NAICS 445 Food and Beverage Stores
- NAICS 44611 Pharmacies and Drug Stores
- NAICS 448 Clothing and Clothing Accessories Stores
- NAICS 451 Sporting Goods Stores
- NAICS 453 Miscellaneous Store Retailers
- NAICS 7211 Traveler Accommodation
- NAICS 7221 Full-Service Restaurants
- NAICS 7222 Limited-Service Eating Places
- NAICS 54141 Interior Design Services
- NAICS 5413 Architectural, Engineering, and Related Services
- NAICS 2361 Residential Building Construction
- NAICS 2362 Nonresidential Building Construction
- NAICS 6233 Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly
- NAICS 531 Real Estate

The Project's principal economic activities fall within the Regional Center's approved industry sectors. However, the total economic impact of the Project is measured using certain industry sectors outside of those listed. Current USCIS guidance states that a formal amendment to the regional center designation is not required to change a regional center's industries of focus. As such, the Project Company believes that an amendment to the regional center is not required for the Company to invest in the Project.

Approval of EB-5 Petition Not Guaranteed

The I-526 Petition will be approved only if USCIS is satisfied that the foregoing criteria have been met. The determination of whether these criteria have been established is within the discretion of USCIS. It is also within the power of USCIS to seek information about other aspects of the investment, the Project and the relationship of the Investor to the enterprise. USCIS frequently reinterprets the meaning of qualifying criteria. There can be no certainty that compliance with the foregoing criteria, supported by appropriate documentation, will lead to the I-526 Petition approval.

In the event that USCIS denies the I-526 Petition, the Investor may not proceed with the next step in the immigration process, consular processing or adjustment of status. Instead, the Investor must decide whether to appeal the denial of the I-526 Petition at his or her own cost and expense with the consent of the Company or abandon the prospect of investing in the Company and obtaining lawful permanent resident status thereby.

Consular Processing or Adjustment of Status

Approval of the I-526 Petition means that the alien and the alien's spouse and qualifying children may apply for admission as conditional lawful permanent residents ("***CLPR***"). Approval of the I-526 Petition does not mean that the Investor has been granted admission to the United States as a lawful conditional permanent resident. Approval means that the investment documented by the I-526 Petition has qualified the Investor as an alien entrepreneur.

The application for admission is a separate and subsequent process that concerns issues common to all aliens who wish to live in the United States permanently. Admission as a CLPR may be sought using one of two methods: consular processing or adjustment of status.

Consular processing is designed for aliens who are living outside of the United States who prefer to process at a consulate for strategic reasons or as a matter of convenience, or are ineligible to adjust status.

Consular Processing

Before issuing an EB-5 Visa, the consular post must determine if each alien is admissible to the United States. I-526 Petition approval does not by itself establish admissibility. An alien is admissible who proves that no grounds of inadmissibility exist and the alien has proper travel documents. (*See* "**ARTICLE XI—RISK FACTORS, Immigration Risks**" below, for a partial list of the grounds of inadmissibility). Waivers may be available for certain grounds of inadmissibility, but the grant of a waiver is in the discretion of the government, and aliens seeking waivers may experience lengthy delays in adjudication of waiver applications. Investors should consult with independent immigration counsel to determine if any grounds of inadmissibility may affect the Investor's admission or the admission of the Investor's spouse or children to the United States.

If the consular post finds that the Investor is admissible, it will issue an EB-5 Visa to the Investor. The consular post will also determine if the spouse and the qualifying children of the Investor are admissible. A determination of admissibility must be made as to each visa applicant. There is no guarantee that all members of the Investor's family will be granted an EB-5 Visa. If the Investor is denied an EB-5 Visa, applications by the spouse and children of the Investor for such a visa will be denied.

Consular processing begins when USCIS transmits the I-526 Petition approval to the National Visa Center ("***NVC***"). At appropriate intervals, the NVC issues instructions and appointment packages and requests required documents and information. In time, the alien will be instructed to obtain a physical examination and to report to a consulate for fingerprints and a consular interview. EB-5 Visas are generally issued shortly after the interview unless the consular officer detects problems in the visa application, the underlying I-526 Petition or during the interview process. In addition to any delay caused by backlogs in visa availability for the EB-5 preference category as determined by the State Department Visa Bulletin, visa applicants should allow about twelve months to complete consular processing, although times for processing vary greatly among consular posts.

Visa Issuance Not Guaranteed

Decisions by consular officers are discretionary and unreviewable. Other factors that a consular officer may, with unreviewable discretion, elect to consider could result in the denial of a visa.

Visa applicants should not change any living, employment, schooling or other lifestyle arrangements in their country of residence before they are issued an EB-5 Visa based upon an approved I-526 Petition.

Admission As Conditional Lawful Permanent Resident ("***CLPR***") Not Guaranteed

An EB-5 Visa is valid for approximately six (6) months. During this period, the holder of the visa must use it to apply for admission to the United States at a designated port of entry. The port of entry is frequently in an international airport. When the alien arrives at the port of entry, he or she will present the EB-5 Visa to a Customs and Border Protection officer who has the authority to admit the Investor to the United States as a CLPR. This process is known as inspection. Generally, possession of a valid immigrant visa will result in an admission unless the inspecting officer suspects fraud, the alien's travel documents are not in order or the alien has become inadmissible in the time between the date of visa issuance and the date admission is sought. Possession of an EB-5 Visa does not guarantee admission to the United States.

Adjustment of Status

The Adjustment of Status ("***AOS***") procedure provides the USCIS the discretionary authority to permit certain aliens who have been admitted to the United States as non-immigrants or who have been paroled into the country to apply for admission as permanent residents without leaving the country. These non-immigrants must establish that they are admissible permanently, meeting the same standards as aliens who use consular processing to obtain a permanent resident visa. (*See* the discussion above on "**Consular Processing" and "ARTICLE XI—RISK FACTORS, Immigration Risks**").

Aliens seeking AOS must comply with requirements specific to the AOS process. Aliens who do not meet these additional requirements will be required to use consular processing to obtain an EB-5 Visa, which will necessitate a departure from the United States. Aliens admitted in certain non-immigrant statuses may encounter more difficulties adjusting status than aliens admitted in other non-immigrant statuses. Investors should consult with immigration counsel regarding these issues before the I-526 Petition is filed.

Investors should consult with immigration counsel to determine if they, their spouse and their children are eligible for AOS. An alien Investor or the Investor's spouse or children who are eligible for CLPR may not be eligible for AOS if they: (1) were employed in the U.S. without authorization; (2) were not in lawful status on the date their AOS application was filed or if they failed to maintain lawful status thereafter; (3) were ever out of status during earlier admissions to the U.S.; (4) are admitted in certain non-immigrant statuses, such as "A", "G" or "J" (unless the two-year foreign residency requirement does not apply or a waiver of the requirement has been obtained); (5) have been removed from the U.S. in the ten years prior to seeking AOS; (6) were admitted under the visa waiver program at the time AOS is sought; or, (7) obtained CLPR as the spouse of a U.S. citizen or as the son or daughter of a spouse of a U.S. citizen and have not

abandoned this CLPR prior to seeking AOS. There may be additional reasons why an alien may not adjust status, which is a benefit granted at the discretion of USCIS.

During AOS processing, the applicant will be required to submit to a medical examination and will receive instructions from USCIS regarding biometric data collection. In rare cases, an interview may be required. The interview may be waived by USCIS, but the waiver should not be expected. USCIS uses profiling information to determine who will be interviewed, and it also interviews some AOS applicants to maintain the integrity of its screening process. There is no formal process to request the waiver of an interview. If the Investor is interviewed, the spouse and children of the Investor will be required to attend the interview if the spouse and children are also in the United States.

Travel During Adjustment of Status Processing

An alien Investor who leaves the United States without advance permission while an AOS application is pending is deemed to have abandoned that application unless the applicant has been admitted in and continues to hold valid H or L non-immigrant status pending adjudication of the AOS application.

Advance permission to depart the U.S. is issued routinely if the alien articulates a *bona fide* need to travel. It is not necessary to demonstrate an emergency need to travel; any purpose not contrary to law is usually deemed sufficient. Advance permission, known as Advance Parole, is usually granted for multiple entries during the time required to complete the AOS process, but not longer than one year. It may be necessary to re-apply for Advance Parole if the AOS process is not complete within a year.

Advance Parole is not available to aliens who are outside the U.S. It is important for AOS applicants who wish to travel to file an application for Advance Parole while they are in the U.S. They must remain in the U.S. until Advance Parole is granted to avoid abandonment of the AOS application. Advance Parole applications may take about 60-90 days to be granted. Processing times may be longer if an applicant is subjected to extended background checks. In demonstrated emergency circumstances, an AOS applicant may receive expedited Advance Parole.

Alien Investors admitted to the United States in any non-immigrant status who have obtained Advance Parole during the AOS process should consult with immigration counsel before traveling. Re-admission to the U.S. using the Advance Parole document may jeopardize the non-immigrant status of the alien's family members who did not travel. The consequences, if any, of this situation should be examined prior to travel.

Employment During The Adjustment of Status Processing

Applicants for AOS who wish to work in the United States must obtain employment authorization unless they have been admitted to the U.S. in a non-immigrant status that confers employment authorization that does not end before AOS is granted. Self-employment requires employment authorization.

Employment authorization applications currently take 60-90 days to be adjudicated. Processing times may be longer if an applicant is subjected to extended background checks. Employment

authorization is usually granted during the time required to complete the AOS process, but not longer than one year. It may be necessary to re-apply for employment authorization if the AOS process is not complete within a year. To avoid a lapse in employment authorization, re-applications should be made sufficiently in advance of the expiration of existing authorization. Employment without authorization at any time in the U.S. is a violation of immigration status and may jeopardize the right to adjust status.

Adjustment of Status Cannot Be Guaranteed

AOS is granted in the discretion of USCIS. Its decision is not reviewable. An alien whose AOS application has been denied may request that the case be re-opened or re-considered by the same office that denied AOS. If the request to re-open or re-consider the case is denied, or, if, after such a review, the alien fails to convince USCIS to reverse its original decision, the alien may renew the AOS before an immigration judge.

Aliens admitted in unexpired non-immigrant status who are denied AOS to CLPR are usually entitled to remain in the U.S. in that status and may seek an extension of that non-immigrant status or seek a change to a different non-immigrant status for which they are qualified. At such time as the alien's non-immigrant status expires, the alien is expected to depart the U.S. If at the time of the denial of AOS, the alien's non-immigrant status has expired, the alien is expected to depart the U.S. Failure to depart timely is a violation of U.S. immigration law and regulation that may affect the ability of the alien to qualify for future immigration benefits.

If an alien Investor is admitted to the U.S. in a non-immigrant status (pending AOS), the spouse and children of the alien Investor are frequently admitted for a time coincident with the authorization of the Investor to remain in the U.S. If AOS is not granted to the alien Investor and the Investor's non-immigrant status expires, the status of the spouse and children will be deemed to have expired at the same time if dependent on the status of the Investor. They, too, will be expected to depart the U.S. at that time.

AOS applicants should not make any permanent connections to the United States or change any permanent living, employment, schooling or other lifestyle arrangements in their country of residence before they are issued AOS based upon an approved I-526 Petition.

Removal of Conditions

Approval of an AOS application or the grant of an EB-5 Visa followed by entry into the U.S. in Conditional Lawful Permanent Resident status means that the Investor and the spouse and qualified children of the Investor have been granted CLPR for two years. The "conditions" must be removed so that the aliens may reside in the U.S. indefinitely. Failure to timely file the I-829 Petition to Remove Conditions may result in the termination of CLPR status and will likely result in the commencement of removal proceedings.

