

Name of Subscriber: \_\_\_\_\_  
Number of Registration: \_\_\_\_\_

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**HAWAII CITY PLAZA LP**

**(A HAWAII LIMITED PARTNERSHIP)**

**UP TO \$40,000,000**

**UP TO 80 UNITS OF PARTNERSHIP INTERESTS**

**DATED: APRIL 15, 2016**

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**HAWAII CITY PLAZA LP**  
(a Hawaii limited partnership)

**HAWAII CITY PLAZA LP**, a Hawaii limited partnership (“**HICP**” or the “**Company**”), hereby offers up to Eighty (80) units of Partnership Interests (“**Units**”) in the Company, for investment by investors (“**Investors**”) desiring to participate in the Employment Based Fifth Preference Immigrant Visa Program (the “**EB-5 Program**”). The Company is managed by its General Partner, **CALIFORNIA INVESTMENT REGIONAL CENTER LLC**, a California limited liability company (“**CIRC**” or the “**General Partner**”). The Company has been formed for the purpose of developing, constructing and operating the Hawaii City Plaza Project which consists of operate a 26-story, approximately 384,000 square foot mixed-use development consisting of three restaurants, 163 residential condominium units, 313 parking spaces for motor vehicles and 163 parking spaces for bicycles (the “**Hawaii City Plaza Project**” or “**Project**”) located at 710 and 730 Sheridan Street and 733 Cedar Street, Honolulu, Hawaii 96814 (the “**Property**”). The Project is owned and developed by the Company. The offering will be in the maximum amount of Forty Million Dollars (\$40,000,000).

**NO PARTIES EXCEPT THE GENERAL PARTNER AND THE COMPANY ARE RESPONSIBLE FOR THE CONTENTS OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (“MEMORANDUM”), AND NO OTHER PARTY EXCEPT AUTHORIZED SALES AGENTS WILL BE INVOLVED IN THE OFFERING OF UNITS UNDER THIS MEMORANDUM OR THE ACCEPTANCE OF SUBSCRIPTIONS FROM SUBSCRIBERS.**

**ADVANTAGE AMERICA HAWAII REGIONAL CENTER LLC**, a Delaware limited liability company (the “**Regional Center**” or “**AAHIRC**”), is the holder of the regional rights to undertake the EB-5 Program with the United States Citizenship and Immigration Service (“**USCIS**”) for the purposes of authorizing foreign investors in the Company to include both direct and indirect job creation from investment in participating developers toward qualification for the EB-5 Program, and it has granted the Project the rights to utilize the Regional Center approval pursuant to said EB-5 Program.

---

This is a private offering (the “**Offering**”) of up to Eighty (80) Units. The Company will utilize the gross proceeds of the Offering to make the Investment in the Company, to fund a portion of the construction and operational costs relating to the Project.

Offering Price: <sup>†</sup>	\$500,000 Per Unit
Minimum Offering Amount:	\$500,000 (One Unit)
Maximum Offering Amount: <sup>‡</sup>	\$40,000,000 (Eighty Units)
Minimum Purchase:	\$500,000 (One Unit)

The offering price of each Unit is payable \$500,000 in cash (“**Offering Price**”), together with the \$50,000

---

<sup>†</sup>Excludes \$50,000 per Unit payable by each Investor as an administrative fee in connection with the purchase of a Unit (the “**Administrative Fee**”). The Administrative Fee will be used to pay expenses of the Offering. No portion of the Capital Contribution of an Investor will be used to pay Offering Expenses.

<sup>‡</sup>The Maximum Offering Amount of Eighty (80) investors is in part based upon the Economic Study that concludes that in excess of the required Eight Hundred (800) jobs will be created. (Total estimated job count of 1010.7 jobs).

per Unit Administrative Fee, upon subscription.

A Unit constitutes 0.5% of the partnership interests in the Company. Assuming the EB-5 offering of HICP is fully subscribed with eighty (80) EB-5 investors, the EB-5 Limited Partners will own 40% of the partnership interest of HICP, and the General Partner will own 60% of the partnership interest of HICP. In the event less than eighty (80) EB-5 investors subscribe to the offering, then the General Partner's interest will be increased by 0.5% for each investor less than 80 that subscribes to the offering.

---

The Company is offering Units for purchase only to qualified natural persons who are (i) not "**U.S. Persons**," as defined in Rule 902(k) of the Securities Act of 1933, as amended (the "**Securities Act**"), in compliance with Regulation S, on a limited and private basis; or (ii) "**accredited investors**" as such term is defined in Rule 501(a) under the Securities Act in compliance with Regulation D of the Securities Act. See "OFFERING SUMMARY," and "I.L THE OFFERING – Transfer Restrictions; Suitability Standards." The purchase price per Unit is \$500,000 (the "**Capital Contribution**"). In addition, each purchaser of a Unit will be required to pay the additional \$50,000 Administrative Fee per Unit to partially cover the Company's costs associated with the Offering. A minimum of one (1) Unit will be sold in the Offering, for an aggregate subscription amount of Five Hundred Thousand (\$500,000) (the "**Minimum Offering Amount**"). A maximum of Eighty (80) Units will be sold in the Offering, for an aggregate subscription amount of up to Forty Million Dollars (\$40,000,000) (the "**Maximum Offering Amount**").

The Offering commenced on April 15, 2016 and will end on April 14, 2017 at 5:00 p.m. Pacific Time, unless earlier concluded or extended by the Company (the "**Offering Period**"). The Company may accept subscriptions in the aggregate not to exceed the Maximum Offering Amount, until the end of the Offering Period.

Each subscriber of a Unit will complete and sign a Subscription Agreement (the "**Subscription Agreement**"), a copy of which is attached to this Memorandum as Exhibit A. The Company in its sole discretion may accept and countersign the Prospective Investor's Subscription Agreement. The Prospective Investor may elect to deliver his or her Capital Contribution and Administrative Fee: (i) into escrow ("**Escrow**"); or (ii) directly to the Company. If the Prospective Investor elects to utilize the Escrow, the Prospective Investor will deliver his or her Capital Contribution and the Administrative Fee into the Escrow (the "**Project Escrow Account**" and the "**Expense Escrow Account**," respectively; collectively, the "**Escrow Accounts**"), and the Company will issue the prospective Investor one Unit for each \$550,000 Offering Price delivered. If the Prospective Investor elects to fund his or her Capital Contribution and Administrative Fee directly to the Company, the Company will issue the Prospective Investor one Unit for each \$550,000 Offering Price delivered. The Escrow Accounts will be administered by **AMERICAN INVESTMENT IMMIGRATION FUND**, a California corporation and affiliate of General Partner, or its successor appointed as such under the Escrow Agreement, as hereinafter defined (the "**Escrow Agent**"), under the terms of an Escrow Agreement with the Company and the Escrow Agent (the "**Escrow Agreement**"). A copy of the Escrow Agreement is attached to this Memorandum as Exhibit B. The Escrow Agent will release the Capital Contribution and the Administrative Fee from the Escrow Accounts according to the terms of the Escrow Agreement.

A Unit holder will be a Limited Partner in the Company (a "**Limited Partner**"). The rights and obligations of Partners are described in the Company's Limited Partnership Agreement (the "**Limited Partnership Agreement**"), a copy of which is attached to this Memorandum as Exhibit C. Among other things, each Partner's \$500,000 Capital Contribution will constitute a capital contribution to the Company and will represent 0.5% of the partnership interests in the Company. Assuming the EB-5 offering of HICP is fully subscribed with eighty (80) EB-5 investors, the EB-5 Limited Partners will own 40% of the partnership interest of HICP, and the General Partner will own 60% of the partnership interest of HICP.

In the event less than eighty EB-5 investors subscribe to the offering, then the General Partner's interest will be increased by 0.5% for each investor less than 80 that subscribes to the offering.

Each Limited Partner will also incur additional expenses for immigration legal counsel for the preparation and filing of the I-526 Immigrant Petition by Alien Entrepreneur (the "**I-526 Petition**") and for administration costs for compliance with United States Citizenship and Immigration Services ("**USCIS**") and related matters.

The Company was formed to make investments through the EB-5 Program, which grants lawful permanent resident status in the United States to individuals who make qualifying investments under the provisions of the United States Immigration and Nationality Act (the "**INA Act**"). See U.S. C. §1153(b)(5)(a)(i)-(iii) and (c). Under the INA Act, all investments made by the Company through the EB-5 Program must be in one or more qualifying capital investment projects that are projected to create the required number of jobs in an area that is part of an approved regional center, as described below.

The Offering has been structured so that each purchaser of a Unit, by becoming a Limited Partner in the Company, will have made a qualifying investment under the EB-5 Program entitling the Limited Partner, assuming the Limited Partner otherwise satisfies all other EB-5 Program requirements, to seek lawful permanent residence in the United States. Each Subscriber must separately retain immigration counsel to file his or her I-526 Petition promptly following acceptance of the Subscription Agreement and admission as a Limited Partner.

If a Limited Partner fails to file the I-526 Petition within sixty (60) days after funding his or her investment, the Company shall have the option to reject such Limited Partner's subscription and return his or her \$500,000 Capital Contribution without interest. If the General Partner decide to reject such subscription, the Company will be obligated to return the \$500,000 Capital Contribution with all but \$5,000 of the \$50,000 Administrative Fee within six (6) months upon such decision.

In the event that a Limited Partner withdraws his or her I-526 Petition prior to adjudication by USCIS, such Partner may request that the Company return his or her Capital Contribution together with all but \$5,000 of the \$50,000 Administrative Fee (i.e. \$45,000 Administrative Fee). In such event, the Company will be obligated to return the Capital Contribution without interest and \$45,000 Administrative Fee within six (6) months upon the receipt of a confirmation of such withdrawal from the USCIS.

In the event that a Limited Partner's I-526 Petition is denied, either without appeal or after denial of any appeal, the Company will be obligated to return the \$500,000 Capital Contribution, without interest, within three (3) months upon the receipt of the denial notice issued from USCIS. The Company will also be obligated to return all of the \$50,000 Administrative Fee if the denial of a Limited Partner's I-526 Petition is resulted from the reasons other than that of the Limited Partner. However, if the denial resulted from the Limited Partner's fraud, misrepresentation or omission, the Company will not be obligated to return the \$50,000 Administrative Fee, in which case, the entire \$50,000 Administrative Fee will be forfeited.

Upon return in full of a Limited Partner's Capital Contribution, the Limited Partner will be deemed to have withdrawn from the Company.

Investor may elect to fund Investor's Capital Contribution and Administrative Fee through escrow or directly to the Company. In the event Investor elects to fund Investor's Capital Contribution and Administrative Fee through Escrow, then under the terms of the Escrow Agreement, \$500,000 of each Limited Partner's Capital Contribution will be released to the Company by the Escrow Agent upon the

Company notifying the Escrow Agent (the "**Written Direction**") that the following conditions have been met:

- (1) The Company has received and accepted subscriptions for at least one (1) Unit, and Capital Contributions totaling at least \$500,000 have been delivered into the Escrow Account;
- (2) The Limited Partner has filed his or her I-526 Petition with the USCIS as evidenced by receipt by Escrow Agent of a Form I-797 Notice of Action issued by USCIS evidencing receipt of such Limited Partner's I-526 Petition;
- (3) The Company has provided Escrow Agent Written Directions setting forth appropriate wire transfer instructions.

The foregoing condition (1) through (3) above, are hereinafter collectively referred to as the "**Escrow Release Conditions.**"

The Company will utilize Capital Contributions exclusively to fund disbursements for the Project. The Company will utilize Administrative Fees to pay regional center, legal, accounting, printing and overseas marketing expenses relating to the Offering. In the event Investor elects to fund Investor's Capital Contribution and Administrative Fee through Escrow, then under the terms of the Escrow Agreement, the proceeds of the Subscriber's Capital Contribution must remain in escrow until such time as the Escrow Release Conditions have been met. The Administrative Fee of a Limited Partner shall be released to the Company upon the receipt by the Escrow Agent of the Limited Partner's Capital Contribution and Administrative Fee in the Escrow Account and upon the Company's receipt of the Subscription Agreement.

The Company will continue the Offering until one of the following events occurs:

- (1) the General Partner decide, in the exercise of their sole discretion to conclude the Offering, in which case the Offering will conclude;
- (2) the Maximum Offering Amount has been raised; or
- (3) The Offering Period has ended.