Removal of conditions is sought by the filing of an I-829 petition in the 90-day period immediately preceding the second anniversary of the grant of CLPR status. In support of the petition, the alien Investor must demonstrate full investment in the enterprise and compliance with the requirement that 10 full-time jobs have been created as a result of the investment. The Investor must also demonstrate maintenance of the investment. The Developer will provide documentation, upon

request by a Class B Member, as reasonably necessary and available in support of such Class B Member's application for removal of conditions.

USCIS currently has jurisdiction to decide a petition to remove conditions, although that jurisdiction authority may change in the future. It is authorized to approve a petition, seek additional written information before deciding the petition, refer the petition to a local office where information will be elicited in an interview, or deny the petition. If the petition is referred for an interview, the local office of USCIS may decide the petition after the interview.

During the pendency of the petition, aliens admitted in CLPR status remain in valid status even if the petition is not decided before the expiration of the two-year period of admission. CLPR is extended in one-year increments or until the petition to remove conditions is adjudicated. Unfortunately, some USCIS offices have been reluctant to provide temporary I-551 stamps as evidence of continuing CLPR status, which has created difficulties for some investors who wish to travel during this period. This difficulty is not experienced in all instances, and it may abate as local USCIS offices become more familiar with the law. Delays and improper denials of documents evidencing extended CLPR status and Advance Parole cannot be ruled out. Denial of such documents does not end the lawful status granted by statute as the I-829 receipt notice also functions to extend the CLPR status of the Investor and serves as a travel document.

Removal of Conditions Not Guaranteed

In the history of the EB-5 Program, INS (now USCIS) modified the requirements for removal of conditions after the time that some Investors were granted CLPR. As a result of this action, some of those investors were unable to comply with the new requirements, creating the possibility that they would be removed from the United States. Some of these investors contested the change in rules after their investments were made.

Their position was supported in litigation that resulted in INS being ordered to reconsider their applications to remove conditions by applying the original rules.

There cannot be any assurance that USCIS will not change the requirements for removal of conditions after Investors are granted CLPR status through investment in the Company. There cannot be any assurance that an Investor will be able to demonstrate to the satisfaction of USCIS that the Project is operating within its business plan, that it has created the requisite jobs at the time required by USCIS, or that any other requirements for the removal of conditions have been met.

Preservation of Eligibility for Removal of CLPR Status

If the Project Company were to sell or refinance the Project before the end of conditional residence of some or all investors without "carving out" the Investment from such transaction, such investors might be found by USCIS to have failed to maintain their investment at risk in the Project and might not be able to obtain removal of conditions. Therefore, if, at any time during the CLPR status period for any Class B Member, any Investment amount is returned to the Company, the Company shall have the right to reinvest the remaining Capital Contribution amounts of the Members in alternate investments that qualify under the EB-5 Program for the purpose of preserving the Class B Members' "at risk" investment and eligibility for removal of CLPR status. However, if USCIS determines that such consent of the Class B Members violates USCIS "at risk"

rules or regulations, the Class B Manager may elect to reinvest the funds without investor approval. USCIS has not set clear policy on the extent to which reinvestment might be considered to constitute a "maintenance of investment" making possible the approval of investors' petition to remove conditions. Until USCIS publishes its final policy memorandum relating to the eligibility criteria, the Company shall use reasonable discretion to redeploy funds to maintain the "at risk" requirement. If and when a final policy is issued by USCIS, then the Company shall have the right to follow USCIS guidelines related to the "at risk" requirement. The Company agrees to communicate with the Class B Members in connection with this process to keep them informed as to the USCIS policies and the reinvestment plan to be undertaken by the Company.

Eligibility of Family Dependents to Immigrate with Investor, Numerical Visa Quotas and CSPA

The Immigration Act provides that spouses and children of EB-5 petitioners may immigrate together with the petitioner as dependent beneficiaries. In order to immigrate with the foreign investor, an investor's spouse must demonstrate legal marriage (not common law marriage) to the investor. Only 10,000 EB-5 immigrant visas are allocated per fiscal year (which commences each year on October 1st) to immigrant investors, their spouses and qualifying children. The Company has no control over the visa apportionment process administered by the U.S. Department of State as referenced in the monthly Visa Bulletin. The numerical control system requires the State Department to make estimates of future number use and return rates based on past number use. The process is not an exact science. If the demand for EB-5 immigrant visas in any given year exceeds the number of available visas, the State Department will establish a cut-off date, and limit the issuance of immigrant visas to those whose I-526 petitions were filed on or before the cut-off date as determined by their priority date (the priority date is the date USCIS receives the I-526 petition, hereinafter "Priority Date").

On April 13, 2015, the U.S. State Department announced the implementation of a cut-off date of May 1, 2013 for the China EB-5 category, effective beginning May 1, 2015. This is commonly referred to as "visa backlog," which occurs when more individuals apply for a visa in a particular immigration category than there are available visas. This means that during the month of May 2015, EB-5 investors (and eligible dependents) born in China with a Priority Date earlier than May 1, 2013 were allowed to apply for immigrant visas. The visa backlog will result in significant delay between the I-526 Petition approval and the processing of immigrant visa applications (including issuance of immigrant visa) by the State Department. The visa backlog may also prevent some dependent children who turn 21 during this process from immigrating as dependents of the investor. **See also, "Article XI, RISK FACTORS, Immigration Risks, China Visa Retrogression and Impact on Children's eligibility for Immigrant Visas"**. The dates in the Visa Bulletin can move forward, backward ("***Visa Retrogression***"), or remain stagnant in any given month, and thus investors born in or chargeable to China are advised to check the Visa Bulletin on a monthly basis to determine if their Priority Date has become current as this will determine the availability of immigrant visas for the investor and his or her derivative beneficiaries. It is impossible to predict the exact duration of such visa backlog and the exact date when a visa number will become available to the investor and his or her derivative beneficiaries. This visa backlog presently does not impact nationals of any other country besides China.

The Immigration Act defines a "child" in part as an individual who is under 21 years of age. Once a "child" turns 21 (or marries), he or she is no longer eligible to immigrate as the dependent of his

or her parent. Stepchildren of the investor must have been under 18 years of age at the time the investor and the child's parent were married. An investor's child seeking to immigrate with the investor must be unmarried and under the age of 21, calculated in accordance with the Child Status Protection Act ("***CSPA***"). CSPA, which took effect on August 6, 2002, amended the INA and changed the definition of "child," such that certain dependents retain eligibility as a "child," even though they may have turned 21 years of age. According to CSPA, a child who was under 21 at the time the petition was filed and received by USCIS (as evidenced by an official USCIS Receipt Notice) will normally remain eligible to immigrate after reaching age 21 as long as the child seeks to acquire permanent residence within one year of visa availability, which in recent practice has been one year from the date of the I-526 petition approval. However, there is no guarantee that visas will continue to be immediately available at the time the I-526 petition is approved, and in fact, as referenced earlier in this Memorandum, beginning May 1, 2015, visas are no longer immediately available to China-born nationals for an indeterminable period.

To summarize some of the crucial elements of CSPA for investors, the key consideration is whether visas are available at the time the I-526 petition is approved. If they are, the child still qualifies as a dependent and there is no "age-out," so long as the child had not yet turned 21 at the time the I-526 petition was received by USCIS and the child seeks to acquire status as a lawful permanent resident within one year of the I-526 petition approval. According to the State Department, the child can satisfy this latter requirement by: (i) paying the visa fee, or filing Form DS-260 or Form DS-230 with the State Department; or (ii) filing Form I-485 or I-824 with USCIS (if eligible). If visas are unavailable at the time of the I-526 petition approval, then the child must wait until visas become available. At the time visas become available, the amount of time the I-526 petition was pending with USCIS is subtracted from the child's biological age, resulting in the "CSPA age." If the CSPA age is 21 or more, the child of the investor has "aged-out" and may not be eligible to immigrate with the principal as a qualifying dependent.

Even if the requisite action is taken within one year, thereby preserving the CSPA benefit for the child, consulates are required to return unused visas to the State Department at the end of each month. Therefore, investors who do not appear at a scheduled consular interview or whose application must undergo "Administrative Processing" following a consular interview may forfeit the immigrant visa reserved for them, which may cause delay in the allocation of another immigrant visa. Lack of diligence or visa ineligibility issues may cause delay of unforeseeable length due to the temporary unavailability of visa numbers.

Immigrant Investor Program's Expiration Date

As of the date of this Memorandum, the Immigrant Investor Program is set to sunset on September 30, 2015. If the Immigrant Investor Program expires before an investor's I-526 petition is approved, the I-526 petition may not be approved unless and until the Immigrant Investor Program is extended by the U.S. Congress and the President. USCIS has not clearly indicated whether an immigrant visa and/or admission as a conditional resident may be approved for an investor with an approved I-526 petition and his or her family if the Immigrant Investor Program expires before admission as a conditional resident. USCIS has stated previously that expiration of the Immigrant Investor Program will not prevent removal of conditions from residence of persons already approved for conditional residence, but this interpretation is subject to change. Additionally, new legislation has been presented in the U.S. Congress that would significantly modify the EB-5

Program, the results of which are unpredictable. It is expected that the EB-5 Program will be either renewed in accordance with the new legislation or be extended for a short period of time pending deliberation and approval of the legislation.

VIII. INVESTOR SUBSCRIPTION PROCEDURES

Information Provided

Prior to the consummation of the Offering, the Company will provide to each prospective investor and each such prospective investor's representatives and advisers the opportunity to ask questions regarding the terms and conditions of this Offering and to obtain any additional information required. Any questions or requests for information should be directed to

Vestalia Opportunity Investors, LLC
7000 E. Slauson Avenue
Commerce, CA 90040
Phone: +1 (323) 201-0018 ext 102

Prospective investors are urged to request any additional information they may consider necessary in making an informed investment decision. No other persons have been authorized to give information or to make any representations concerning this Offering, and if given or made, such other information or representations must not be relied upon as having been authorized by the Company.

Plan of Distribution; Certain Fees

This Memorandum, and any supplement thereto, supersedes in its entirety any and all sales literature describing or summarizing the Company and its intended activity. No person has the authority to use any sales literature other than this Memorandum, and any supplement hereto, in connection with the Offering or make any representation about the terms of the Offering other than the information contained herein. If a prospective investor receives any information from any person which is different from the information in this Memorandum, and any supplement hereto, he or she should disregard it in making his or her investment decision and should report such event to the Class A Manager.

The Company will utilize overseas/offshore finders and agents to seek potential investors in the Company (each a "***Program Locator***") and document processors to process immigration paperwork and assisting with their immigration paperwork for those investors (each, a "***Processor***"), and the Company will pay a fee to compensate firms and individuals for those services. All of the Administrative Fees are paid to Program Locators and Processors for capital raising and document processing and to the Regional Center for their fees.

None of such fees shall be paid out of the Subscription Amount or investment in the Membership Interests of the Company. Notwithstanding the payment of any such fees, no Program Locator shall be deemed an agent or representative of the Company, and the Company is not bound by, and shall have no liability with respect to, any statements, agreements, or representations made by any such Program Locator. Additionally, none of such fees shall be paid to a Program Locater

operating from the United States or selling to any person in the United States. See the Offering Summary for a further discussion of fees.

The Company reserves the right to withdraw this Offering at any time and to reject any offers to purchase Membership Interests. The Company reserves the right in its sole discretion to sell interests to any prospective investor. Subscriptions may be accepted by the Company any time prior to termination of the Offering, and the Company may close on each subscription once the Minimum Offering Amount has been received. Officers and Managers of the Company may invest in the Offering but have no obligation to do so. The Offering will terminate on the earlier of (i) the date the Company has accepted subscriptions for $35,000,000 of Membership Interests, or (ii) the date the Company declares that the Offering is terminated, unless the Company decides to extend the Offering.

Investor Suitability

Only persons of adequate financial means who have no need for liquidity with respect to this investment should consider purchasing the Membership Interests offered hereby because (i) an investment in the Membership Interests involves certain risks (*see* "**ARTICLE XI—RISK FACTORS**"), and (ii) a market for the Membership Interests does not exist and is not likely to develop. This Offering is intended to be a "private offering" and therefore exempt from registration under the Securities Act and applicable state securities laws.

This Offering is limited to investors who meet the qualification criteria set forth in the Company's subscription application materials, which must be completed prior to making an investment in the Company.

Offers and sales of Membership Interests will not be registered under the laws of any jurisdiction. Neither the United States Securities and Exchange Commission, nor the securities commission of any non-U.S. jurisdiction, nor any other agency has reviewed or passed upon the merits of this Offering. Certain information required by the securities laws of certain jurisdictions outside the United States is included in the "**IMPORTANT NOTICES**" section of this Memorandum.

Each purchaser of a Membership Interest will be deemed to have understood, represented and agreed with the Company as follows: (i) the purchaser is purchasing a Membership Interest for the purchaser's own account; (ii) the purchaser is an accredited investor under Rule 501 of the Securities Act or is outside the United States and is not a U.S. Person (i.e., is not a resident or citizen of the United States); (iii) the Membership Interests have not been registered under the Securities Act or any other applicable securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except as set forth below; (iv) if the applicable Manager(s) permits a transfer of a Membership Interest to occur, in accordance with the Operating Agreement, the purchaser may only resell or transfer the Membership Interest (a) in accordance with the provisions of Regulation S under the Securities Act, (b) pursuant to an exemption from registration under the Securities Act, or (c) pursuant to an effective registration statement under the Securities Act, and, in any case, the purchaser understands that any such transfer or resale may jeopardize the purchaser's ability to obtain lawful permanent residency in the United States under the EB-5 Program; (v) if the applicable Manager(s) permits a transfer of an Membership Interest to occur, the purchaser will give each person to whom the purchaser

transfers such Membership Interest notice of any restrictions on transfer of such Membership Interest; and (vi) if the purchaser is not a U.S. Person and is outside the United States, the purchaser is purchasing in accordance with Regulation S and has not engaged in, and will not engage in any short selling of any equity security issued by the Company (including, without limitation, the Membership Interests) or any hedging transaction with respect to any such equity security, including without limitation, put, call or other option transactions, option writing and equity swaps.

Only the Company may accept subscriptions, and the Company will have the absolute right and sole discretion to refuse to accept any subscription (or any portion thereof) from a prospective investor or any other person and for any reason. The Company is entitled to rely exclusively upon the accuracy of a prospective investor's representations provided in the subscription application materials. The Company may require additional evidence that a prospective investor meets the Company's eligibility criteria at any time prior to acceptance of a prospective investor's subscription.

Subscription Procedure

To subscribe for a Membership Interest, a prospective investor must complete and sign the Investment Representation Statement, and sign and deliver (including via electronic mail) each of the Subscription Agreement, the Operating Agreement, and the Management Agreement and submit them to the Company. The foregoing documents may be signed by hand, scanned, and submitted electronically. There is no need to submit original copies by postal mail. These materials must be delivered to:

Vestalia Opportunity Investors, LLC
7000 E. Slauson Avenue
Commerce, CA 90040
Phone: +1 (323) 201-0018 ext. 102
Or to: glendalevoi@gmail.com

Each person subscribing for a Membership Interest must deliver the Subscription Amount and the Administrative Fee directly to the Company, as described in the Subscription Agreement. The minimum Subscription Amount (and the required Administrative Fee) are outlined in the Memorandum Summary. All payments should be made by wire transfer of readily available U.S. dollars, by check (personal or cashier's) or by money order, following the instructions as indicated in the Subscription Agreement.

The Administrative Fee shall not be deemed refundable unless a Class B Member's I-526 Petition is not approved (subject to terms below), at which point both the Subscription Amount and the Administrative Fee will be returned to the Class B Member, the Class B Member's Membership Interests will automatically be cancelled, and the Class B Member shall cease to have any rights as a Class B Member of the Company under the Operating Agreement or the California LLC Law. Notwithstanding the foregoing, if our Manager(s) reasonably determine that the Class B Member or prospective Class B Member did not act in good faith with respect to seeking I-526 Petition approval, the Administrative Fee shall be paid to the Company (or retained by the Company, as the case may be). If the Class B Member or prospective Class B Member has provided false or materially inaccurate information in connection with his or her I-526 Petition, or has failed in our

Manager's sole judgment to diligently pursue appeals from a denial of his or her I-526 Petition, then the Class B Member or prospective Class B Member shall be deemed to have not acted in good faith with regard to the foregoing sentence.

Once the Class B Member receives approval of his or her I-526 Petition, the Administrative Fee shall not be refundable.

Each Investor will engage his or her own counsel to file the I-526 Petition, but each Investor will be required to file the I-526 Petition using the template recommended by the Company, including the use of the same Offering documents and supporting Project materials.

IX. SOURCES AND USES AND OTHER FINANCIAL INFORMATION

With respect to the sources and uses of funds (see page 28), the Project Company reserves the right to re-allocate the funds to the same Project to the extent reasonably necessary and subject to approval by the Class B Manager. Moreover, although the Project Company has identified generally how it expects to use the proceeds from the Investment, the Project Company will have broad discretion in determining the specific uses of the proceeds, and the Project Company may find it necessary or advisable to reallocate the net proceeds or use portions thereof for other purposes related to the Project, provided always that the use of such proceeds is consistent with the requirements of the EB-5 Program. As a result, the Company's success will be substantially dependent upon the discretion and judgment of the Project Company with respect to the application and allocation of the Investments.

Any projections herein are based on prior performance of similar properties, various assumptions and the Company's best estimate of future performance. No assurance can be given that prior performance will be indicative of future performance or that the Company will generate the revenues or maintain expenses as described above. There are a number of uncertainties associated with the operation of the Project, many of which are beyond the control of management, and potential Investors are cautioned to take this into consideration as they review this financial data.

X. TAX MATTERS

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR NO. 230, BE ADVISED THAT ANY FEDERAL TAX ADVICE IN THIS COMMUNICATION, INCLUDING ANY ATTACHMENTS OR ENCLOSURES, WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY INDIVIDUAL OR ENTITY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY INTERNAL REVENUE CODE PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON OR ENTITY. SUCH ADVICE WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION(S) OR MATTER(S) ADDRESSED BY THE WRITTEN ADVICE. EACH PERSON OR ENTITY SHOULD SEEK ADVICE BASED ON HIS OR HER PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PRIOR TO INVESTMENT, A PROSPECTIVE INVESTOR THAT IS NOT A U.S. PERSON SHOULD CONSULT WITH HIS OR HER NON-U.S. AND U.S. TAX ADVISORS

WITH REGARD TO THE TAX CONSEQUENCES OF BECOMING A LAWFUL PERMANENT RESIDENT OF THE UNITED STATES, AND, FURTHER, OF INVESTING IN, OWNING AND DISPOSING OF THE UNITS, AND ALL OTHER TAX CONSEQUENCES IN CONNECTION WITH AN INVESTMENT IN THE UNITS.

THE FOLLOWING DISCUSSION IS NOT TAX ADVICE. PROSPECTIVE INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

The following discussion summarizes certain U.S. federal income tax considerations relating to the Company and an investment in the Company. This discussion is based on the Internal Revenue Code of 1986, as amended (the "***Code***"), Treasury Regulations promulgated thereunder, administrative rulings and pronouncements of the Internal Revenue Service ("***IRS***") and judicial decisions, all as in effect on the date hereof and which are subject to change or differing interpretations possibly with retroactive effect.

The discussion does not purport to describe all of the U.S. federal income tax consequences applicable to the Company or that may be relevant to a particular Class B Member in view of such Class B Member's particular circumstances and, except to the extent provided below, is not directed to Class B Members subject to special treatment under the U.S. federal income tax laws, such as banks, dealers in securities, tax-exempt entities, non-U.S. persons subject to, or that as a result of an investment in the Company become subject to, the alternative minimum tax and insurance companies. In addition, this summary does not discuss any aspect of state, local or foreign tax law and assumes that Class B Members will hold their Units in the Company as capital assets within the meaning of Section 1221 of the Code. Moreover, this summary does not address the U.S. federal estate and gift tax consequences of the acquisition, ownership, disposition or withdrawal of an investment in the Company.

No federal income tax ruling will be requested from the IRS with respect to any of the income tax consequences or federal estate tax consequences related to the Company's activities or an investor's ownership of a Class B Unit. Therefore, a risk exists that, upon audit, certain items of deduction may be disallowed in whole or in part or required to be capitalized by the Company. It is presently intended that the Company's tax filings will be prepared based upon interpretations of tax law deemed to be most favorable to the majority of investors. However, it will be the responsibility of each investor to prepare and file all appropriate tax returns that he or she may be required to file as a result of his or her participation in the Company. EACH PROSPECTIVE INVESTOR IS STRONGLY URGED TO CONSULT WITH HIS OR HER OWN TAX ADVISOR AND COUNSEL WITH RESPECT TO ALL TAX ASPECTS OF THE ACQUISITION AND OWNERSHIP OF A CLASS B UNIT.

United States Tax Status

The Company will be classified for U.S. federal income tax purposes as an association taxable as a corporation under currently applicable tax laws. Therefore, the Company will be subject to tax on the Company's taxable income at the corporate level.

Certain U.S. Tax Considerations for Foreign Investors

The U.S. federal income tax treatment of a non-resident alien investing as an Investor in the Company is complex and will vary depending on the circumstances and activities of such Investor and the Company. Each non-U.S. Investor is urged to consult with his or her own tax advisor regarding the U.S. federal, state, local and foreign income, estate and other tax consequences of an investment in the Company. The following discussion assumes that a non-U.S. Investor is not subject to U.S. federal income taxes as a result of the Investor's presence or activities in the United States other than as an Investor in the Company.

Withholding

A non-U.S. Investor will generally be subject to U.S. federal withholding taxes at the rate of thirty percent (30%) (or such lower rate provided by an applicable tax treaty) on his or her share of Company income from dividends interest (other than interest which constitutes portfolio interest within the meaning of the Code) and certain other income.

Backup Withholding

Backup withholding of U.S. tax, currently at a rate of 28%, may apply to distributions or portions thereof by the Company to Investors who fail to provide the Company with certain identifying information, such as an Investor's taxpayer identification number. A U.S. Investor may comply with these identification procedures by providing the Company with a duly executed IRS Form W-9, Request for Taxpayer Identification Number and Certification. Non-U.S. Investors may comply by providing the Company with a duly executed IRS Form W-8BEN or other appropriate IRS Form W-8.

Estate Tax

Additionally, each non-U.S. Investor is subject to U.S. estate tax on his or her interest in the Company. If at the time death, the non-U.S. Investor remains a non-U.S. resident, under the Code, a non- U.S. Investor may pass, free of U.S. estate tax, the first $60,000 of U.S. situs assets. The value in excess of this $60,000 exemption will be subject to federal estate tax at a 40% rate. Treaties and various exemptions may reduce or eliminate the estate tax, but no assurance can be made that a treaty or exemption will apply.