**These Units have not been registered under the Securities Act or any applicable state securities laws. These Units are being sold in reliance on exemptions from such registration requirements and may not be transferred or resold except as permitted under such laws.**

**Neither the United States Securities and Exchange Commission ("SEC") nor any state securities regulatory authority has approved or disapproved the offer and sale of these Units or determined if this Memorandum is accurate or complete. Any representation to the contrary is a criminal offense.**

**These Units involve a high degree of risk and substantial restrictions on transferability. You should not invest in the Units unless you can bear the complete loss of your investment. See "IV. RISK FACTORS."**

## NOTICES TO INVESTORS

THIS MEMORANDUM IS BEING PROVIDED TO EACH PROSPECTIVE INVESTOR ("INVESTOR" OR "SUBSCRIBER") IN CONNECTION WITH HIS OR HER INTEREST IN PURCHASING ONE OR MORE UNITS. THE PURPOSE OF THIS MEMORANDUM IS TO FURNISH PROSPECTIVE INVESTORS WITH CERTAIN INFORMATION REGARDING AN INVESTMENT IN THE UNITS AND THE COMPANY AND CERTAIN OF THE RISKS ATTENDANT THERETO. ALL OF THE INFORMATION CONTAINED IN THIS MEMORANDUM IS BASED ON INFORMATION AVAILABLE TO THE GENERAL PARTNER AND THE COMPANY AS OF THE DATE HEREOF AND BELIEVED BY THEM TO BE ACCURATE.

THE UNITS OFFERED HEREBY ARE SPECULATIVE AND AN INVESTMENT IN THE UNITS INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE INFORMATION SET FORTH HEREIN UNDER "**RISK FACTORS.**" PROSPECTIVE INVESTORS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD AND BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT.

THE UNITS ARE RESTRICTED SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE UNITS MAY NOT BE SOLD, TRANSFERRED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED. ADDITIONALLY, THE TRANSFER OF UNITS IS RESTRICTED UNDER THE LIMITED PARTNERSHIP AGREEMENT. ACCORDINGLY, INVESTORS WILL BE REQUIRED TO HOLD THE UNITS INDEFINITELY.

NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAVE BEEN NO CHANGES IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM. THIS MEMORANDUM SUPERSEDES AND REPLACES ANY AND ALL INFORMATION DELIVERED OR MADE AVAILABLE BY OR ON BEHALF OF THE COMPANY PRIOR TO THE DATE HEREOF.

WITH RESPECT TO THE UNITS OR THIS MEMORANDUM, ONLY THE GENERAL PARTNER AND THE COMPANY HAVE BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR GIVE ANY INFORMATION OTHER THAN THOSE CONTAINED HEREIN; AND, IF GIVEN BY THE GENERAL PARTNER AND THE COMPANY, SUCH REPRESENTATIONS AND INFORMATION ARE NOT TO BE RELIED UPON UNLESS GIVEN IN A WRITTEN MEMORANDUM FURNISHED BY THE GENERAL PARTNER AND THE COMPANY. NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHOULD BE RELIED UPON IN CONNECTION WITH THIS OFFERING EXCEPT FOR THIS MEMORANDUM, AND ANY OTHER INFORMATION FURNISHED BY THE GENERAL PARTNER OR THE COMPANY IN RESPONSE TO A PROSPECTIVE INVESTOR'S REQUEST. NO BROKER, DEALER, AGENT, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION (WHETHER ORAL OR WRITTEN) NOT CONTAINED IN THIS MEMORANDUM (WHETHER ORAL OR WRITTEN), AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE GENERAL PARTNER OR THE COMPANY.

THE GENERAL PARTNER OR THE COMPANY UPON WRITTEN REQUEST WILL MAKE AVAILABLE TO A PROSPECTIVE INVESTOR AND HIS OR HER ADVISORS ALL DOCUMENTS RELATING TO THIS OFFERING AND ANY ADDITIONAL INFORMATION REGARDING THE COMPANY, THE PROJECT AND THIS OFFERING TO THE EXTENT THE GENERAL PARTNER OR THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE. REQUESTS FOR SUCH DOCUMENTS OR INFORMATION SHOULD BE MADE IN WRITING TO: HAWAII CITY PLAZA LP, C/O CALIFORNIA INVESTMENT REGIONAL CENTER LLC, 9911 VALLEY BOULEVARD, EL MONTE, CALIFORNIA 91731; E-MAIL: THLUSA@GMAIL.COM.

PROSPECTIVE SUBSCRIBERS WILL BE REQUIRED TO ACKNOWLEDGE AND AGREE THAT (I) THE GENERAL PARTNER, THE REGIONAL CENTER, AND THE COMPANY HAVE NOT GIVEN, AND HAVE NO AUTHORITY TO GIVE, ANY INVESTMENT ADVICE WITH RESPECT TO THE PURCHASE OF A SECURITY; AND (II) A PROSPECTIVE SUBSCRIBER HAS NOT REQUESTED OR OTHERWISE SOUGHT ANY SUCH INVESTMENT ADVICE FROM THE GENERAL PARTNER (REGIONAL CENTER) OR COMPANY.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY OR PROFESSIONALS ASSOCIATED WITH THIS OFFERING AS LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN PERSONAL ATTORNEY, ACCOUNTANT AND OTHER ADVISORS, AT HIS OR HER OWN EXPENSE, AS TO THE LEGAL, TAX, ECONOMIC, AND OTHER CONSEQUENCES OF AN INVESTMENT IN THE UNITS AND THE INVESTMENT'S SUITABILITY FOR HIM OR HER.

THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DOCUMENTS RELATING TO THIS INVESTMENT AND VARIOUS PROVISIONS OF RELEVANT STATUTES AND APPLICABLE REGULATIONS THEREUNDER; HOWEVER, SUCH SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE TEXT OF THE ORIGINAL DOCUMENTS, STATUTES AND REGULATIONS.

EACH PROSPECTIVE INVESTOR WHO SUBSCRIBES TO INVEST WILL BE REQUIRED TO REPRESENT AND WARRANT TO THE COMPANY IN HIS OR HER SUBSCRIPTION AGREEMENT THAT AMONG OTHER THINGS HE/SHE: (1) IS BUYING THE UNITS FOR HIS OR HER OWN ACCOUNT AND NOT WITH ANY VIEW TO THEIR DISTRIBUTION OR RESALE IN THE FORESEEABLE FUTURE; (2) POSSESSES SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT HE/SHE IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE UNITS; (3) IS ABLE TO BEAR THE ECONOMIC RISKS OF SUCH AN INVESTMENT; (4) COULD AFFORD A COMPLETE LOSS OF SUCH AN INVESTMENT; (5) UNDERSTANDS THE TERMS, RIGHTS, DUTIES, OBLIGATIONS, AND RESTRICTIONS CONTAINED IN THIS MEMORANDUM, THE LIMITED PARTNERSHIP AGREEMENT AND THE SUBSCRIPTION AGREEMENT; AND (6) HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND REVIEW ALL ADDITIONAL INFORMATION DETERMINED BY HIM OR HER TO BE NECESSARY TO REVIEW THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND TO OTHERWISE MAKE AN INFORMED INVESTMENT DECISION. AT THE OPTION OF THE COMPANY, A SUBSCRIPTION MAY BE VOID, AT THE OPTION OF THE COMPANY, IF ANY REPRESENTATIONS MADE BY THE PROSPECTIVE INVESTOR IN HIS OR HER SUBSCRIPTION AGREEMENT OR WHICH ARE DELIVERED TO THE COMPANY ARE UNTRUE.

THE GENERAL PARTNER RETAINS THE RIGHT, IN ITS SOLE DISCRETION, TO ACCEPT OR REJECT, IN WHOLE OR IN PART, ANY SUBSCRIPTION.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON RESIDING IN A JURISDICTION WHERE SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING THE OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.

**FOR ALL NON-U.S. INVESTORS GENERALLY**

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THE PURCHASE OF UNITS OFFERED HEREBY TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THE UNITS OFFERED HEREBY, AND ANY FOREIGN EXCHANGE OR OTHER NON-U.S. RESTRICTIONS THAT MAY BE RELEVANT THERETO.

IF THE INVESTOR IS (I) A PURCHASER IN A SALE THAT OCCURS OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATIONS UNDER THE SECURITIES ACT OR (II) A "DISTRIBUTOR," "DEALER" OR PERSON "RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION" IN RESPECT TO SECURITIES SOLD, PRIOR TO THE EXPIRATION OF THE APPLICABLE "DISTRIBUTION COMPLIANCE PERIOD" (AS DEFINED BELOW), IT ACKNOWLEDGES THAT (A) UNTIL THE EXPIRATION OF SUCH "DISTRIBUTION COMPLIANCE PERIOD" ANY OFFER OR SALE OF THE SECURITIES SHALL NOT BE MADE BY IT TO A U.S. PERSON OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON WITHIN THE MEANING OF RULE 902(K) OF THE SECURITIES ACT AND (B) UNTIL THE EXPIRATION OF THE "DISTRIBUTION COMPLIANCE PERIOD," IT MAY NOT, DIRECTLY OR INDIRECTLY, REFER, RESELL, PLEDGE OR OTHERWISE TRANSFER A SECURITY OR ANY INTEREST THEREIN EXCEPT TO A PERSON WHO CERTIFIES IN WRITING TO THE COMPANY THAT SUCH TRANSFER SATISFIES, AS APPLICABLE, THE REQUIREMENTS OF THE LEGENDS DESCRIBED HEREIN AND THAT THE SECURITIES WILL NOT BE ACCEPTED FOR REGISTRATION OF ANY TRANSFER PRIOR TO THE END OF THE APPLICABLE "DISTRIBUTION COMPLIANCE PERIOD" UNLESS THE TRANSFEREE HAS FIRST COMPLIED WITH THESE CERTIFICATION REQUIREMENTS. THE "DISTRIBUTION COMPLIANCE PERIOD" MEANS THE ONE-YEAR PERIOD FOLLOWING THE ISSUE DATE FOR THE SECURITIES.



## **CONFIDENTIALITY AND UNDERTAKINGS**

The information contained in this Memorandum is confidential and proprietary to the Company. By accepting delivery of this Memorandum, the Prospective Investor is deemed to have acknowledged and agreed to the following:

- The information contained in this Memorandum will be used by the Prospective Investor solely for the purpose of deciding whether to proceed with a further investigation of the Company;
- This Memorandum or information derived from this Memorandum will be kept in strict confidence by the Prospective Investor and will not, whether in whole or in part, be released or discussed by the Prospective Investor for any purpose other than an analysis of the merits of an eventual investment in the Company by the Prospective 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 Prospective Investor and any and all reproductions thereof and notes relating thereto will be promptly returned to the Company.

## **NOTICE REGARDING NATIVE LANGUAGE TRANSLATION**

PROSPECTIVE INVESTOR HEREBY AGREES THAT IT IS THE SOLE RESPONSIBILITY OF PROSPECTIVE INVESTOR TO ENSURE PROPER TRANSLATION OF THIS AGREEMENT INTO THEIR NATIVE LANGUAGE IF NECESSARY FOR THE PROSPECTIVE 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 PROVIDED SOLELY FOR THE PROSPECTIVE 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 PROSPECTIVE INVESTOR ASSUMES THE RESPONSIBILITY FOR FULLY UNDERSTANDING THE NATURE AND TERMS OF THE RIGHTS AND OBLIGATIONS UNDER THIS MEMORANDUM.

## **FORWARD-LOOKING STATEMENTS - IMPORTANT FACTORS 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 future economic performance of the Company. 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 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 Company 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. 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 and under "IV.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 by Company, General Partner or their respective officers, directors, members, General Partner, employees or agents (collectively, the "**Project Parties**") that the objectives or plans of the Company will be achieved.

The words "estimate," "plan," "intend," "expect," "proposed," 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) or achievements of the Company 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 Project Parties specifically disclaim 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.