The United States charges income and estate tax on all U.S. citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some but not all of the risk of double taxation. Each state in the United States has its own separate income tax system. Almost all states raise revenue through state income tax. Investors should consider the tax effects of becoming a U.S. resident before investing. Foreign persons (non-U.S. persons) that become permanent residents of the United States generally are subject to U.S. federal income tax on their worldwide income in the same manner as a U.S. citizen. Prior to making an investment in the Company, an Investor that is not a U.S. person should consult with his or her non-U.S. tax advisors with regard to the consequences of becoming a lawful permanent resident of the United States.

This Memorandum does not address all of the U.S. federal income tax consequences to the Investor of an investment in the Company, and does not address any of the state or local tax consequences of such an investment to any Investor, or all of the United States or foreign tax consequences of such an investment to any Investor that is not a United States person or entity. Each Investor is advised to consult his or her own tax counsel as to the U.S. federal income tax consequences of an investment in the Company and as to applicable state, local and foreign taxes. Special considerations may apply to Investors who are not United States persons or entities and such Investors are advised to consult his or her own tax advisors with regard to the United States, state, local and foreign tax consequences of an investment in the Company.

It is anticipated that upon the acceptance of an Investors I-526 Petition and the issuance of a temporary resident visa, such Investor will automatically become a United States taxpayer and not be subject to the tax treatment afforded non-resident persons unless such Investor's tax status would change in the future.

State and Local Taxes

Investors should consider the potential state and local tax consequences of an investment in the Company. In addition to being taxed in its own state or locality of residence, an Investor may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Company operates. Investors should consult their tax advisers regarding the state and local tax consequences of an investment in the Company.

Disposition of the Units

There are limitations on the transfer, assignment or disposition of the Units. Generally, a U.S. Investor will recognize capital gain or loss on the sale, redemption, exchange or other taxable disposition of an interest in the Company, excluding amounts attributable to dividends (which will be recognized as ordinary dividend income) to the extent the U.S. Investor has not previously included the accrued dividend income. The deductibility of capital losses may be subject to limitation. The consequences of the limitations will vary depending on the tax situation of each taxpayer. Accordingly, each Investor should consult their own tax advisors with respect to these limitations.

Possible IRS Challenges; Tax Audits.

Investors should be aware that the IRS may challenge the Company's treatment of items of income, gain loss, deduction and credit, or its characterization of the Company's transactions, and that any such challenge, if successful, could result in the imposition of additional taxes, penalties and interest charges. The Managers decide how to report the items on the Company's tax returns. The legal and accounting costs incurred in connection with any audit of the Company's tax returns will be paid by the Company, but each Class B Member will bear the cost as well as any costs associated with audits of his or her own return.

Possible Legislative or Other Action Affecting Tax Aspects

The foregoing discussion is only a summary and is based upon existing U.S. federal income tax law. Investors should recognize that the U.S. federal income tax treatment of an investment in

Units may be modified at any time by legislative, judicial or administrative action. Any such changes may have retroactive effect with respect to existing transactions and investments and may modify the statements made above. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the Treasury Department, resulting in revisions of Treasury Department regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax aspects of an investment in the Company. There can be no assurance that legislation will not be enacted that has an unfavorable effect on an investor's investment in the Company.

THIS OFFERING MEMORANDUM DOES NOT ADDRESS ALL OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THE INVESTOR OF AN INVESTMENT IN THE COMPANY, AND DOES NOT ADDRESS ANY OF THE STATE OR LOCAL TAX CONSEQUENCES OF SUCH AN INVESTMENT TO ANY INVESTOR, OR ALL OF THE UNITED STATES OR FOREIGN TAX CONSEQUENCES OF SUCH AN INVESTMENT TO ANY CLASS B MEMBER THAT IS NOT A UNITED STATES PERSON OR ENTITY. EACH INVESTOR IS ADVISED TO CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY AND AS TO APPLICABLE STATE, LOCAL AND FOREIGN TAXES. SPECIAL CONSIDERATIONS MAY APPLY TO INVESTORS WHO ARE NOT UNITED STATES PERSONS OR ENTITIES AND SUCH INVESTORS ARE ADVISED TO CONSULT HIS OR HER OWN TAX ADVISORS WITH REGARD TO THE UNITED STATES, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. AN INVESTOR THAT IS NOT A U.S. PERSON THAT ANTICIPATES BECOMING A U.S. RESIDENT SHOULD CONSULT WITH HIS OR HER U.S. TAX ADVISOR WITH REGARD TO THE CONSEQUENCES OF BECOMING A LAWFUL RESIDENT OF THE UNITED STATES.

XI. RISK FACTORS

THE PURCHASE OF UNITS INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL MEANS WHO CAN BEAR THE RISK OF LOSS OF THEIR ENTIRE INVESTMENT AND WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT. IN ADDITION TO ALL OTHER INFORMATION SET FORTH ELSEWHERE IN THIS MEMORANDUM, INCLUDING THE APPENDICES HERETO, A PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS, AND SHOULD CONSULT HIS OR HER OWN LEGAL, TAX, REAL ESTATE AND FINANCIAL ADVISORS WITH RESPECT THERETO, BEFORE MAKING A DECISION TO PURCHASE UNITS. THE ORDER IN WHICH THE FOLLOWING RISKS ARE PRESENTED DOES NOT CORRELATE TO THE MAGNITUDE OF THE RISKS DESCRIBED. THE FACT THAT THE FOLLOWING RISK FACTORS ARE ENUMERATED IN NO WAY IMPLIES THAT THESE ARE THE ONLY RISK FACTORS ASSOCIATED WITH THIS INVESTMENT AND ARE MERELY ILLUSTRATIVE OF THE TYPES OF RISKS INVOLVED IN THIS TYPE OF INVESTMENT.

Risks Related to the Company's Proposed Business - General

The Company and the Project Have No Operating History

The success of the Company will be directly dependent upon the success of the Project's business operations. The proposed management team engaged by the Project Company has had extensive experience in the development of facilities similar to the proposed Project. The Project is in its development stage and its operations are subject to all of the risks inherent in the management and operation of mixed-use properties in a highly competitive market. No assurances can be given that the Project will operate profitably in order to generate revenue sufficient to enable the Class B Member to receive its Preferred Returns or the repurchase of the Class B Membership.

Manager Liability will be Limited

Pursuant to the Operating Agreement, each Manager and its agents, officers and affiliates (among other parties) will not be liable to the Company for any claims, actions, suits, demands, damages, debt, liabilities, obligations, losses, penalties, fines, settlements, judgments, costs and expenses (collectively, a "***Loss***") unless one of those parties is in material breach of the Operating Agreement or guilty of fraud, deceit, bad faith, knowing violation of law, active or gross negligence, or reckless or intentional misconduct. Thus, Class B Members will have limited recourse against those parties. The Operating Agreement also provides that the Company will indemnify, hold harmless and defend any claim against each Manager (and the officers of the Company appointed by such Managers) for any Loss relating to any act or failure to act arising from or out of the performance of their duties to the Company under the Operating Agreement, or as a result of any action which a Manager or an officer is requested to take or to refrain from taking by the Company unless such claim has arisen as a result of his or her gross negligence or willful misconduct.

The Company will have no Diversification of its Investment

The Company will invest the proceeds of Units sold to the Investors in the Project Company, which will then deploy the Investment proceeds into the Project, thus limiting the investment to the Real Property and improvements thereon. This lack of diversification increases the risk of adverse results, including total loss of the investment.

The Company's Success is Dependent upon the Successful Implementation of the Project Business Plan

The success of the Company will largely depend upon the Project Company's success in implementing its business plan for the Project (the "***Project Business Plan***", which is available upon request). Because many of the factors necessary for success are beyond the control of the Project Company, there can be no assurance that the Project Company will be able to successfully implement the Project Business Plan or carry out the Project Business Plan as circumstances require. Additionally, the ability of a Subscriber to obtain an approval of the I-829 Petition and receive a permanent green card is dependent upon the successful implementation of the Project Business Plan, including construction of the Project, completion of any tenant related improvements, and successful leasing of the Project to tenants. Material changes to the Project Business Plan may result in the denial of a Subscriber's I-829 Petition.

The Project will be Subject to Insurance Risks and Catastrophic and Force Majeure Events

The Project may be subject to catastrophic events and other force majeure events, such as fires, earthquakes, adverse weather conditions, changes in law, eminent domain, war, riots, terrorist attacks and similar risks. These events could result in the partial or total loss of investment, or significant delays resulting in lost revenues, in addition to other potentially detrimental effects, such as insufficient job creation. While the Project Company and Developer intend to obtain and maintain insurance and other risk management products (to the extent available on commercially reasonable terms) related to the Project to mitigate the potential losses resulting from catastrophic events and other risks customarily covered by insurance, such products may not be practicable, feasible or affordable on such terms. Moreover, it will not be possible to insure against all such risks, such as job creation risks, and insurance proceeds from covered risks may be inadequate to completely or even partially cover the loss or the cost of replacement or rehabilitation. In addition, certain losses of a catastrophic nature, such as those caused by wars, earthquakes, terrorist attacks or other similar events, may be either uninsurable or insurable only at rates such that obtaining insurance against such losses would have a material adverse impact on the Project's profitability. It is difficult to predict the extent to which similar events and conditions may affect the Project Company, directly or indirectly, in the future. If a major uninsured loss were to occur with respect to the Project, the Class A Members and Class B Member could lose the capital invested in the Project, as well as any Preferred Returns.

Distributions by the Company are not Guaranteed

The investment in the Project Company is not expected to generate current income for some time. Therefore, the payment of Preferred Returns and return of capital will be deferred until such time. Payment of distributions and the amounts thereof will be dependent upon payments received by the Project Company. No assurances can be given that the Class B Member will receive back the capital invested in the Project or any Preferred Returns.

Investors Will Bear a Significant Financial Risk

Purchasers of Membership Interests will be providing a significant portion of the risk capital to Project Company and will be investing at a time when the success of the Project remains uncertain. Accordingly, Investors will bear a substantial portion of the capital risk related to the funding of the Project.

The Project Company, the Developer and their Respective Affiliates will be Subject to Conflicts of Interest

The Project Company, the Developer and their respective affiliates (the "***Related Parties***") are related parties and have considerable control over the operation of the Project, the capital invested in the Project and any Preferred Returns. This could result in one or more conflicts of interest between the interests of the Investors and the Related Parties. *See* **"ARTICLE XII—CONFLICTS OF INTEREST**" for additional information.

Return of Invested Funds Upon Denial of an I-526 Petition May be Delayed or Denied

If an Investor permits his or her investment to be invested in the Project Company prior to the approval of his or her I-526 Petition, and if such I-526 Petition is denied, the Company shall promptly following delivery of such Investor's timely written notice, refund the Investor's Subscription Amount and Administrative Fee, though the Administrative Fee will not be refunded under certain circumstances described in the Operating Agreement. However, the Operating Agreement provides that the Managers may determine, in their sole and absolute discretion, that the repurchase of the Investor's Units "would have an adverse effect on immigration objectives or material adverse financial impact of the Company, or that the Company is restricted from purchasing any Class B Units under the Act or other applicable law, then the Company's obligation to purchase the Class B Units (and the Class B Member's rights under this Section 7.5) shall be suspended until the Managers determine, in their sole and absolute discretion, that the repurchase of the Class B Units no longer causes such adverse effect or the Company is legally and contractually able to purchase all such Class B Units, as the case may be…"

No Assurance that Enough Investors will Subscribe

There is no assurance that enough Investors will subscribe and thereby provide the Company with the ability to make the Investment. In the event that the full Investment amount cannot be funded, the Project Company will be forced to look elsewhere for additional capital. There can be no assurance that additional capital can be acquired.

Special Risks Associated With the Project

Marketing of Business

There is a risk as to the ability of the Project Company to manage and market the Project in a competitive market. Although the Project Company has prepared an operational plan, there are no assurances that it will be able to successfully market the Project. If projections are not met, the business plan may not be successfully implemented and such failure will likely affect the return the capital invested in the Project, as well as any Preferred Returns.

Significant construction risks may jeopardize the Project

The Project requires substantial capital outlay during the construction period, and several years could pass before positive cash flow can be generated, if ever. The time and costs required to complete the Project may be substantially increased by many factors, including shortages of materials, equipment, technical skills and labor, adverse weather conditions, natural disasters, labor disputes, disputes with contractors, accidents, changes in government priorities and policies, delays in obtaining the requisite licenses, permits and approvals from the relevant authorities, and other unforeseeable problems and circumstances. These problems may delay construction and increase costs, which in turn would delay completion of the Project and the Project Company's ability to generate cash flow, significantly reducing projected rates of return and the Project Company's ability to return the capital invested in the Project, as well as its ability to distribute any Preferred Returns. Obtaining building permits is a time-consuming process, and it is virtually impossible to predict how long it may take to receive final building permits. This uncertainty

could result in construction delays and increased costs associated with the Project. The costs of construction materials and labor may change to the detriment of the Project Company during the course of construction. Unanticipated cost increases may require the Project Company to raise or borrow additional capital, which may or may not be available, to complete construction of the Project. In addition, failure to complete the Project according to the Project's original specifications or schedule, if at all, may give rise to potential liabilities and, as a result, a Class B Member's return on investment in the Membership Interests may be different than originally expected.

Cost Overruns and Unexpected Events

Cost overruns may be encountered as a result of numerous factors, including not only the delay in the process to upgrade and convert the Real Property and the failure of certain contracted parties to complete their work in accordance with the contracted amount, necessitating the substitution of subcontractors and potential increases in pricing. Furthermore, unforeseen issues may be encountered that otherwise require an increase in the total acquisition/rehabilitation and development budget that have not otherwise been reserved for in the contingency fund. This Memorandum provides estimates of the total cost of the Project, including, among other things, the projected timeline and cost estimates. If any of these overruns, failures or delays actually occurs, capital expenditures may exceed the Project Company's estimates and the additional costs could have an adverse effect on future performance and the ability of the Project Company to return the capital invested in the Project, as well as its ability to distribute any Preferred Returns.

Management Agreements Not Yet Secured

The Developer is in negotiations with various firms with respect to management of the Project's residential and hotel operations. Negotiations are ongoing at this time, and there can be no assurance that these negotiations will lead to management agreements with these entities.

Uncertain Terms of Certain Agreements

The terms of the construction loan agreement between the Project Company and the construction lender have not yet been finally negotiated. The Project Company might obtain bridge financing to ensure a smooth progression of the Project. The terms of these loans and any intercreditor agreements entered into by the Project Company and other lenders with respect to those loans and the construction loan are uncertain at this time.

Competition

The Project Company's competitors may have greater financial resources than those available to Project Company and thus be in a better position to: a) execute their business models; b) attract key hospitality talent in performance-critical areas, and c) launch and/or carry on important programs and initiatives to attract clientele. There can be no assurances that Project Company consistently shall be able to undertake programs and initiatives that could prove profitable to Project Company in view of the intense competition that may be encountered by Project Company in all significant phases of its activities.

Leverage

The degree to which the Project is leveraged could have important consequences to the Company and holders of Membership Interests, including possible limitations on distributions. The Project's ability to generate sufficient cash to distribute any Preferred Returns will depend on future operating performance, which will be subject, in part, to factors beyond its control. While the Project Company believes that cash flow from operations will be adequate to distribute any Preferred Returns, there can be no assurance that the Project will generate cash in sufficient amounts to meet such obligations. In the event the Project's operating cash flow is not sufficient to meet expenditures or pay debt service on the construction loan or any bridge loan, the Project may be required to raise additional financing through capital contributions, the refinancing of all or part of its indebtedness or sales of its assets. There can be no assurance that the Project will be able to obtain any such additional financing or affect satisfactory refinancing or asset sales on favorable terms, if at all.

Regulated Industry

The Project will conduct business in a regulated industry and changes in regulations or violations of regulations may result in increased costs or sanctions that reduce the Company's revenue and profitability.

Failure to Comply

If the Project fails to comply with the laws and regulations applicable to its operations, the Project could suffer penalties or be required to make significant changes to its operations. The Project's operations are subject to many laws and regulations at the state and local government levels. These laws and regulations require that the Project maintain various licensing, certification, permits and other requirements. While the Project will attempt to comply with all applicable laws and regulations, its failure to comply with all applicable laws and regulations could result in the Project Company suffering civil or criminal penalties, including becoming the subject of cease and desist orders and the loss of licenses to operate.

Project not Fully Developed

Because the Project has not yet been fully developed, it has no operating history and involves risks of failure to maintain or obtain or substantial delays in obtaining: (i) regulatory, environmental or other approvals or permits related to operations; (ii) financing; and (iii) refinancing. As with any new business venture of this size and nature, operation of the Project could be affected by many factors, including those identified immediately above. The occurrence of these events could significantly reduce or eliminate revenues from the Project or significantly increase the expenses of the Project and adversely affect the Project Company's ability to return the capital invested in the Project or distribute any Preferred Returns.

Environmental Site Assessment

Because the Project Company owns real property, it is subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.

Environmental laws regulate, and impose liability for, releases of contamination, including hazardous or toxic substances, into the environment. Under various provisions of these laws, an owner or operator of real estate may be liable for costs related to soil or groundwater contamination on, in, or migrating to or from its property. In addition, persons who arrange for the disposal or treatment of hazardous or toxic substances may be liable for the costs of cleaning up contamination at the disposal site. Such laws often impose liability regardless of whether the person knew of, or was responsible for, the presence of the hazardous or toxic substances that caused the contamination. The presence of, or contamination resulting from, any of these substances, or the failure to properly remediate them, may adversely affect the Project Company's ability to sell or rent the Project or to borrow using the Project as collateral. In addition, persons exposed to hazardous or toxic substances may sue for personal injury damages. Although the Real Property has been subjected to a preliminary environmental assessment, known as a phase I assessment, by independent environmental consultants, phase I assessments are limited in scope and are based on observation and searches of available information with no on-site testing. Thus, they may not include or identify all potential environmental liabilities or risks associated with the Real Property.

We cannot assure that the phase I assessment for this site identified all potential environmental liabilities, or that the Project Company will not incur material environmental liabilities in the future. If the Project Company does incur material environmental liabilities in the future, it may face significant remediation costs and may find it difficult to sell or rent the Project.

Environmental, Health and Safety Requirements

The Project is subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on the Project. Compliance with such current or future environmental requirements does not ensure that the operations of the Project will not cause injury to the environment or to people under all circumstances or that the Project will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on the Project, and there can be no assurance that the Project will at all times comply with all applicable environmental laws, regulations and permit requirements.

Real Estate Investment and Limited Ability to Vary Portfolio

The Company intends to invest in the Project Company, which will own only the Real Property comprising the Project. Real estate investments tend to be long-term and illiquid. Consequently, the Project Company will have only a limited ability to vary its portfolio in response to changing economic, financial and investment conditions. Real estate values are generally affected by various factors, including (i) changes in interest rates, (ii) changes in tax laws, (iii) increases in development and construction costs, (iv) the location and the attractiveness of the property, (v) the ability of the owner to provide adequate maintenance and insurance of its properties, (vi) adverse changes in general economic conditions, (vii) increases in operating costs, and (viii) changes in zoning laws or other governmental regulations. In addition, owners and operators of real estate may have potential liabilities under environmental and other such laws. In the event that there is

a substantial change in one of the factors listed above or other factors affecting the value of the Project, the Project Company (and consequently the Company) has minimal ability to respond by replacing its interest in the Project with another investment.

The Company will be Subject to Economic Risks Related to the Ownership of Real Estate

The Company will be subject to economic risks related to the ownership of real estate, including changes in general economic or local conditions, such as decrease in demand for residential real estate due to a decrease in population or changes in employment affecting tenants that lease space; changes in tenants preferences that reduce the attractiveness of the Real Property; fluctuation in occupancy rates, operating expenses and rental schedules; costs associated with the need to maintain and periodically repair, renovate and/or re-lease the Project; and increases in maintenance, insurance and operating costs, including real estate taxes.

General Real Estate Investment Risks

The real estate industry is highly cyclical by nature, and future market conditions are uncertain. There are many factors which affect real estate investments, and many of these factors are beyond the Project Company's or the Company's control, including, but not limited to: changes in local and economic conditions; changes in the availability of debt financing and refinancing; changes in the relative popularity of properties and in real estate as an investment class; changes in interest rates, real estate taxes and operating and other expenses; changes in market capitalization rates; changes in environmental, zoning and other applicable laws and regulations (and changes in the application and interpretation of such laws and regulations); changes in fiscal policies; changes in utility rates; changes in market rental rates; development and improvement of competitive properties; competition for prospective tenants; ongoing capital improvement of competitive properties; risks and operating problems arising out of the presence of certain construction materials; environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which adequate reserves have not been established; the risk of loss from casualty or condemnation; physical destruction and depreciation of equipment and property; damage to, and destruction of, properties, including uninsurable losses (such as damage from wind storms, hurricanes, earthquakes, floods or other natural disasters or acts of nature); changes in availability and cost of insurance, including the inability to obtain insurance against various risks; increases in the costs of labor and materials; labor and material shortages; and strikes, lockouts, slowdowns and labor disputes.

Project Success will, in part, Depend on the Local, Regional, National and Global Economies

The market for real estate is volatile in nature and dependent upon many factors, including the state of the local, regional, national and global economies and the expectations of future growth. The economic recession in the U.S. in 2008-2009 and adverse conditions in the local, regional, national and global markets have negatively affected the operations of many businesses, and may continue to negatively affect operations in the future. During periods of economic contraction, such as the one recently experienced, revenues may decrease while some costs may remain fixed or may even increase, resulting in decreased earnings. An uncertain economic outlook may adversely affect consumer spending and/or business spending and investment, any or all of which may have a material adverse impact on current or prospective tenants or on the ability of the Project

Company to meet its obligations in the future. Furthermore, other uncertainties, including national and global economic conditions, terrorist attacks, infectious disease outbreaks, military conflicts or other global or regional events, could adversely affect consumer spending and the broader economy, which may adversely affect the Project.

Rising Interest Rates may Impact the Project Company's Ability to Fund Debt Service

Interest rates for the financing of real estate are at or near historically low levels, and any increase in rates in respect of indebtedness that the Project Company may incur may have an adverse effect on the its ability to pay debt service associated with any loans. In addition, increases in interest rates may have an adverse effect on the operation and/or sale of the Project, in whole or in part, and may have an adverse effect on the ability of the Project Company to refinance the Project and, thus, its ability to return the capital invested in the Project or distribute any Preferred Returns.