## TABLE OF CONTENTS

	<u>Page</u>
I. THE OFFERING .....	15
A. General .....	15
B. Economic Study .....	16
C. The Project .....	16
D. The Subscription Procedure .....	16
E. Closings .....	16
F. Risk Factors .....	16
G. Leverage and Loan .....	16
H. Payment of Company Expenses and Administration .....	17
I. Formation .....	17
J. Executive Summary .....	17
K. Regional Center and Company Responsibilities .....	17
L. Transfer Restrictions; Suitability Standards .....	18
M. How to Subscribe .....	19
N. Miscellaneous .....	19
O. Conflicts of Interest .....	20
II. DESCRIPTION OF THE PROJECT .....	22
A. General .....	22
B. Project Overview .....	23
C. Project Description .....	23
D. The Property .....	41
E. Targeted Employment Area .....	42
F. Job Creation .....	42
G. Management .....	42
H. Location Overview .....	43
I. Sources and Uses .....	47
J. Construction Budget .....	48
K. Construction Timeline .....	50
L. Project Completion .....	52
M. Operating Assumptions .....	52
III. IMMIGRATION MATTERS .....	53
IV. RISK FACTORS .....	61
A. Risks Related to Company's Proposed Business—General .....	61
B. Special Risks Associated With The Project .....	63
C. Risks Related To The Offering .....	67
D. Tax Risks .....	69
E. Immigration Risk Factors .....	72
F. Escrow Risk Factors .....	81
G. Risks Related To The Investment .....	82
V. TAX MATTERS .....	84
VI. ADDITIONAL INFORMATION .....	88

## LIST OF EXHIBITS

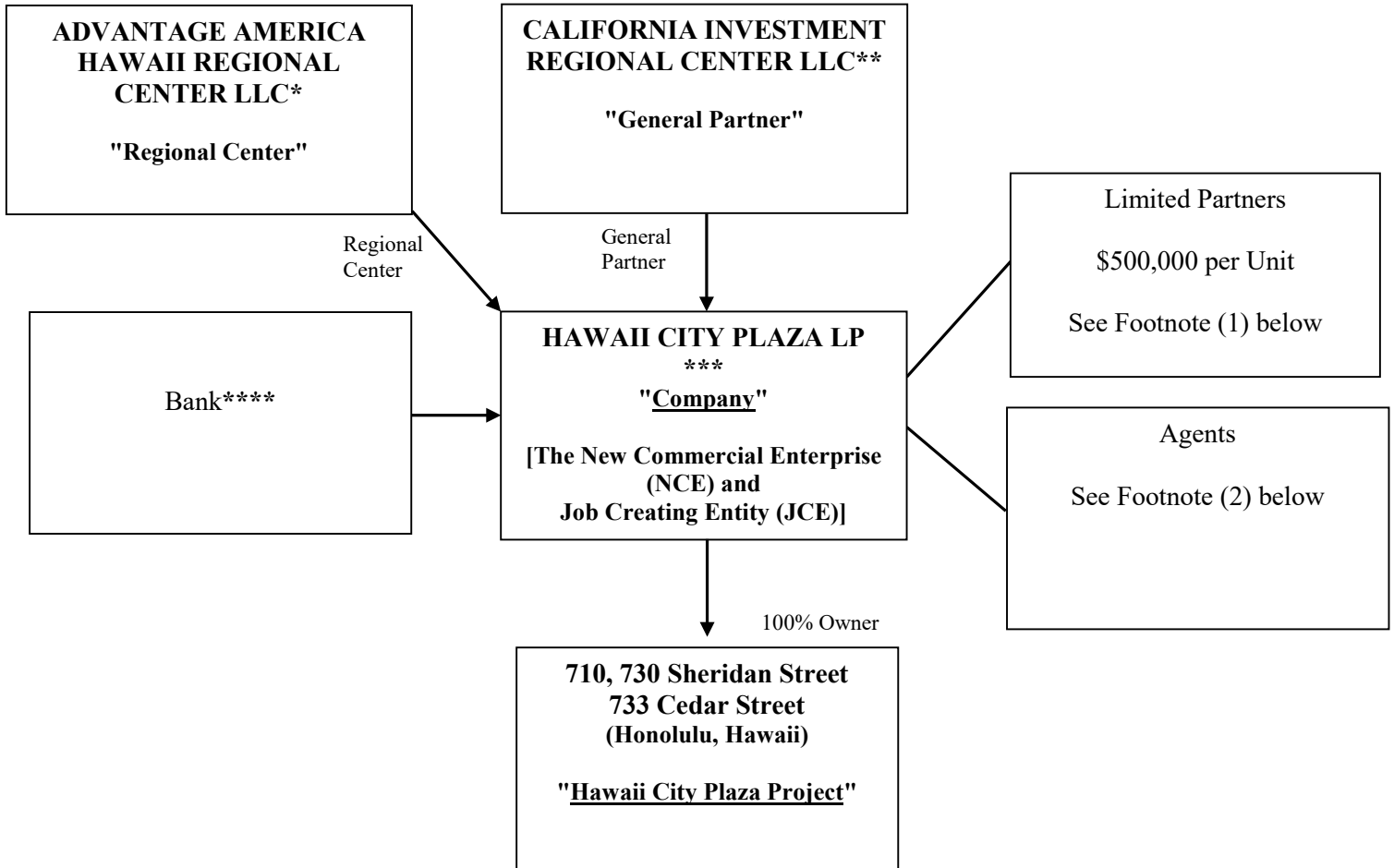
Exhibit A	Form of Subscription Agreement and Investor Questionnaire
Exhibit B	Escrow Agreement and EB-5 Investor Acknowledgement of Escrow Terms
Exhibit C	Limited Partnership Agreement

Note:

Other documents as listed below will be made available to Prospective Investors upon request (if available).

- (1) Certificate of Limited Partnership for the Company
- (2) Articles of Organization of General Partner
- (3) Regional Center Letter of Approval from the USCIS
- (4) Zoning and Site Plan Information
- (5) Target Employment Area Designation Letter
- (6) Economic Study
- (7) USCIS Business Plan

## OVERVIEW STRUCTURE



\* The Regional Center will enable the Company to utilize its regional approval to create jobs and the General Partner will administer the Company. The Regional Center is Advantage America Hawaii Regional Center LLC.

\*\* California Investment Regional Center LLC is the General Partner of the Company. The principals of CIRC ("**Principals**") are Min (Michelle) Hu and Zhong (Johnson) Fang.

\*\*\* The Company that will raise capital to fund the Project. The Company will utilize the Regional Center's designation in connection with the Investment, and whose Project will, in turn, create a sufficient number of jobs to satisfy the EB-5 Program requirements.

\*\*\*\* The Company intends to obtain a construction loan of approximately \$30 million (the "**Construction Loan**") from a financial institution (the "**Construction Lender**"). The Construction Loan will create a first priority deed of trust on the Project and will have the first priority in repayment over any other loans and repayment of the Investment.

Footnotes:

- (1) Excludes \$50,000 per Unit for the Administrative Fee amount. Investor may elect to fund Investor's Capital Contribution and Administrative Fee through Escrow or directly to the Company. If Investor funds Investor's Capital Contribution directly to the Company, the Administrative Fee shall not be held in escrow and will be put to use immediately as described herein upon receipt, and the \$500,000 per Unit Capital Contribution amount will be put to use immediately as described herein.
- (2) The Company intends to enter into agreement with overseas migration consultants.



The above illustration is an artist's conception of the Hawaii City Plaza project located at 710 and 730 Sheridan Street, and 733 Cedar Street, Honolulu, Hawaii. The project features a 26-story, approximately 384,000 square foot mixed-use development consisting of three restaurants, 163 residential condominium units, 313 parking spaces for motor vehicles and 163 parking spaces for bicycles. The actual buildings may deviate from the illustration above.





The above illustration is an artist's conception of the Hawaii City Plaza project located at 710 and 730 Sheridan Street, and 733 Cedar Street, Honolulu, Hawaii. The actual buildings may deviate from the illustration above.



## DEVELOPMENT TEAM

### COMPANY/DEVELOPER

**HAWAII CITY PLAZA LP** is the owner and developer of the construction project located at 710 and 730 Sheridan Street, and 733 Cedar Street, Honolulu, Hawaii 96814. It was organized under the laws of Hawaii State on November 10, 2015. The primary purpose of the Company is to own and develop the real estate located at 710 and 730 Sheridan Street, and 733 Cedar Street, Honolulu, Hawaii 96814.

California Investment Regional Center LLC is the General Partner of HICP (“**CIRC**” or the “**General Partner**”). CIRC will manage the Project via a team of experienced individuals as indicated below.

**Mr. Zhong (Johnson) Fang** is the managing member of CIRC. Mr. Fang has more than 20 years of experience in real estate industry. He has successful experience in the construction and marketing of several large-scale residential and mix-used real estate development projects. His contractor background gained him the expertise in budgeting and quality control. In addition, Mr. Fang has been working with immigrant investors through his own immigration consulting business in Shanghai, China. Mr. Fang is a Senior Economist in China and has an MBA Degree from Beijing Jiaotong University. Mr. Fang is the spouse of Min (Michelle) Hu.

#### Management Experience:

1993-2006	President	Town House Land Limited (Wuhan) Company
2004-2014	President	USA Realty Construction Group Inc.
	President	American Investment Immigration Association
2007	CEO and CFO	Sino-American Investment Holdings Inc.

**Ms. Min (Michelle) Hu** is the managing member of CIRC. Ms. Hu graduated with a Bachelor’s Degree from the Department of Business Administration of the Wuhan University in China. Ms. Hu also attended Pasadena City College for further education. From 2000 to 2004, Ms. Hu had experience in conducting sales and administration of large scale commercial and residential projects in China. From 2004 to 2013, Ms. Hu engaged in real estate sales and development as well as an immigration consultant service in California. Ms. Hu is the spouse of Mr. Zhong (Johnson) Fang.

#### Management Experience:

General Manager	USA Realty Investment Group, Inc.
Immigration Consultant	USA Immigration Legal Consulting
Manager	California Investment Regional Center, LLC
President	9920 Valley Blvd LP

**Ms. Ruiyun Wu** is the corporate counsel for CIRC. Prior to joining CIRC, Ms. Wu was a legal consultant for the immigration law firm of Sanford H. Perliss, a professional law corporation where she handled

immigrant and non-immigrant cases, conducted legal research and drafted legal memoranda. Prior to that Ms. Wu was an intern for the People's Procuratorate of Shenzhen Futian where she assisted the procurator in the court system. Prior to that, she was a legal intern at the People's Court of Nanshan District, Shenzhen. Ms. Wu holds an LL.B. from the Shenzhen University School of Law and an LL.M. from the Indiana University Maurer School of Law in Bloomington, Indiana. She is a native Mandarin speaker, and is fluent in English and Cantonese.

## **GENERAL CONTRACTOR**

**USA REALTY CONSTRUCTION GROUP INC.**, a California corporation, is the general contractor for the Project and is affiliated with the General Partner and its Principals. It operates out of El Monte, CA, has 20 years of real estate development experience, and holds a General Building Contractor license according to the California contractor's license board. USA Realty Construction Group Inc. has developed real estate projects within Fontana City, Chino Hills City, Long Beach, and El Monte, California as well as Las Vegas, NV, Florida, and Hawaii.

## **ESCROW AGENT**

**AMERICAN INVESTMENT IMMIGRATION FUND**, a California corporation, is the Escrow Agent for the Project and is affiliated with the General Partner and its Principals. American Investment Immigration Fund is not licensed as an escrow agent in the State of California or with any regulatory agency.

## **EB-5 CONSULTANTS**

### **REGIONAL CENTER**

**ADVANTAGE AMERICA HAWAII REGIONAL CENTER LLC**, a Delaware limited liability company, is the holder of regional rights with the USCIS EB-5 Program for purposes of authorizing foreign investors in the Company to include both direct and indirect job creation toward qualification for the EB-5 Program. The Regional Center will grant the Project the rights to utilize the Regional Center approval pursuant to said EB-5 Program.