Risks Related To the Offering

There will be no Public Market for the Membership Interests and the Membership Interests are Subject to Significant Restrictions on Transferability

There is no public market for the Membership Interests and no such market is expected to develop in the future. The sale of the Membership Interests is being made without registration under the Securities Act and applicable state securities laws in reliance upon various exemptions, including the "**private offering**" exemption of Section 4(a)(2), Regulation D and Regulation S promulgated under the Securities Act and available exemptions under applicable state securities laws. Such federal and state securities laws severely restrict the transferability of the Membership Interests offered hereby. Accordingly, an investment in the Membership Interests will be highly illiquid. The Membership Interests are considered "**restricted securities**" under the Securities Act and applicable state securities laws and cannot be resold or otherwise transferred unless they are registered under the Securities Act and any applicable state securities laws or are transferred in a transaction exempt from such registration requirements. Consequently, a holder of the Membership Interests may not be able to liquidate his or her investment and each investor's ability to control the timing of the liquidation of his or her investment in the Company will be restricted. Investors should be prepared to hold their Membership Interests indefinitely. In addition, an investor should be able to withstand a total loss of his or her investment in the Company.

The Operating Agreement also Limits Transferability of Membership Interests

Pursuant to the Operating Agreement, the Membership Interests are not readily transferable and no transfer of Membership Interests may be made unless, among other things, the transferor delivers to the applicable Manager(s) an opinion of counsel satisfactory to the Company that the transfer will not create adverse tax consequences and would not violate federal or state securities laws. Obtaining such an opinion on securities laws would generally require for its basis that the Membership Interests be registered under such laws or that an exemption from registration exists, and there can be no assurance that an exemption will be available.

There are Important Factors Related to Forward-Looking Statements and Associated Risks

This Memorandum contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, and the Company intends that such forward-looking statements be subject to the safe harbors created thereby. These forward-looking statements include the plans and objectives of management for future operations, including plans and objectives relating to the products and future economic performance of the Project. The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions, including but not limited to, the following: that the Project will accurately anticipate market demand; and that there will be no material adverse change in the anticipated operations or business of the Project. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking information will be realized. In addition, as disclosed elsewhere under other risk factors, the business and operations of the Company are subject to substantial risks, which increase the uncertainty inherent in such forward-looking statements. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should **not** be regarded as a representation or assurance by the Company or any other person that the objectives or plans of the Company will be achieved.

Risks Related to the Investment Advisers Act of 1940.

Neither the Managers, the Regional Center nor the Project Company is registered as an "investment adviser" under the Investment Advisers Act of 1940, as amended (the "***Advisers Act***"), in reliance upon the following definition of "investment adviser" set forth in Section 202(a)(11) of the Advisers Act:

> "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities." (Section 202(a)(11) of the Advisers Act)

The Company has been advised that the Project Company, Managers and/or Regional Center likely do not need to register as an "investment adviser" under the Advisers Act because the foregoing definition of "investment adviser" likely does not apply to the Project Company, Managers and/or Regional Center with respect to the services provided by them in connection with this Offering, including, without limitation, taking into account the fact that all investment advice under this Offering is being provided to EB-5 investor by independent, unaffiliated, third party, migration agents outside the United States who would otherwise fall within the "foreign private adviser" exemption under Section 203(b)(3) of the Advisers Act. However, there can be no assurance that such is the case and that the Project Company, Managers or Regional Center could not otherwise

be deemed an "investment adviser" requiring registration as an "investment adviser" under the Advisers Act.

Risks from Insufficient Subscription or I-526 Petition Approvals

Failure of the Company to raise the Maximum Offering Amount could increase the possibility that the Project will not be financially successful, which could result in loss of permanent residence status. If the Maximum Offering Amount is not raised, the Project Company may seek additional equity capital for the Project to cover any additional costs of the Project. In addition, there can be no assurance that the Project will be able to obtain any such additional capital on favorable terms, if at all.

Tax Risks

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR NO. 230, BE ADVISED THAT ANY FEDERAL TAX ADVICE IN THIS MEMORANDUM, INCLUDING ANY ATTACHMENTS OR ENCLOSURES, WAS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY ANY PERSON OR ENTITY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY INTERNAL REVENUE CODE PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON OR ENTITY. SUCH ADVICE WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION(S) OR MATTER(S) ADDRESSED BY THE WRITTEN ADVICE. EACH PERSON OR ENTITY SHOULD SEEK ADVICE BASED ON THE ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES (INCLUDING U.S. FEDERAL, STATE AND LOCAL TAX CONSEQUENCES AND NON-U.S. TAX CONSEQUENCES) OF AN INVESTMENT IN THE COMPANY. UNLESS WAIVED BY THE MANAGERS IN THEIR SOLE AND ABSOLUTE DISCRETION, MEMBERSHIP INTERESTS IN THE COMPANY ARE ONLY BEING SOLD TO ACCREDITED INVESTORS WHO HAVE REPRESENTED THAT THEY ARE RELYING, IF AT ALL, SOLELY UPON THE ADVICE OF THEIR OWN ADVISORS WITH RESPECT TO LEGAL, IMMIGRATION, TAX, BUSINESS, FINANCIAL AND OTHER ASPECTS OF AN INVESTMENT IN THE COMPANY.

There are various U.S. federal income tax risks associated with an investment in the Class B Units. Some, but not all, of the various risks associated with the U.S. federal income tax aspects of the Offering of which Prospective Investors should be aware are set forth below and are more fully described in Section IX hereof. The effect of certain tax consequences on an investor will depend, in part, on other items in the investor's tax return. No attempt is made herein to discuss or evaluate the state or local tax effects on any investor. Each investor is urged to consult the investor's own tax advisor concerning the effects of federal, state and local income tax laws on an investment in the Class B Units and on the investor's individual tax situation. Neither the Managers nor their affiliates nor counsel for the Company has provided any tax (or other legal) advice to any holder of Class B Units or Prospective Investor. The following discussion is not tax advice. This summary does not discuss the impact of various proposals to amend the Internal Revenue Code which could change certain of the tax consequences of an investment in the Company.

1. Classification. The Company will be classified as a C-corporation for U.S. federal income tax purposes on its own income before making any distributions to the Members.

2. Tax Audits. Tax auditing procedures will be under control of the Managers. Any audit of items of income, gain, loss or credits of the Company will be administered by the Managers. The decisions made by the Managers with respect to such matters will be made in good faith consistent with the Managers' fiduciary duties to both the Company and to the investors, but may have an adverse effect upon the tax liabilities of the investors.

3. Information Reporting to Class B Members by the Company. The Company will file a tax return on IRS Form 1120 and will provide Form 1099-DIV to each Class B Member following the close of the Company's taxable year. Delivery of this information by the Company will be subject to delay in the event of the late receipt of any necessary tax information from an entity in which the Company holds an interest. It is therefore possible that, in any taxable year, Class B Members will need to apply for extensions of time to file their tax returns.

4. Changes in Federal and State Income Tax Laws and Policies may Adversely Affect Investors. There can be no assurance that U.S. federal and state income tax laws and IRS administrative policies respecting the income tax consequences described in this Offering Memorandum will not be changed in a manner which adversely affects the interests of investors.

5. Imputed Interest in OID. Investors are encouraged to consult with a tax specialist concerning whether there is any imputed interest and original issue discount pertaining to this transaction.

IN VIEW OF THE FOREGOING, IT IS ABSOLUTELY NECESSARY THAT EACH AND EVERY PROSPECTIVE INVESTOR CONSULT WITH THE PROSPECTIVE INVESTOR'S OWN ATTORNEYS, ACCOUNTANTS AND OTHER PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX, ACCOUNTING AND OTHER CONSEQUENCES OF AN INVESTMENT IN THE MEMBERSHIP INTEREST.

Immigration Risks

A SUBSCRIBER SHOULD CONSULT WITH LEGAL COUNSEL FAMILIAR WITH UNITED STATES IMMIGRATION LAWS AND PRACTICE. PURCHASE OF A MEMBERSHIP INTEREST DOES NOT GUARANTEE LAWFUL PERMANENT RESIDENCE IN THE UNITED STATES. THE MEMBERSHIP INTERESTS DESCRIBED IN THIS OFFERING MEMORANDUM INVOLVE A SIGNIFICANT DEGREE OF RISK RELATING TO IMMIGRATION MATTERS. AMONG THE IMMIGRATION RISK FACTORS THAT A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY ARE THE FOLLOWING; HOWEVER, THIS LIST IS NOT EXHAUSTIVE AND DOES NOT PURPORT TO SUMMARIZE ALL RISKS ASSOCIATED WITH THE PURCHASE OF A MEMBERSHIP INTEREST.

General

While best efforts have been made to structure this offering so that Investors may meet EB-5 Program requirements under the Immigration Act and qualify as "alien entrepreneurs," a

preliminary step to becoming eligible for admission to the United States with the Investor, his or her spouse and qualifying children as lawful conditional permanent residents, no representations can be made and no guarantees can be given with respect to the ability of this investment to guarantee or otherwise assure that the Investor will be approved as an "alien entrepreneur" and will be granted conditional or unconditional lawful permanent resident status.

Approval of Investments in the Offering

In adjudicating a I-526 Petition that must be filed with USCIS by Investors to determine the suitability of the investment offered herein for immigration purposes under the EB-5 Program, USCIS may re-adjudicate issues associated with the Project's qualification even after other Investors have received approval, may adjudicate unfavorably the Investor's proof of the source of capital invested, and may deny the I-526 Petition. USCIS may respond to an I-526 Petition by request for further evidence or with a notice of intent to deny. Under these circumstances, the Investor shall have an opportunity to respond in order to obtain approval of an I-526 Petition. In addition, as stated above, the Investor (subject to approval by the Company in certain circumstances) may have a right to file motions to reopen and reconsider and may have the opportunity to exhaust administrative remedies and federal court proceedings.

Limit on EB-5 Visas

Currently, approximately ten thousand EB-5 Visas are allocated annually to alien investors and their spouses and qualifying children, of which 3,000 are currently restricted to Regional Centers. Based on one's country of origin, EB-5 Visas are available on a first-come, first-served basis. If more visas are sought than are available, there will likely be a delay in the ability of an Investor to obtain an EB-5 Visa as well as lawful conditional permanent resident status through the EB-5 Program. There is no reliable means to predict if such a delay will occur, or if it occurs, how long an Investor or the spouse and qualifying children of the Investor will have to wait before an EB-5 Visa becomes available. Other changes in the administration of the visa preference system may affect and even preclude the ability to obtain an EB-5 Visa or to adjust status to lawful conditional permanent residence.

China Visa Retrogression and Impact on Children's Eligibility for Immigrant Visas

Due to the high demand of EB-5 visas from China-born nationals, on April 13, 2015, the State Department announced that visas for the China EB-5 category will retrogress two years beginning May 1, 2015, resulting in a cut-off date of May 1, 2013. This is commonly referred to as "visa retrogression" or "visa backlog," which occurs when more individuals apply for a visa in a particular immigration category than there are available visas. This means that during the month of May 2015, EB-5 investors (and eligible dependents) born in China with a Priority Date earlier than May 1, 2013 may apply for immigrant visas. The visa backlog will result in significant delay between the I-526 Petition approval and the processing of immigrant visa applications (including issuance of immigrant visa) by the State Department. The visa backlog may also prevent some dependent children who turn 21 during this process from immigrating as dependents of the investor. The dates in the Visa Bulletin can move forward, backward, or remain stagnant in any given month and thus investors are advised to check the Visa Bulletin on a monthly basis to determine if their Priority Date has become current as this will determine the availability of

immigrant visas for the investor and his/her derivative beneficiaries. Thus, it is impossible to predict the exact duration of such visa retrogression and the exact date when a visa number will become available to the investor and his/her derivative beneficiaries.