### **ECONOMIST**

#### **EVANS, CARROLL & ASSOCIATES, INC.**

**Dr. Michael K. Evans** is the Chairman of Evans, Carroll & Associates, which has been providing economic forecasting and consulting to clients since 1981. The firm, based in Boca Raton, Florida, specializes in economic analysis for EB-5 programs, economic impact studies of development projects and new construction, models of state and local tax receipts, impact of current and proposed government legislation, and construction of econometric models for individual industries and companies. As Chief Economist for the American Economics Group from 2000 to the present, Dr. Evans has also built a comprehensive state modeling system that provides economic analysis for a variety of consulting projects. Previously Dr. Evans was founder and president of Chase Econometric Associates (1970-1980), and served as Clinical Professor of Economics at Kellogg Graduate School of Management, Northwestern University (1996-99) and Assistant and Associate Professor of Economics, Wharton School, University of Pennsylvania (1964-69). Dr. Evans holds a Ph. D. in Economics from Brown University.

### **BUSINESS PLAN CONSULTANT**

**WRIGHT JOHNSON, LLC** is a business consulting and planning firm that specializes in USCIS's EB-5 Regional Center Program with an econometrics division that has successfully prepared numerous economic studies to evaluate and summarize the job-creation and economic benefits attributed to regional center designation and individual EB-5 projects. In addition, Wright Johnson has a business plan writing division that prepares Matter of Ho Compliant Business Plans for EB-5 projects.

## OFFERING SUMMARY

*This Offering Summary should not be considered comprehensive or complete* and is qualified by the more detailed information appearing elsewhere in this Offering Memorandum, including the Exhibits hereto. Prospective Investors should carefully read this entire Memorandum, especially the matters discussed under “IV. RISK FACTORS.”

---

***The Company:*** **HAWAII CITY PLAZA LP**, a Hawaii limited partnership, was formed for the principal purpose of developing, constructing, and operating the Hawaii City Plaza Project which consists of a 26-story, approximately 384,000 square foot mixed-use development consisting of three restaurants, 163 residential condominium units, 313 parking spaces for motor vehicles and 163 parking spaces for bicycles. The Company’s principal office is located at 1585 Kapiolani Boulevard, Suite 1215, Honolulu, Hawaii 96814.

***The General Partner:*** **CALIFORNIA INVESTMENT REGIONAL CENTER LLC**, a California limited liability company, is the General Partner of the Company. The General Partner controls the Company's affairs, subject to certain limitations set forth in the Company’s Limited Partnership Agreement. The principal office of California Investment Regional Center LLC is located at 9911 Valley Boulevard, El Monte, California 91731.

***Limited Partners of the Company:*** Upon acceptance of each Investor's subscription for one (1) Unit in the Company, the Investor will be admitted as a Limited Partner of the Company, as applicable (a "**Limited Partner**"). The rights and obligations of the Limited Partners and the General Partner are stated in the Company’s Limited Partnership Agreement.

***Investment Objective:*** Primarily to invest in the Project by providing equity funding pursuant to the maximum or minimum Offering, but may also engage in any other legal activities if the General Partner determines that such activities would preserve the Investors’ eligibility for approval of their permanent residency.

***The Principals of the General Partner:*** Background information of the Principals of the General Partner (developer) is presented in the Development Team section above.

***Maximum Offering Amount:*** Eighty (80) Units (\$40,000,000)

***Minimum Offering Amount:*** One (1) Unit (\$500,000)

***Offering Price:*** \$500,000 per Unit payable in cash upon subscription.

***Administrative Fee:*** \$50,000 per Unit payable in cash upon subscription.

The General Partner will utilize the Administrative Fees it receives to pay marketing expenses and fees to authorized marketing agents, emigration

agents and consultants, and to pay other expenses of the Offering. NO PORTION OF THE \$500,000 PER UNIT CAPITAL CONTRIBUTION SHALL BE APPLIED TO OFFERING COSTS OR SALES COMMISSIONS OR FOR ADMINISTERING THE COMPANY OR FOR OPERATING THE REGIONAL CENTER, INCLUDING THE PAYMENT OF ANY ADMINISTRATIVE AND OTHER FEES.

**Minimum Subscription:** One (1) Unit (\$500,000)

**Bridge Financing:** The General Partner where necessary plans to utilize temporary interim or bridge financing through equity or debt funding ("**Bridge Financing**") that in whole or in part will be replaced by the Investment in order to commence the active development of the Project. In the event Company is unable to raise the Maximum Offering Amount, then any portion of the Bridge Financing that has not been replaced with the Investment will thereafter be refinanced with additional debt or equity financing.

**Regional Center:** The Regional Center and General Partner is **ADVANTAGE AMERICA HAWAII REGIONAL CENTER LLC**, a Delaware limited liability company, which was designated by the USCIS as a "Regional Center" within the meaning of the EB-5 Program, as provided in the USCIS letter dated May 28, 2015. The Regional Center currently is authorized to sponsor and administer qualified projects under the EB-5 Program in 5 counties in Hawaii, including the county where the Project is located.

**TEA Designation:** The Project is located in the City and County of Honolulu, Hawaii. In a letter dated October 8, 2015 the State of Hawaii Department of Business, Economic Development and Tourism, the appropriate governmental body of the state which has been delegated the authority by the Governor of Hawaii to certify that the geographic or political subdivision is a high unemployment area as required by 8 C. F.R. 204.6(i), using 2014 annual average unemployment date, certified that the area of the City of Honolulu which contains the Project location has an unemployment rate greater than one hundred fifty percent (150%) of the national unemployment rate and thereby, qualifies as a Targeted Employment Area ("**TEA**").

<b>Offering Proceeds:</b>	Purchase Price <sup>(3)</sup>	Offering Expenses <sup>(1)(3)</sup>	Net Proceeds to Company
Per Partnership Unit	\$500,000 <sup>(2)</sup>	\$50,000	\$500,000 <sup>(2)</sup>
Maximum Total Offering <sup>(4)</sup>	\$40,000,000	\$4,000,000	\$40,000,000

(1) From the gross proceeds of \$550,000 per Unit paid by each Subscriber, the Subscriber will incur an Administrative Fee of \$50,000. The Company, by way of the General Partner, will pay from the Administrative Fee and interest income, fees to the Regional Center, management fees, certain migration agents, securities brokers and "finders" outside the United States.

(2) NO PORTION OF THE \$500,000 PER UNIT CAPITAL

CONTRIBUTION SHALL BE APPLIED TO OFFERING COSTS OR SALES COMMISSIONS OR FOR ADMINISTERING THE COMPANY OR FOR OPERATING THE REGIONAL CENTER, INCLUDING THE PAYMENT OF ANY ADMINISTRATIVE AND OTHER FEES.

(3) INVESTOR MAY ELECT TO FUND INVESTOR'S CAPITAL CONTRIBUTION AND ADMINISTRATIVE FEE THROUGH ESCROW OR DIRECTLY TO THE COMPANY. IF INVESTOR FUNDS INVESTOR'S DIRECTLY TO THE COMPANY, THEN THE INVESTOR'S CAPITAL CONTRIBUTION AND ADMINISTRATIVE FEE WILL BE WILL BE PUT TO USE IMMEDIATELY AS DESCRIBED HEREIN UPON RECEIPT OF FUNDS.

(4) Assumes all Units are sold.

***I-526 Petition:***

The Offering has been structured with the goal that a Subscriber will have made an investment that qualifies for an EB-5 Visa entitling such Subscriber, assuming the Subscriber otherwise satisfies the personal criteria for an EB-5 Visa, to conditional permanent U.S. residency and, ultimately, to unconditional U.S. permanent residency, which itself ultimately gives rise to eligibility for U.S. citizenship. The Project will be located within an approved geographic area of a Regional Center by USCIS as a qualifying investment for the EB-5 Program. The Company has arranged for immigration attorneys to file the I-526 Petition for an EB-5 Visa on behalf of each Subscriber, at the Subscriber's expense, promptly following acceptance of the Subscription Agreement and Capital Contribution. Upon filing of an I-526 Petition, Subscriber shall be admitted as a Limited Partner in the Company. As of January 31, 2016, the USCIS listed processing time of EB-5 petitions was approximately 16.3 months, although a longer time period may apply in a particular case.

***Disbursement of Capital Contribution and Administrative Fee:***

A. Pursuant to the Subscription Agreement executed by a Subscriber, Five Hundred Fifty Thousand Dollars (\$550,000) per Unit, of which \$500,000 is the Capital Contribution and \$50,000 is the Administrative Fee, is due to be paid: (i) to Escrow Agent if Investor elects to fund through Escrow; or (ii) to Company if Investor elects to fund directly to Company. The Administrative Fee will be released by the Company to the General Partner to pay for all ordinary administrative and operating expenses of the Company including, regional center fees and fees to certain migration agents or consultants/facilitators, securities brokers and "finders" outside the United States. NO PORTION OF THE \$500,000 PER UNIT CAPITAL CONTRIBUTION SHALL BE APPLIED TO OFFERING COSTS OR SALES COMMISSIONS OR FOR ADMINISTERING THE COMPANY OR FOR OPERATING THE REGIONAL CENTER, INCLUDING THE PAYMENT OF ANY ADMINISTRATIVE AND OTHER FEES.

B. Subscriber recognizes and agrees that the Company has commenced operations and has a need for the Capital Contributions of Partners before any Partner's I-526 Petition is approved by USCIS. Therefore, the Capital

Contribution will be put to use immediately as described herein upon receipt of Form I-797 Notice of Action issued by the USCIS evidencing receipt of an Investor's I-526 petition filing. If a Partner's I-526 Petition is filed with the USCIS, the Partner's funds deposited will be used by the Company to fund the Investment.

If a Subscriber's I-526 Petition is denied, either without appeal or after denial of any appeal, the Company will be obligated to (1) return the \$500,000 Capital Contribution, without interest, within three (3) months upon the receipt of the denial notice issued from USCIS and (2) upon return in full of the Limited Partner's Capital Contribution, the Limited Partner will be deemed to have withdrawn from the Company.

C. The Administrative Fee of a Limited Partner will be put to use immediately as described herein upon receipt of the Limited Partner's Administrative Fee and signed Subscription Agreement; provided, however, that if a Limited Partner's I-526 Petition is denied, either without appeal or after denial of any appeal, the Company will also be obligated to return all of the \$50,000 Administrative Fee if the denial of a Subscriber's I-526 Petition is resulted from the reasons other than that of from the Subscriber. However, if the denial resulted from the Subscriber's fraud, misrepresentation or omission, the Company will not be obligated to return the \$50,000 Administrative Fee, in which case, the entire \$50,000 Administrative Fee will be forfeited.

***Withdrawal of I-526 Petition:***

In the event that a Limited Partner withdraws his or her I-526 Petition prior to adjudication by USCIS, such Limited Partner may request that the Company return his or her Capital Contribution together with all but \$5,000 of the \$50,000 Administrative Fee (i.e. \$45,000 Administrative Fee). In such event, the Company will be obligated to return the Capital Contribution without interest and \$45,000 Administrative Fee within six (6) months upon the receipt of a confirmation of such withdrawal from the USCIS.

***Failure to File I-526 Petition:***

If a Limited Partner fails to file the I-526 Petition within sixty (60) days after funding his or her investment, the Company shall have the option to reject such Limited Partner's subscription and return his or her \$500,000 Offering Price without interest. If the General Partner decide to reject such subscription, the Company will be obligated to return the \$500,000 Offering Price with all but \$5,000 of the \$50,000 Administrative Fee within six (6) months upon such decision.

***Limited Partnership Agreement***

The Limited Partnership Agreement will be entered into by and among the Company and each of the Limited Partners whose subscriptions are accepted by the Company pursuant to the Subscription Agreement. The General Partner of the Company will have the responsibility of administering the operations of the Company, subject to the provisions described below and in the Limited Partnership Agreement. The Company may take certain actions only with the consent of the holders of a majority of the Units.

***Distributions***

(1) Distribution of Cash Flow from Disposition Income. Subject to any adjustment required as determined by the General Partner for the payment of

Company expenses and the establishment of reserves, the General Partner will determine when the Company will make distributions of the distributable cash realized from the disposition of all or a portion of the Project. If the Project is disposed of prior to the final adjudication of I-829 applications of all of the Limited Partners, the General Partner will have the right to reinvest the proceeds of the disposition in another investment if the General Partner determines that it would preserve the eligibility of the Limited Partners for approval of their permanent residency. Cash Flow from Disposition Income shall be, subject to Section (3) below, made to the Partners as follows: 60% to the General Partner and 40% to the Limited Partners, on a pro-rata basis.