There is no guarantee that the U.S. Congress will increase the number of available immigrant visas in the China EB-5 category. Since the inception of the EB-5 Immigrant Investor Program in November 1990, EB-5 visa numbers had never before been exhausted during a fiscal year (except for approximately one month beginning late August 2014). However, due to the continuing high demand for immigrant visas from China-born nationals, the State Department has indicated that it anticipates continued visa retrogression for Chinese nationals for an indeterminate period, resulting in delays in the issuance of immigrant visas by the U.S. consulate or approval of adjustment of status (if seeking permanent resident status through USCIS). Although the start of the next fiscal year on October 1 provides a new supply of visa numbers, the State Department has advised that Chinese nationals will continue to experience a visa backlog pending a significant change in visa demand or Congressional action. It is not possible to predict how long a China-born national and qualifying dependents will have to wait before a visa number for them becomes available.

Additionally, due to heavy demand for immigrant visas by China-born nationals and their dependents, there is no guarantee that children who have reached the age of 21 during this process will be eligible to immigrate with the investor as a dependent. The requirements of qualifying a child as a dependent under U.S. immigration laws are complex, including the CSPA discussed above. It is not possible to predict if a child will qualify to immigrate with the investor under the CSPA, as eligibility is dependent on several factors, including the length of time the I-526 petition was pending, the length of time immigrant visas are unavailable, and whether the child has "sought to acquire" permanent resident status within a specific time period (specifically, within a one-year period commencing upon the availability of an immigrant visa).

Attaining Lawful Permanent Residence

Even after approval of the I-526 Petition, there cannot be any guarantee that the Investor, his or her spouse or any of their qualifying children will be granted lawful conditional permanent residence. The grant of such immigration status is dependent, among other things, upon the personal and financial history of each applicant. Any one of several reviewing government agencies may determine in its discretion, sometimes without the possibility of appeal, that an applicant for lawful permanent residence is excludable from the United States. In limited instances, a waiver of a ground of exclusion may be available under the law, but adjudications of waiver applications are themselves made in the unreviewable discretion of the government.

Grounds For Exclusion

Persons applying for lawful permanent residence must overcome the statutory presumption of inadmissibility. Applicants must demonstrate, affirmatively, that they are admissible to the United States. There are many grounds of inadmissibility that the government may cite as a basis to deny admission for lawful permanent residence. Various statutes, including for example Sections 212, 237 & 241 of the Immigration Act, the Antiterrorism & Effective Death Penalty Act of 1996 (AEDPA) and the Illegal Immigration Reform & Immigrant Responsibility Act of 1996

(IIRAIRA) set forth grounds of inadmissibility, which may prevent an otherwise eligible applicant from receiving an immigrant visa, entering the United States or adjusting to lawful permanent residence. Examples of aliens precluded from entering the United States include:

- persons who are determined to have a communicable disease of public health significance;

- persons who are found to have, or have had, a physical or mental disorder and behavior associated with the disorder which poses or may pose, a threat to the property, safety, or welfare of the alien or of others, or have had a physical or mental disorder and a history of behavior associated with the disorder, which behavior has posed a threat to the property, safety, or welfare of the immigrant alien or others, and which behavior is likely to recur or to lead to other harmful behavior;

- persons who have been convicted of a crime involving moral turpitude (other than a purely political offense), or persons who admit having committed the essential elements of such a crime;

- persons who have been convicted of any law or regulation relating to a controlled substance or admitted to having committed or admits committing acts which constitute the essential elements of same;

- persons who are convicted of multiple crimes (other than purely political offenses) regardless of whether the conviction was in a single trial or whether the offenses arose from a single scheme of misconduct and regardless of whether such offenses involved moral turpitude;

- persons who are known, or for whom there is reason to believe, are, or have been, traffickers in controlled substances;

- persons engaged in prostitution or commercialized vice;

- persons who have committed in the United States certain serious criminal offenses, regardless of whether such offense was not prosecuted as a result of diplomatic immunity;

- persons excludable on grounds related to national security or terrorist activities;

- persons determined to be excludable by the Secretary of State of the United States on grounds related to foreign policy;

- persons who are or have been a member of a totalitarian party, or persons who have participated in Nazi persecutions or genocide;

- persons who are likely to become a public charge at any time after entry;

- persons who were previously deported or excluded and deported from the United States;

- persons who by fraud or willfully misrepresenting a material fact, seek to procure (or have procured) a visa, other documentation or entry into the United States or other benefit under the Immigration Act;

- persons who have at any time assisted or aided any other alien to enter or try to enter the United States in violation of law;

- certain aliens who have departed the United States to avoid or evade U.S. Military service or training;

- persons who are practicing polygamists; and

- persons who were unlawfully present in the United States for continuous or cumulative periods in excess of 180 days.

No Return of Funds if Visa or Adjustment of Status is Denied

Following I-526 Petition approval, the Investor, his or her spouse and qualifying children must timely apply for an EB-5 Visa or adjustment to permanent resident status. As part of this process, the Investor will undergo medical, police (in the case of consular processing), security and immigration history checks to determine whether the Investor, his or her spouse and qualifying children are inadmissible to the United States for any of the reasons mentioned above or for any other reason. The visa or adjustment of status may be denied notwithstanding I-526 Petition approval. If, following closing, the Investor, his or her spouse or any of their children are denied an EB-5 Visa for conditional lawful permanent residence or denied adjustment of status to conditional lawful permanent residence, such action will not entitle Investors to the return of his or her investment in the Units or any of the Administrative Fee funds paid to the Company or its affiliates. Obtaining conditional permanent residence and then, approximately two years later, filing an I-829 Petition to remove the conditions, is what is required to obtain lawful conditional permanent residency without conditions. The Investor has no guarantee that the *immigrant* EB-5 process will be approved, even though he or she has made an investment of personal funds in the Company.

Conditional Lawful Permanent Residence

Lawful permanent residence status granted initially to the Investor, his or her spouse and their qualifying children is "conditional;" the Investor, his or her spouse and their qualifying children must seek removal of conditions before the second anniversary of lawful permanent residence to the United States by filing an I-829 Petition. There cannot be any assurance that the USCIS will approve the I-829 Petition. If Investors fail to have conditions removed, the Investor, his or her spouse and their qualifying children will be required to leave the United States and may be placed in removal proceedings. Even if Investors succeed in having conditions removed, the Investor, his or her spouse and each of their qualifying children, separately, must have conditions removed. Failure to have conditions removed as to any of these family members may require them to depart

from the United States and such family members may be placed in removal proceedings. Examples of possible reasons for denial of an I-829 Petition include (but are not limited to):

- failure to maintain investment for the required period (for example, as a result of distribution or return of an Investor's capital contribution before the filing of the I-829 Petition);

- failure of the Project to use all of the Class B Member's invested capital in job creating activity at risk to the Class B Member, according to technical requirements of USCIS (some of which are not clearly articulated and which could change over time), even if 10 jobs were created;

- failure of the Project to show that the Investor's investment has created 10 new jobs for U.S. workers that can be allocated to such Investor (for example, by failure to meet the Project's economic milestones used by an economist to project the number of direct, indirect and induced jobs created by the Project); and

- even if the required 10 jobs were created, the Project's material departure from the business plan presented to USCIS in obtaining the Investors initial I-526 Petition approval.

Construction Jobs

Under current EB-5 policy, if a Project's construction timeline lasts for two (2) years or more direct construction jobs are considered permanent and may be included as qualifying EB-5 jobs. If a construction project is not reasonably expected to last for at least two (2) years, then only the indirect and induced jobs from construction activity can be counted. In this regard, USCIS has issued many Requests for Evidence requesting detailed explanations and timelines of the various construction phases in regional center projects as well as verification of the estimated costs for construction projects. In addition to the explanations mentioned, USCIS has also been requesting independent supporting documentation to corroborate each assertion. These detailed requests clearly state that supporting documents should include the analytical methods used to derive a project's estimated timeline and cost. If there is a change in the current law or policy or if the USCIS determines that the direct construction jobs created by the Project do not count as permanent jobs, the Investor may not be able to show that the Project has created the required 10 new jobs.

New RIMS II Multipliers

The Economic Study relies on the 2010 RIMS II multipliers in the calculation of EB-5 Jobs. It is possible that the USCIS may require that the Economic Study be revised to include use of the recently released RIMS II multipliers, in which case the EB-5 Jobs count may be reduced.

Regulations Regarding Removal of Conditions

USCIS policy concerning the removal of conditions on lawful permanent residence for investors is not clear in all cases. Courts have determined some standards to be followed by USCIS in some,

but not all, circumstances. The Company may make certain management decisions in the absence of these specific eligibility criteria. The Company will seek as much information as possible from USCIS in an effort to assist Investors in qualifying for the removal of conditions, where good business practices permit. This notwithstanding, Investors should become educated about the standards that will determine eligibility of an Investor and the spouse or children of the Investor to achieve unconditional lawful permanent residence in the United States pursuant to the EB-5 Program.

Expiration of the Regional Center Pilot Program

The regional center pilot program was first created in 1992. Since then it has been extended, most recently through September 30, 2015. The Company relies on the regional center pilot program so that employment created by the Project may be counted towards the minimum number of jobs needed by an Investor to obtain approval of his or her I-829 Petition.

Congress is expected to renew the EB-5 Program prior to its expiration, or make the program permanent by removing its "pilot" designation. However, there is a risk that Congress may not renew, or not renew before the current expiration date. If the EB-5 Program is not renewed before expiration, the effect of the gap on pending immigration petitions is unknown. In the past, USCIS indicated that it would hold pending I-526 petitions "in abeyance" for an indeterminate period of time until USCIS renewed the EB-5 Program. USCIS may or may not follow the same procedure. With respect to EB-5 Visa issuance, in the past the U.S. State Department announced that it would issue regional center-based EB-5 visas until close of business on the sunset date. The U.S. State Department may or may not follow the same procedure. Finally, with respect to admission to the U.S., in the past U.S. Customs and Border Protection announced that it would admit EB-5 Visa holders after the sunset date during the full validity period of the immigrant visa. U.S. Customs and Border Protection may or may not follow the same procedure.

Active Participation in the Company's Business

The EB-5 Program requires an Investor to hold a management or policy making position in the Company. Not meeting this requirement may jeopardize the I-526 Petition approval or result in the denial of lawful permanent residence status for the Investor, his or her spouse and their qualifying children. The Operating Agreement, reflecting the EB-5 regulations governing what level of participation is acceptable to meet the EB-5 criteria, mandates that each Class B Member shall participate in the management of the Company to the extent reflected therein. The right to approve certain decisions of the Company as set forth in the Operating Agreement is expected to be sufficient to meet these requirements, or else Developer will cause the Operating Agreement to be amended to conform with EB-5 regulations. There can be no assurance, however, that the level of participation in management set forth in the Operating Agreement, as currently in effect or as amended, will satisfy this requirement.

Family Relationships

(i) Spouses of the Investor may accompany or follow to join an Investor who has been granted conditional lawful permanent residence provided that the Investor and the spouse, deemed a derivative beneficiary, were married prior to the time of the Investor's first admission to

the United States as a CLPR or AOS to lawful permanent resident. USCIS may not recognize common law marriages for the purpose of permitting a spouse to be a qualifying derivative beneficiary. If the relationship is one of common law, the "spouse" of the Investor may not acquire lawful permanent resident status on account of the relationship.

(ii) Children or step-children (if the step-child relationship is created before the child reaches age 18) of the Investor may accompany or follow to join an Investor who has been granted conditional lawful permanent residence provided that the Investor can establish parentage or step-parentage prior to the time of the Investor's first admission to the United States as a CLPR or AOS to lawful permanent residence. Failure to comply with all applicable requirements may result in the separation of a child from the Investor or the Investor's spouse for protracted periods, in some instances for years, while other immigration opportunities are attempted in an effort to reunite the family.

(iii) A "child" is someone under the age of 21 years who is unmarried. If a child turns 21 or marries before being admitted to the U.S. as a lawful permanent resident or adjusting to lawful permanent resident status, the former child, now deemed a son or daughter may not be eligible to accompany or follow to join the Investor. In some circumstances, the Child Status Protection Act may assist a son or daughter to qualify as a child by reducing the deemed age of the son or daughter to less than 21 years. Failure to meet the requirements of the Child Status Protection Act may result in the separation of a son or daughter from the Investor or the Investor's spouse for protracted periods, in some instances for years, while other immigration opportunities are attempted in an effort to reunite the family.

(iv) Under some circumstances, a child who becomes 21 years of age or marries while holding CLPR status may remain eligible to remove conditions. Failure to meet qualifying conditions, most of which are not within the child's control, will result in the child being placed in removal proceedings and may require the child to depart the United States.

(v) Upon the death of an Investor before conditions are removed, a spouse and qualifying children of the Investor are entitled to seek removal of conditions by submission of the same evidence demonstrating compliance with the evidence that USCIS requires of an Investor seeking to remove conditions. Failure to establish these criteria will result in the denial of the application to remove conditions and placement of the family members in removal proceedings and their mandated departure from the United States.

TEA Determination

Under the EB-5 Program, an immigrant investor must invest One Million Dollars (US$1,000,000) in a new commercial enterprise that will benefit the U.S. economy and create full time employment for ten (10) or more U.S. workers. This One Million Dollar (US$1,000,000) amount is reduced to Five Hundred Thousand Dollars (US$500,000) if the new commercial enterprise is principally doing business in a TEA. There is no assurance that USCIS will maintain these amounts at these levels in the future. A TEA is a rural area or an area which has experienced unemployment of at least 150% of the national average rate. A rural area is not within a Metropolitan Statistical Area and has a population of less than 20,000. Under current USCIS guidelines, TEA determinations are made by USCIS at the time of filing of each I-526 Petition if the investment funds are placed

in escrow. If an immigrant investor's investment is made prior to filing his or her I-526 Petition, the area must qualify as a TEA at the time of such investment. If such investment is not yet irrevocably committed to a qualifying investment at the time the I-526 Petition is filed, then the area must qualify as a TEA at the time of the filing of the I-526 Petition.

While the USCIS generally defers to state TEA designations, there is a risk that USCIS could disagree with the state administrator issuing such designation and not allow the TEA designation to be applicable, in which event the $500,000 investment amount would not otherwise qualify under the EB-5 Program.

Delays in Project

Delays in the development of the Project could result in jobs not being created timely enough in accordance with applicable EB-5 Program guidelines.

Insufficient Number of Investors

Regional center designations are based on the full investment of many different investors in a single project. Although some regional centers' projects are in great demand and even have waiting lists, that is not the case with all regional center projects. If the Project does not attract a sufficient number of investors, it may not happen or may be delayed, which could result in the denial of Investor I-526 Petitions and/or I-829 Petitions.

Issues with Conditional Removal

I-829 Petitions may be denied by USCIS if the business assumptions utilized in the economic report are not realized. An I-526 Petition may be approved based upon an economist's report using a recognized economic methodology to predict the number of direct, indirect and induced jobs that will be created by a Project. The USCIS will review the assumptions used in the economic report at the I-829 stage to ensure that such assumptions have actually occurred. If they have not occurred (because of, for example, economic conditions, change of plans, construction delays, etc.) the Investor is at risk that the I-829 Petition will not be approved.

Regional Center Loss of Certification

USCIS is in the process of developing standards to review regional centers. The results of any review process could lead to the decertification of the Regional Center.

Investment Must Be "At Risk"

An Investor's investment must be at risk to qualify for the EB-5 Program. As part of the I-526 Petition, an Investor must show evidence that he or she has placed the required amount of capital at risk for the purpose of generating a return on such capital. The Company believes that an investment in the Units will place an Investor's investment in the Company at risk because the Company is under no obligation to assure any return on or of investment to the Investor. Moreover, there is no assurance that the business of the Project Company will generate sufficient revenue to distribute any Preferred Returns and allow for the return of any Investor's investment in the Units.

Risk Inherent In The Nature of The Adjudicating Agency

The Investor is subject to the risk inherent in the nature of the adjudicating agencies involved in the EB-5 Program. It is not unusual for there to be contradictory adjudicatory results on similar projects. In addition, the USCIS has in the past adopted certain adjudicative standards which it has subsequently changed without notice.

Proving Lawful Source of Funds

As part of the I-526 Petition, an Investor must present to USCIS clear documentary evidence of the *source* and *path* of funds invested in the Company. Generally, the Investor can satisfy the source of funds requirements by submitting documents showing the legal source of the capital investment. USCIS generally requires copies of income tax returns for the previous five (5) years as part of the source of funds requirement. For Investors who do not have such records, there may be other records that can be provided to USCIS by an Investor to demonstrate that the investment funds came from legal sources. All such matters regarding an Investor's I-526 Petition should be discussed with his or her immigration counsel.

Material Change

In a memorandum dated December 11, 2009, USCIS stated that, "[t]he business plan in the Form I-526 Petition may not be materially changed after the petition has been filed" and that, "the capital investment project identified in the I-526 Petition must serve as the basis," for adjudication of the I-829 Petition. The memorandum also directed USCIS adjudicators to review whether there was a material change in "capital investment structure", "job creation methodologies", and "eligibility requirements" after the filing of the I-526 Petition.

If USCIS decides that there has been a material change to the enumerated elements, investors must file new I-526 Petitions. This presents a second opportunity for USCIS to challenge and, even if approved, requires investors to re-start the conditional residency process and resulting two year period. This will consequently delay removal of the conditions on permanent residency and the path to citizenship. In addition, dependents that turned 21 after filing of the original I-526 Petition will no longer be eligible to attain permanent resident status via an investor's newly filed I-526 Petition.

Change in Laws

THE IMMIGRATION LAWS AND THE CORRESPONDING RULES, REGULATIONS AND USCIS INTERPRETATIONS RELATED TO THE EB-5 PROGRAM AND THE CORRESPONDING PETITIONS ARE IN A CONSTANT STATE OF FLUX, AND THERE ARE NO ASSURANCES THAT NEW LAWS AND/OR INTERPRETATIONS WILL RESULT THAT WILL OTHERWISE MODIFY THE DISCLOSURES AND INFORMATION SET FORTH IN THIS MEMORANDUM.

Other Risks Related to the Investment

The Bankruptcy or Insolvency of the Project Company could Impair its Ability to Recoup All or Part of the Investment

There can be no assurances that the Project Company will not become insolvent or become the subject of voluntary or involuntary bankruptcy proceedings under the U.S. federal bankruptcy code. In such a case, the ability of the Company to recoup all or part of the Investment would be greatly diminished.

Additional Debt may be Required for Completion of the Project or Post-completion Operations

Although the Company believes that it will successfully raise the Maximum Offering Amount of the Offering and that the Project Company will also successfully raise all of the other capital necessary to fund the Project and the working capital after completion of the Project, it is possible that unforeseen difficulties may cause any portion of the capital necessary for the Project to fail to be raised, or that the proceeds from the Offering plus the additional capital raised will not satisfy all capital requirements, or that such financing may be untimely procured, requiring the Project Company to obtain alternative financing, thereby further reducing available funds available to distribute Preferred Returns and ultimately return the Company's Investment. Furthermore, if the Project Company is unable to obtain such additional financing, it may be unable to complete or operate all or portions of the Project. Failure to complete or operate all or portions of the Project may result in the inability of the Project Company to return the capital invested in the Project, as well as its ability to distribute any Preferred Returns, and could result in a substantial, or total, loss of the Class B Members' investments. Failure to complete or operate all or portions of the Project could also result in the creation of fewer jobs than currently projected.

XII. CONFLICTS OF INTEREST

The Investment by the Company is subject to certain conflicts of interest:

(i) The Developer may engage in the development of other real property projects for its own account;

(ii) The Developer is not required to devote all of its time and efforts to the affairs of the Project and this could result in a conflict of interest for the time and attention of the Related Parties; and

(iii) The prospective Investors have not been represented by separate counsel in connection with the formation of the Company, the drafting of the Operating Agreement, the Project Company Operating Agreement, the Investment Representation Statement, the Subscription Agreement, the Management Agreement or this Offering.

It is anticipated that the Class B Manager will be Tripex Capital, Inc., a California corporation, as provided in the Joinder Agreement to the Management Agreement, attached hereto as Appendix C, which is being submitted to Subscribers for signature.

The Managers' Liability will be Limited

Pursuant to the Operating Agreement, the Managers, and their agents and other affiliates will not be liable to the Company or any Class B Members for any damages, losses, liabilities or expenses (including reasonable legal fees, expenses and related charges and cost of investigation) unless one of those parties is guilty of fraud, deceit, bad faith, gross negligence, willful misconduct. Thus, Class B Members will have limited recourse against those parties. The Operating Agreement also provides that the Company will indemnify, hold harmless and waive any claim against the Managers, its agents, for any and all losses, damages, liability claims, causes of action, omissions, demands and expenses or any other act or failure to act arising from or out of the performance of their duties to the Company under the Operating Agreement or as a result of any action which any Manager and/or its designated agents are requested to take or refrained from taking by the Company, unless such loss has arisen as a result of their bad faith, fraud, gross negligence or willful misconduct.

Counsel

Holland & Knight LLP, has been appointed as the Company's counsel in connection with the offering of interests in the Company and certain other matters for which it is specifically engaged. No independent counsel has been retained to represent the Class B Members. Accordingly, potential investors and Class B Members have not had the benefit of independent counsel in the structuring of the Company or determination of the relative interests, rights and obligations of the Managers and the Class B Members.

XIII. LITIGATION

Neither the Company, the Project Company, nor the Developer is presently a party to any litigation, nor, to the knowledge of the Class A Manager, is any litigation currently threatened against the Company, the Project Company, or the Developer, that may materially adversely affect the business or assets of the Company, the Project Company, or the Developer, including the Project.

XIV. AVAILABILITY OF INFORMATION

We are available to discuss and answer questions about the terms and conditions of this offering and to provide any additional information which we possess or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of the information set forth in this Memorandum. You are invited to contact either:

Vestalia Opportunity Investors, LLC
7000 E. Slauson Avenue
Commerce, CA 90040
Phone: +1 (323) 201-0018 ext. 102

or Offering counsel: Holland & Knight LLP
100 North Tampa Street
Suite 4100
Tampa, Florida 33602
Attn: Richard B. Hadlow
Phone: (813) 227-6467

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AN INVESTMENT IN THE COMPANY INVOLVES A VERY HIGH DEGREE OF RISK AND THERE IS NO GUARANTEE OF ANY FINANCIAL RETURN ON YOUR INVESTMENT. YOU SHOULD NOT INVEST IN THE COMPANY IF YOU CANNOT AFFORD THE LOSS OF THE ENTIRE SUM OF YOUR INVESTMENT, AND YOU SHOULD CAREFULLY CONSIDER THE RISKS ASSOCIATED WITH THE COMPANY BEFORE INVESTING.