(2) Distributions of Net Cash Flow from Operations. Subject to any adjustment required as determined by the General Partner for the payment of Company expenses, the Company may make distributions of the Cash Flow realized from the operations to the Partners (if an investor owns its Partnership Interest for less than one calendar year the distribution hereunder shall be for such partial year on a pro-rata basis) to the extent available, and subject to Section (3) below, as follows: 60% to the General Partner and 40% to the Limited Partners, on a pro-rata basis.

(3) The distributions in Sections (2) and (3) above assume the sale of all 80 Units to the Limited Partners. In the event less than 80 Units are sold, then the interests of the General Partner and the Limited Partners in Sections (1) and (2) shall be increased and decreased, respectively, by 0.5% for each Unit less than 80 that are sold by the Company.

***Investor  
Qualifications:***

The Units have not been registered under the Securities Act and are being offered pursuant to transaction exemptions for offerings made to non-U.S. Persons under Regulation S of the Securities Act and "accredited investors" under Regulation D of the Securities Act.

***Transfer  
Restrictions:***

The Units may not be offered or sold unless the Units are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Hedging transactions in the units may not be conducted except in compliance with the Securities Act. If the Limited Partner is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with certification requirements described in this Section. The "distribution compliance period" means the one-year period



following the issue date for the Units. In addition, the Units may not be transferred without the consent of the General Partner, which consent may be withheld in its sole reasonable discretion (except on the death of an individual Partner or by operation of law pursuant to the reorganization of a Limited Partner).

***Exit Strategies***

The primary exit strategy for the Company is the refinancing and/or sale of the Project in whole or in part, with funds disbursed to the Limited Partner in proportion to their Capital Contributions.

NO PORTION OF THE SALES PROCEEDS OF ANY PORTION OF THE PROPERTY SHALL BE APPLIED TO REPAY ANY PARTNER OR TO FUND ANY RESERVE ACCOUNT WHILE THAT LIMITED PARTNER IS IN CONDITIONAL RESIDENCY STATUS SO THAT SUCH LIMITED PARTNER'S INVESTMENT SHALL BE SUSTAINED AND CONTINUE TO BE "AT-RISK" THROUGHOUT SUCH LIMITED PARTNER'S PERIOD OF CONDITIONAL LPR STATUS.

***The Migration Brokers:***

Offshore migration brokers or consultants or other similar persons or organizations ("**Migration Brokers**") will be engaged to find and solicit and facilitate Prospective Investors outside the United States and to assist Subscribers and their U.S. immigration counsel in processing exit and entry documentation for the EB-5 immigration process for Subscribers. The Company will pay a fee to such brokers for completing subscriptions and for documentation services.

THE GENERAL PARTNER WILL, ON A CASE BY CASE BASIS, USE A PORTION OF ITS FEES AND DISTRIBUTIONS FROM THE COMPANY TO PAY MIGRATION BROKERS FOR SERVICES RENDERED, SEPARATE FROM THE ADMINISTRATIVE FEE AND IN NO EVENT FROM THE \$500,000 CAPITAL CONTRIBUTION MADE BY A LIMITED PARTNER.

***Side Letters:***

Without any further act, approval or vote of any Limited Partner, the General Partner may enter into side letters or other similar agreements with certain Investors that have the effect of establishing different Administrative Fees.

## I. THE OFFERING

### A. General

The Company is offering Units for purchase only to qualified natural persons who are (i) not "U.S. persons," as defined in Rule 902(k) of the Securities Act, in compliance with Regulation S, on a limited and private basis; or (ii) "accredited investors," as defined in Rule 501 under the Securities Act and pursuant to Regulation D of the Securities Act. The purchase price per Unit is the \$500,000 Capital Contribution. In addition, each purchaser of a Unit will be required to pay the additional \$50,000 Administrative Fee per Unit to partially cover the Company's costs associated with the Offering. A minimum of one (1) Unit will be sold in the Offering, for an aggregate Minimum Offering Amount of \$500,000. A maximum of Eighty (80) Units will be sold in the Offering, for an aggregate Maximum Offering Amount of \$40,000,000.

The minimum Capital Contribution amount for this Offering has been set based on the minimum investment required for Investors seeking to qualify for a visa pursuant to the EB-5 Program. In the event that the minimum Capital Contribution required for Investors in this Offering to qualify for a visa is increased by law, the Limited Partnership Agreement provides that the General Partner may amend the minimum Capital Contribution required for Investors in this Offering to the minimum amount required by law to qualify for a visa pursuant to the EB-5 Program, without additional consent of the Limited Partners. Any increase in the minimum Capital Contribution would only apply to Limited Partners who would be required to meet the increased minimum Capital Contribution by law.

The Offering will not be made to investors who are "U.S. persons," as such term is defined in Rule 902(k) of the Securities Act; provided, however, that, on a limited basis, the Company may accept subscriptions from individual investors who are "U.S. persons," in which event the Company will rely upon the Regulation D exemption under Section 4(2) of the Securities Act. Accordingly, no offer to sell or sale will be made in the United States and no buy order will be accepted if it is originated from within the United States, unless the requirements of Regulation D are strictly adhered to with respect to sales made in the United States. In order to purchase Units, a Prospective Investor must represent to the Company that he or she is not a resident in the United States at the time of the offer of the Units, will not be a resident in the United States at the time of the sale of the Units and is not acquiring the Units for the benefit of a U.S. Person, unless the Offering is conducted solely under the Regulation D exemption. Any Prospective Investor that misrepresents information on the I-526 application will forfeit a portion of his or her Administrative Fee. The Company reserves the right to refuse a subscription for Units in its sole discretion for any reason, including concern that the Prospective Investor may not meet the requirements for "accredited investors" or that the Units are otherwise an unsuitable investment for the Prospective Investor. Each Prospective Investor must also meet the further suitability criteria and make the representations and warranties set forth in the Subscription Agreement. See "OFFERING SUMMARY," and "I.L. THE OFFERING – Transfer Restrictions; Suitability Standards," and the form of Subscription Agreement attached hereto as Exhibit A.

### **The I-526 Petition**

The Offering has been structured so that each Subscriber, by becoming a Limited Partner in the Company, will have made an investment that qualifies as the investment component required for an EB-5 Visa entitling the Subscriber, assuming the Subscriber otherwise satisfies the non-investment criteria for an EB-5 Visa, to seek permanent United States residency and, ultimately, to apply for U.S. citizenship. The Project is to be located in a Regional Center designated by USCIS as a qualifying investment for the EB-5 Program. However, Subscribers must be aware that there are numerous other factors that will lead to the grant or denial of the EB-5 Visa based upon the personal facts and circumstances of each

Subscriber. See "III. IMMIGRATION MATTERS" and "IV.E. RISK FACTORS – Immigration Risk Factors."

**B. Economic Study**

Dr. Michael K. Evans (the "**Economist**") prepared an economic impact analysis (the "**Economic Study**") of the Offering described in this Memorandum. The Economic Study predicts that the Company will create a total of 1,010.7 permanent new direct, indirect and/or induced jobs and have a significant positive economic impact for the regional economy. **All jobs are to be derived from construction-related spending, architecture and engineering, sales commissions and operations.** FF&E costs are not considered within the referenced economic analysis. However, FF&E purchasing would result in additional indirect and induced job creation.

**C. The Project**

The Project is described in more detail in the "Description of Project" contained in "Section II, Description of the Project" hereafter.

**D. The Subscription Procedure**

The Offering Period commenced on April 15, 2016 and will end on April 14, 2017 at 5:00 p.m. Pacific Time, unless earlier concluded or extended by the Company. The Company may accept subscriptions in the aggregate not to exceed the Maximum Offering Amount, until the end of the Offering Period.

In addition to executing the Subscription Agreement and remitting the Offering Price for subscribed Units and Administrative Fee as described herein, the Limited Partner will also need to execute the Company's Limited Partnership Agreement, and deliver the executed Limited Partnership Agreement to the Company in order to complete his or her subscription upon acceptance of same by the Company. A form of the Limited Partnership Agreement is attached as Exhibit B.

**E. Closings**

Closings of sales of Units will occur periodically and the final closing will occur not more than ninety (90) days following the end of the Offering Period or earlier termination of the Offering. The Limited Partner will be notified of the acceptance or rejection in whole or part of his or her subscription. Promptly after the closing of the required minimum number of Units, the Company will execute and deliver a signature page of the Limited Partnership Agreement to each Partner whose subscription is accepted.

**F. Risk Factors**

An investment in the Units involves substantial risks and significant restrictions on transferability. An investment in the Company should be viewed as highly speculative and is designed only for foreign investors who maintain their investment over a significant period of time and who can afford the loss of their investment. See "IV. RISK FACTORS."

**G. Leverage and Loan**

Each Partner will receive from the Company an allocation of his or her share of the Partnership Interests of the Company, the terms of which are described in the Limited Partnership Agreement.

The Construction Loan to be obtained by the Company will have the first priority in repayment over any other loans of the Company, including repayment of the Investment. As such, the Project will be subject to additional risks that arise from senior lien on the Project and Property, including the fixed payment obligations attributable to the Construction Loan which must be met on certain specified dates regardless of revenues derived by the Project from the sale of assets or from operations. If the payment of Construction Loan is not made, the holder of the Construction Loan would have the right to foreclose on the Property, and to receive from the proceeds of sale all amounts owed on the Construction Loan before any other creditors would receive payments owed to them.

#### **H. Payment of Company Expenses and Administration**

The General Partner will pay out of the Administrative Fees and Company distributions received by the General Partner all ordinary administrative and operating expenses of the Company incurred by the Company in connection with maintaining and operating its office and the books and records of the Company. The Company will bear all extraordinary costs and expenses of the Company's operations.

#### **I. Formation**

a. Formation and Purpose.

The Company is a limited partnership organized under the Hawaii Uniform Limited Partnership Act.

b. Administrative Office.

The General Partner of the Company will administer the bookkeeping and tax compliance for the Company.

c. Partners.

The Limited Partners are those investors who purchase a Unit in the Company in this Offering and those persons who subsequently are admitted as substitute Partners in the event of a transfer of Units.

#### **J. Executive Summary**

An Executive Summary detailing the business, including a detailed description of the Project, the development budget, the anticipated operating budget, the scheduled timetable and a forecast of projected operations is set forth in Section I.C (The Project) of this Memorandum.

#### **K. Regional Center and Company Responsibilities**

The Regional Center shall oversee all administrative matters involving oversight and compliance with the USCIS I-924A annual reporting requirement, as well as for EB-5 related administration and continuing compliance of the Regional Center under USCIS regulations, policy and guidelines. The Regional Center also shall assist Partners in obtaining from the Company all required information, financial and related documents, as well as any other supporting evidence required or requested by USCIS with respect to the processing of the I-526 petitions and subsequent approval by USCIS of the I-829 that will eventually be required for Partners to be approved for un-conditional permanent residency status. In addition, the Company shall provide data and information to the Regional Center as necessary with respect to achieving job creation and verification of actual expenditure of funds in accordance with the

USCIS-approved Job Creation economic model and business plan in order to support each Partner's I-526 Petition and I-829 Petition.

**L. Transfer Restrictions; Suitability Standards**

The purchase of the Units offered hereby is speculative and involves a high degree of risk. In addition to the suitability standards set forth below, an investment in the Units is suitable only for persons of adequate financial means who have no need for liquidity with respect to this investment and can afford a total loss of their investment. Consequently, an investment in the Units offered hereby is not a suitable investment for all potential investors and the sale of the Units hereunder will be made on a selected private basis to investors who meet the suitability standards set forth below.

The suitability standards set forth below represent minimum suitability standards for investors. The satisfaction of such suitability standards by a Prospective Investor does not necessarily mean that an investment in the Units is suitable for such Prospective Investor. Prospective Investors are encouraged to consult their personal professional advisors to determine whether an investment in the Units is appropriate for them. The Regional Center or the General Partner may reject subscriptions, in whole or in part, in its sole discretion.

There is no established market for the Units. There are only a limited number of investors and there are restrictions on the transferability of the Units, so a market for the Units will likely never develop. The Units cannot be resold without the prior written consent of the General Partner, which may be withheld in its sole reasonable discretion and unless: (i) they are subsequently registered under the Securities Act and applicable state securities laws, or (ii) an exemption from such registration is available.

If the Limited Partner is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), it acknowledges that (A) until the expiration of such "distribution compliance period" any offer or sale of the Units shall not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance Period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with these certification. The "distribution compliance period" means the one-year period following the issue date for the Units.

The Offering will not be made to any U.S. Person unless the Offering is conducted under the Regulation D exemption described above. In order to purchase a Unit, a Prospective Investor must represent to the Company that he or she is not a resident of the United States at the time of the offer of the Unit, will not be a resident of the United States at the time of the sale of the Unit and is not acquiring the Unit for the benefit of a U.S. Person or that such person is an "accredited investor." Any Prospective Investor that provides false or misleading information on his or her I-526 Petition will forfeit a portion of the Company deposited.

The Units are being offered and will be sold (i) pursuant to Regulation S of the Securities Act or (ii) only to individual "accredited investors," which are defined in Rule 501 under the Securities Act as being:(a) any natural person whose individual net worth, or joint net worth with that person's spouse (excluding residence), exceeds \$1,000,000; or (b) any natural person whose individual income exceeded

\$200,000, or whose joint income with that person's spouse exceeded \$300,000, in each of the two most recent years and who has a reasonable expectation of reaching that income level in the current year.

Each Prospective Investor will be required to represent and to establish to the satisfaction of the Regional Center that such investor is either a non-U.S. Person or an "accredited investor." The General Partner reserves the right to refuse a subscription for Units in its sole discretion for any reason, including concern that (i) the Prospective Investor may not meet the requirements for accredited investors, or (ii) the Prospective Investor may not be a non-U.S. Person. Each Prospective Investor must also meet the further suitability criteria and make the representations and warranties set forth in the Subscription Agreement.

#### **M. How to Subscribe**

ANY INVESTOR WHO WISHES TO SUBSCRIBE FOR UNITS MUST DELIVER BY CERTIFIED U.S. MAIL OR OTHER NATIONALLY RECOGNIZED TRACKING DELIVERY SERVICES (FEDERAL EXPRESS, UPS, ETC.) THE FOLLOWING ITEMS TO:

Hawaii City Plaza LP  
c/o California Investment Regional Center LLC  
9911 Valley Boulevard  
El Monte, California 91731  
Email: [Thlusa@Gmail.Com](mailto:Thlusa@Gmail.Com)

- (i) TWO EXECUTED COPIES OF THE SUBSCRIPTION AGREEMENT (ATTACHED HERETO AS EXHIBIT A);
- (ii) AN EXECUTED INVESTOR QUESTIONNAIRE – EXHIBIT A TO THE SUBSCRIPTION AGREEMENT;
- (iii) IN THE EVENT INVESTOR ELECTS TO FUND INVESTOR'S CAPITAL CONTRIBUTION AND ADMINISTRATIVE FEE THROUGH ESCROW, THEN TWO EXECUTED COPIES OF THE JOINDER TO THE ESCROW AGREEMENT (ATTACHED HERETO AS EXHIBIT B);
- (iv) TWO EXECUTED COPIES OF THE COUNTERPART SIGNATURE PAGE TO THE COMPANY'S LIMITED PARTNERSHIP AGREEMENT (ATTACHED HERETO AS EXHIBIT C);
- (iv) EVIDENCE OF ONE OR MORE WIRE TRANSFERS IN AN AGGREGATE AMOUNT EQUAL TO \$550,000.

#### **N. Miscellaneous**

1. Reports to Partners. Partners will receive annual internally prepared financial statements and will also receive necessary information for tax reporting.

2. Certain Regulatory Matters. The Company is not registered and does not intend to register as an investment company and, therefore, should not be required to adhere to certain investment policies under the Investment Company Act of 1940, as amended (the "1940 Act").

3. Tax Considerations. The Company intends to operate as a partnership for U.S. Federal income tax purposes and not as a publicly traded partnership taxable as a corporation. Accordingly, the

Company should not be subject to U.S. Federal income tax, and each Partner will be required to report on his or her own annual tax return such Partner's distributive share of the applicable Company's taxable income or loss.

4. Foreign Investors. Foreign investors should consult their tax advisors with respect to the U.S. federal and state and the foreign tax consequences of an investment in the Company, including the requirements with respect to withholding relative to amounts distributed to such Partners.

## **O. Conflicts of Interest**

Because of shared ownership and/or commonality of financial interest, any transaction between the Company and (a) General Partner, (b) General Contractor, (c) Escrow Agent and (d) the owners, manager, directors, officers, or employees of the foregoing, will be entered into without the benefit of "arms-length" bargaining, and may involve actual or potential conflicts of interest—including, without limitation, the Investment of Offering proceeds for furtherance of the Project. Except and to the extent that specific limitations on self-dealing may be set forth in the Limited Partnership Agreement, the Limited Partners will be relying on the general fiduciary standards which apply to the General Partner of a limited partnership under law to prevent overreaching by the General Partner in any transaction with or involving the Company. The following constitutes a summary of important areas in which the interests of the General Partner or their officers may conflict with those of the Company, as well as certain conflicts of interest between the Limited Partners and the Regional Center.

1. Lack of Independent Representation. The Company has not been represented by independent counsel. The attorneys that provide services relating to the Company perform their services for CIRC and at its direction. There is no attorney-client relationship or legal representation of the Company.

2. Control of the Company. Subject to significantly limited oversight by the Limited Partners as Partners of the Company, the General Partner will be solely responsible for making all decisions of the Company pertaining to the lending of the Offering proceeds and enforcing the terms of the Investment Agreement. Additionally, the General Partner are generally responsible pursuant to the terms of the Limited Partnership Agreement and the Hawaii Uniform Limited Partnership Act for the operations of the Company.

3. Company Opportunities. The General Partner, its members and officers have previously had presented to it and/or to them opportunities to launch, and have launched, other investment funds or vehicles for the pursuit of other investment or funding opportunities, both under the EB-5 Program, and otherwise. Additionally, by reason of the General Partner's management of the Company, including in particular the successful raise and application of investment proceeds contemplated by this Memorandum, the General Partner and its officers may have presented to it or to them in the future additional opportunities to launch other investment funds or vehicles for the pursuit of other investment or funding opportunities, and to participate in other similar projects, both under the EB-5 Program, and otherwise, which might not otherwise have been made available to it or to them. Each Prospective Investor should recognize that the General Partner (or another legal entity formed by the General Partner and/or its members directly) intends to investigate such opportunities, and may, in consequence, undertake to manage, participate in, develop, own, or acquire other future investment projects, as well as continue those same activities with regard to existing investment projects, all whether or not similar to the Project, and conceivably competitive therewith, for its own account, or for the account of others. Any investment projects so managed, developed, owned, or acquired by or participated in by the General Partner or its affiliates (or continuing to be managed, developed, owned, or acquired by or participated in by any of them) will not constitute any part of the assets, properties, or rights of the Company, and neither the

General Partner, nor its members or officers, will have any obligation to offer such opportunities to the Company or its Partners.

4. Fiduciary Duties Limitation. To the fullest extent permitted by law, to the extent that, at law or in equity, the General Partner owes any fiduciary duty to the Company pursuant to this Agreement, such duty is hereby eliminated, it being the express intent of the General Partner that no General Partner shall owe any fiduciary duties of any nature whatsoever to the Company; provided, however, that, notwithstanding any provision hereof, such General Partner shall be subject to the implied contractual covenant of good faith and fair dealing.

5. Commissions. The General Partner expects to pay commissions or other fees to one or more immigration consultants, emigration agents, investment advisors, or other parties in connection with the sale of Units pursuant to the Offering. Any such commissions or other fees paid to any party in connection with the sale of Units pursuant to the Offering shall not be paid out of the proceeds of the Capital Contributions of Partners, but from the Administrative Fees or the distributions received by the General Partner from the Company.

6. Other Activities; Competition. The General Partner does not have any duty to account to the Company for profits derived from activities other than Company activities, and is under no duty, other than the duty as a fiduciary (but to the extent limited herein), to engage in such activities in a manner which does not affect the Company's investments. In addition, the General Partner are required to devote to the Company's affairs only as much time as the General Partner deems necessary. As such, it is possible that the General Partner may have potential conflicts of interest with the Company.

7. Compensation. The General Partner and their affiliates may receive a substantial economic benefit from participating in the Project from the Company. The General Partner shall have the ability to retain certain unexpended portions of the Administrative Fee in exchange for certain services to be performed on behalf of the Company.



## II. DESCRIPTION OF THE PROJECT

### Project Overview

**HAWAII CITY PLAZA LP**, a Hawaii limited partnership ("**Company**") was formed by its General Partner, **CALIFORNIA INVESTMENT REGIONAL CENTER LLC**, a California limited liability company ("**CIRC**" or "**General Partner**") for the purpose of raising capital and developing, constructing and operating the Hawaii City Plaza project which consists of a 26-story, approximately 384,000 square foot mixed-use development consisting of three restaurants, 163 residential condominium units, 313 parking spaces for motor vehicles and 163 parking spaces for bicycles (the "**Project**") at 710 and 730 Sheridan Street and 733 Cedar Street, Honolulu, Hawaii 96814 (the "**Property**"). The Company is currently in contract to acquire the Property.

The Company is seeking to raise an aggregate of up to \$40 million of capital through the offering (the "**Offering**") of Units from up to 80 Investors. The Company intends to utilize the investment (the "**Investment**") of all of the proceeds of this Offering up to a maximum of \$40 million, to finance the Project.

### Project Financing

The Company anticipates that the Project will cost approximately \$89.15 million, including the purchase price paid for the Property (as defined below), and will be financed through a combination of debt, equity, the Investment and other capital raised (or to be raised) by the Company for the Project.

The Project will be financed with approximately \$19.15 million of financing from General Partner in the form of equity, \$40 million from the Investment, and approximately \$30 million from the Construction Lender. The Company intends to obtain Bridge Financing through equity or debt funding from a third party in order to commence the active development of the Project and repay any Bridge Financing in full with the proceeds of the Investment. In the event that the Company is unable to fund the Maximum Offering Amount, the Company will obtain additional debt or equity financing from a third party in lieu of the unfunded balance of the Investment. The Company is not required to obtain a minimum amount of capital commitments before it may consummate the initial closing of the purchase and sale of Units in this Offering.

Investors should be aware that the primary source of repayment of the Investment is expected to be the sale of condominiums, and there can be no assurance that the proceeds of operation or sale of the Property will be sufficient to repay the Investment. The repayment of the Investment will be junior and subordinate to the Construction Loan. The development and operation of the Property will be subject to a number of risks, as further described in Section IV Risk Factors. If the value of the Property is not sufficient to repay the outstanding balance of the Construction Loan, the Investors are at risk of a loss of some or all of their investment in the Company.

#### A. General

Although the Company believes that the enclosed Executive Summary accurately reflects the current status of the Project and its development potential, there are no assurances that facts and circumstances will not arise that will necessitate a modification of the business plan set forth in the Executive Summary.

The Executive Summary contains financial projections related to the Project, which are subject to the "Forward-Looking Statements - Important Factors and Associated Risks" disclosure set forth herein.

**B. Project Overview**

"The Hawaii City Plaza Project" is an \$89.15 million dollar capital investment project that features a 26-story, approximately 384,000 square foot mixed-use development consisting of three restaurants, 163 residential condominium units, 313 parking spaces for motor vehicles and 163 parking spaces for bicycles. Upon completion of the Project, the Company will own, manage, and operate a 3,116 square foot full-service Chinese restaurant and will sell the residential and remaining retail area. The Investment from the Company will provide the Company with a portion of the funding necessary to complete the construction and operation of the Project and create the jobs in accordance with the Economic Study prepared by Dr. Michael Evans below.

**C. Project Description**

The Project consists of one 26-story building. Once complete, the Project will consist of the following:

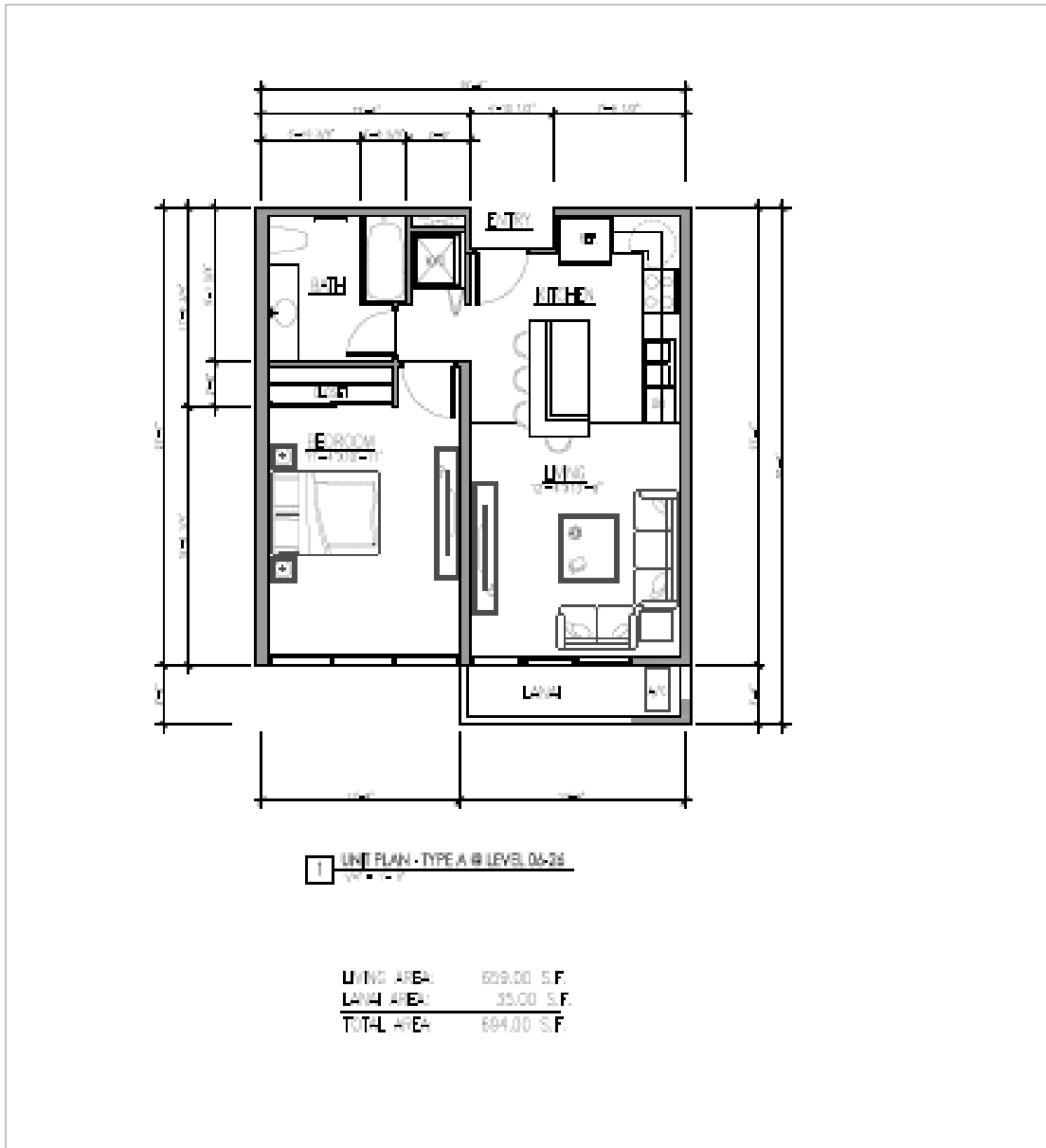
Land Area:	39,520 SF
1 <sup>st</sup> Basement Parking:	22,000 SF – 33 Parking Lots
2 <sup>nd</sup> Basement Parking:	22,000 SF – 40 Parking Lots
1 <sup>st</sup> Floor:	26,000 SF (Total)
3 Restaurants:	7,547 SF (Commercial Area)
Size of Each Restaurant:	2,586 SF
	1,845 SF
	3,116 SF
Ground Floor Parking:	18,453 SF (Public Parking Area)
Restaurant Parking:	15 Parking Lots
Loading Truck Parking:	3 Parking Lots
Bicycles Parking:	152 Parking Lots
2 <sup>nd</sup> Floor:	26,000 SF (Total)
Hotel-style Lobby	
2 <sup>nd</sup> Floor Parking:	
Visitor Parking:	30 Parking Lots
Residents Parking:	23 Parking Lots
Bicycle Parking:	11 Parking Lots
3 <sup>rd</sup> to 5 <sup>th</sup> Floors:	78,000 SF including 169 Parking Lots
6 <sup>th</sup> Floor:	10,000 SF with Public Facilities and 3 Residential Units
7 <sup>th</sup> to 26 <sup>th</sup> Floors:	200,000 SF with 163 Residential Units
Total Housing Construction Area:	384,000 SF
Total Construction Cost:	\$80,648,000

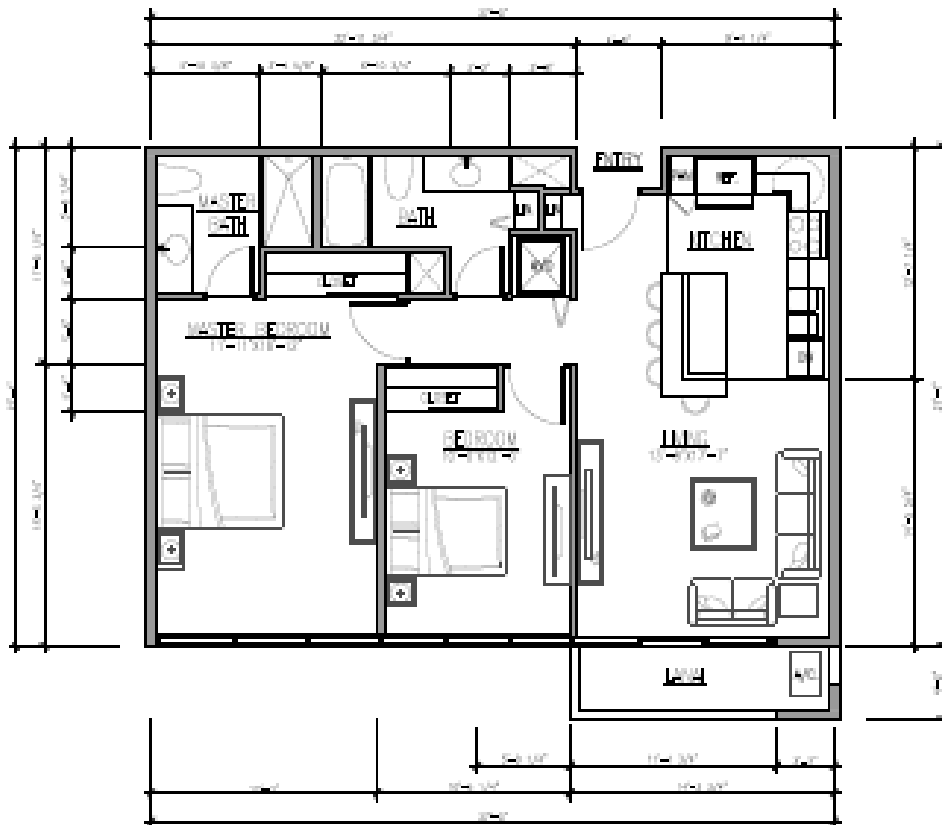
Upon construction completion, the Project will be conveyed into various condominium interests. The completed residential condominium parcels will be conveyed to the vested parties in fee simple title with an undivided interest in certain common areas, governed by a Master Owners' Association. The

Master Owners' Association would be created for the purpose of ongoing management and maintenance of the common building areas and improvements. The residential condominium owners of the building will additionally receive an undivided interest in the residential common area under a subsidiary Residential Homeowners' Association. Each condominium ownership entity will be responsible for paying monthly association dues.

Condominium Unit Mix

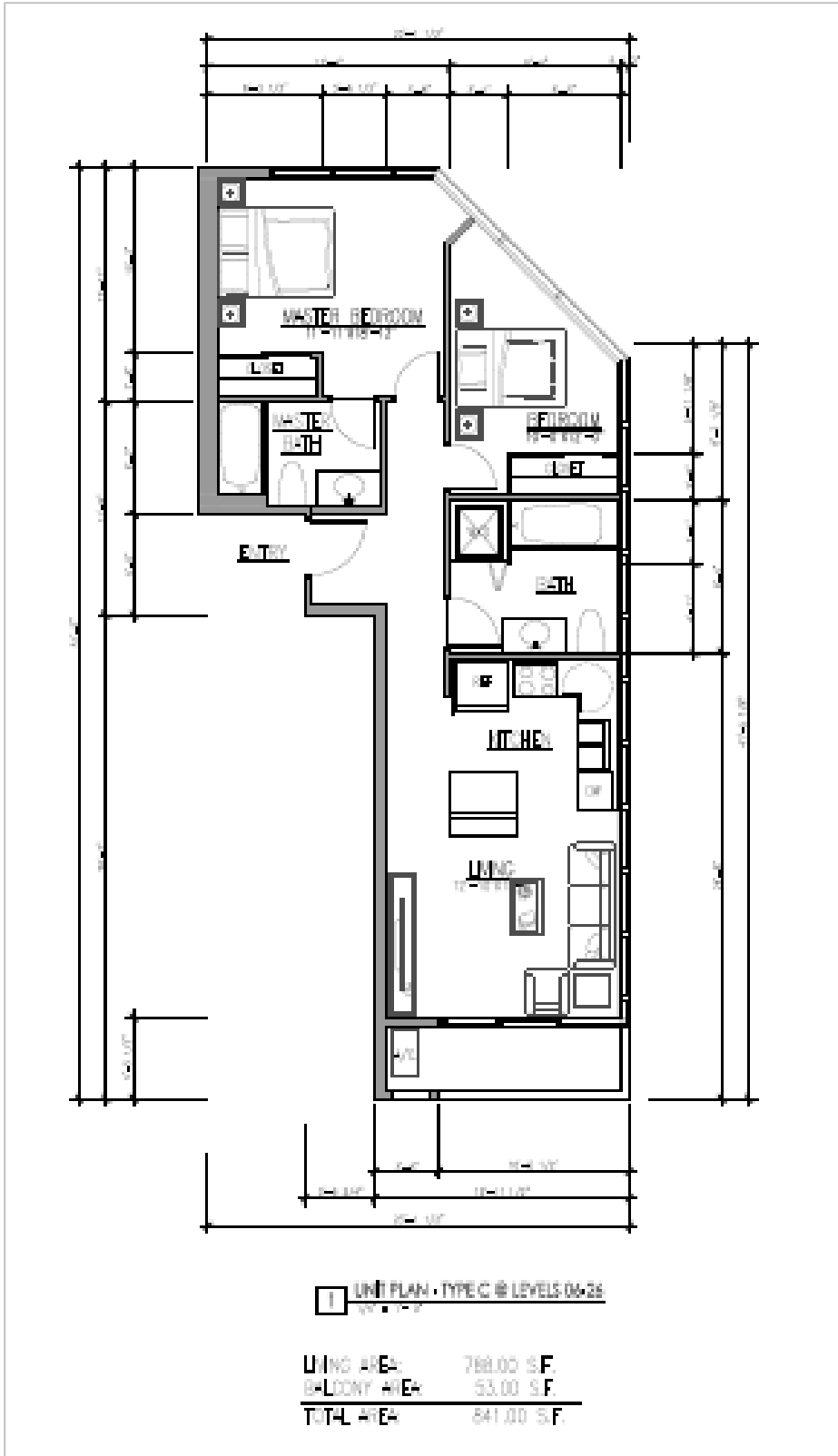
There are six (6) different dwelling sizes/floor plans at each floor:

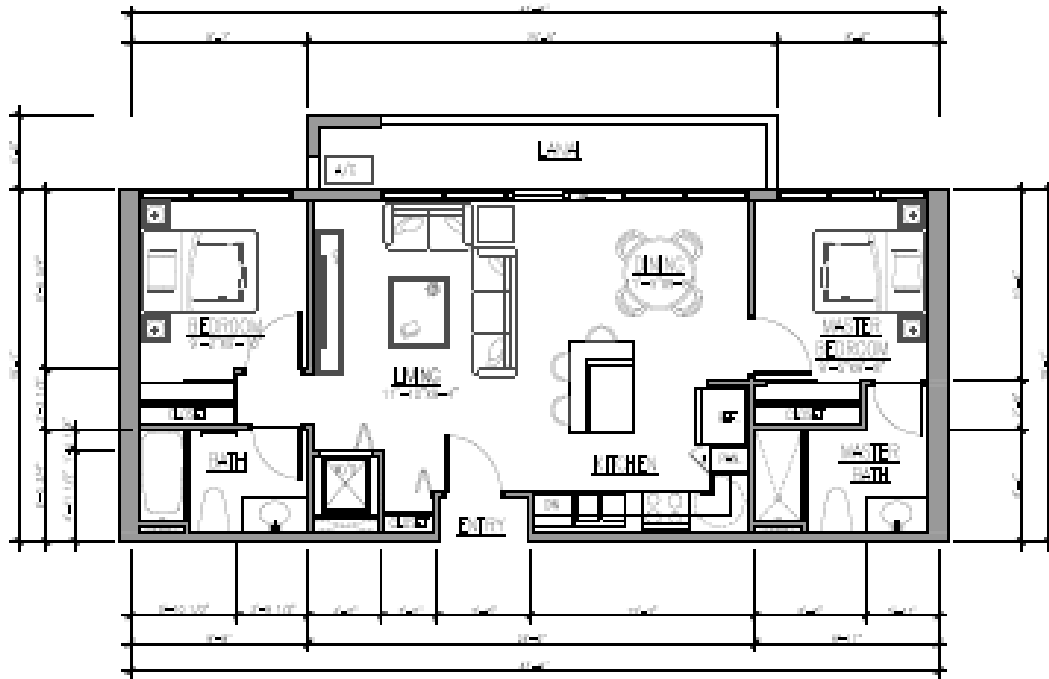




1 UNIT PLAN - TYPE B ■ LEVEL 06-26

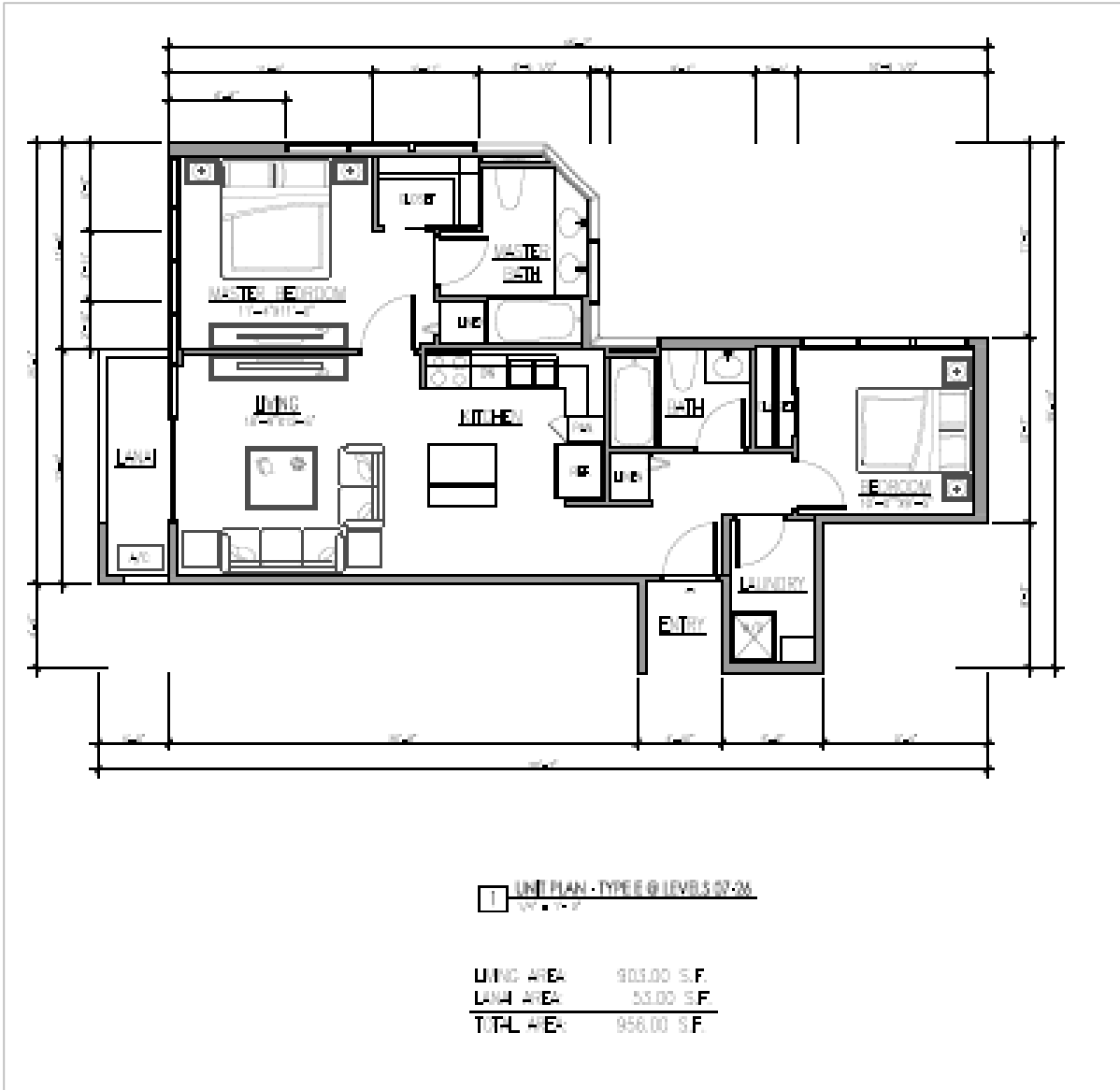
Living Area:	982.00 S.F.
Land Area:	28.00 S.F.
<b>Total Area:</b>	<b>1041 S.F.</b>

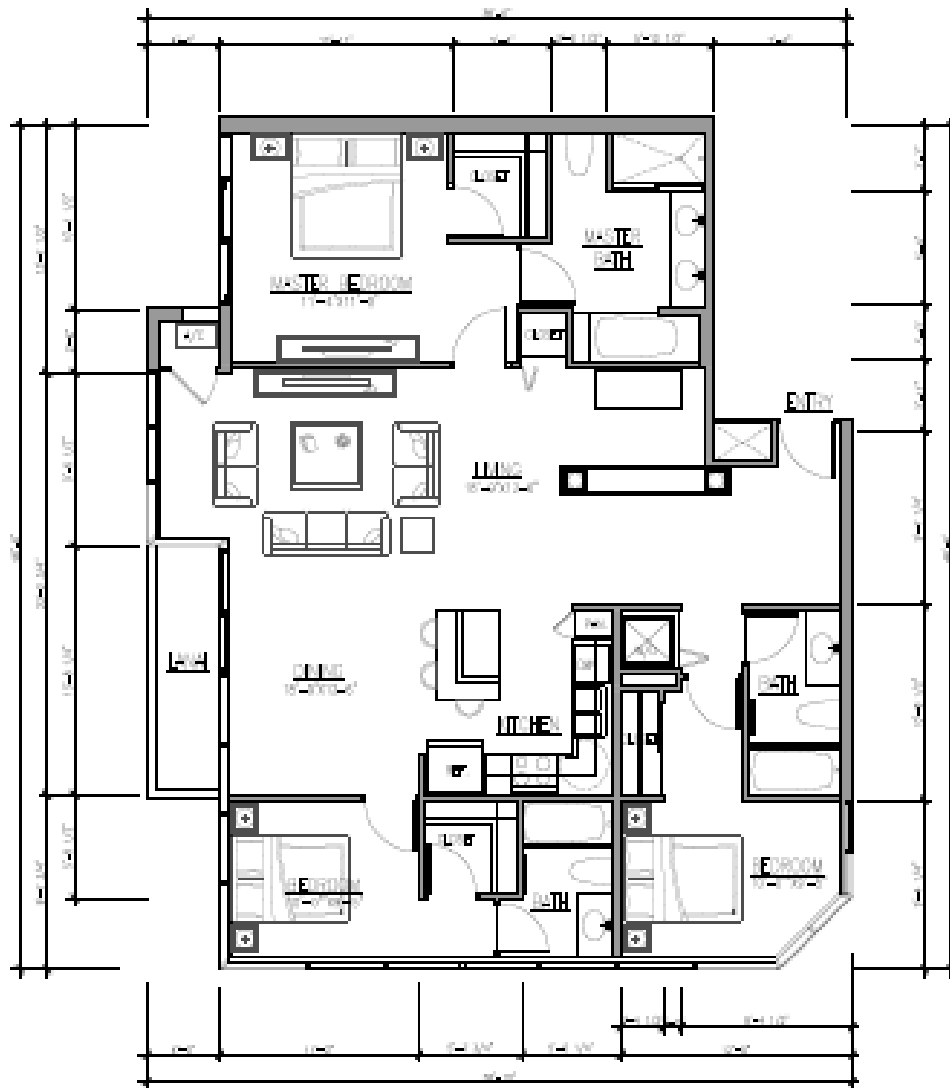




1 UNIT PLAN - TYPED @ LEVELS 07-08  
1/2" = 1'-0"

LIVING AREA	812.00 S.F.
LAND AREA	102.00 S.F.
<b>TOTAL AREA</b>	<b>914.00 S.F.</b>





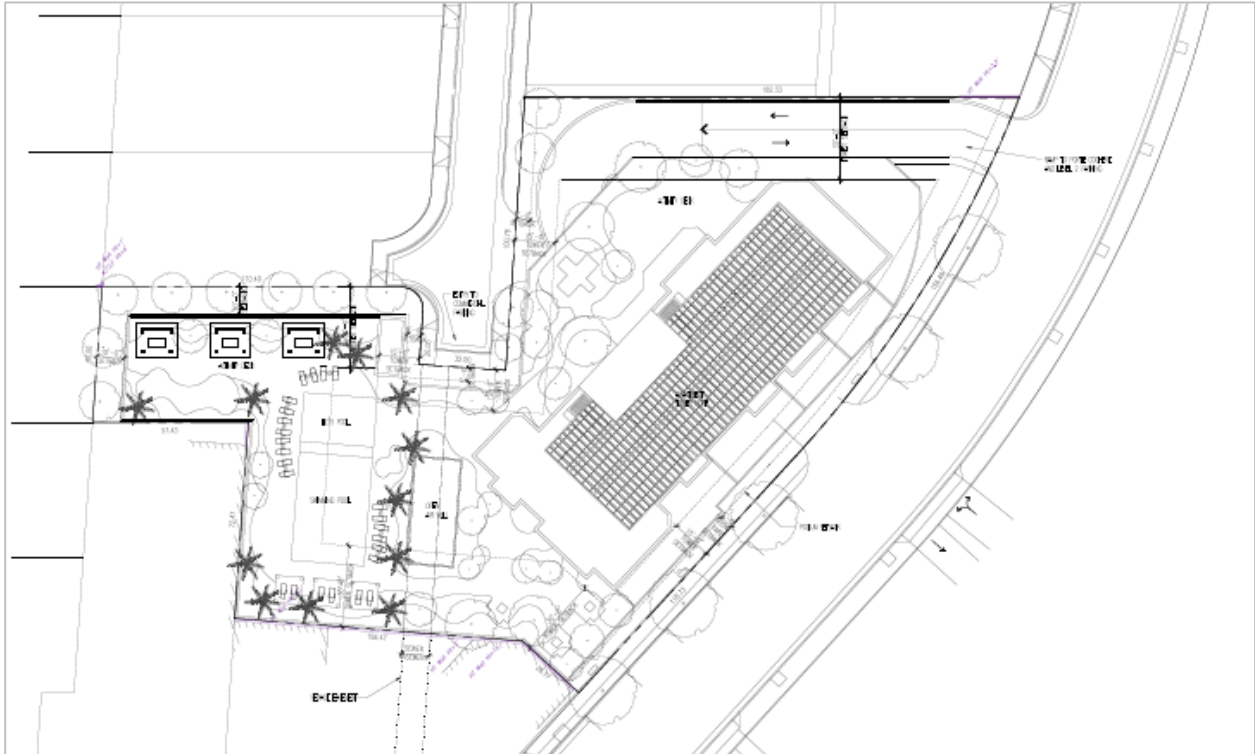
1 UNIT PLAN - TYPE F/B LEVELS 07-08  
 04 - 1 - 1

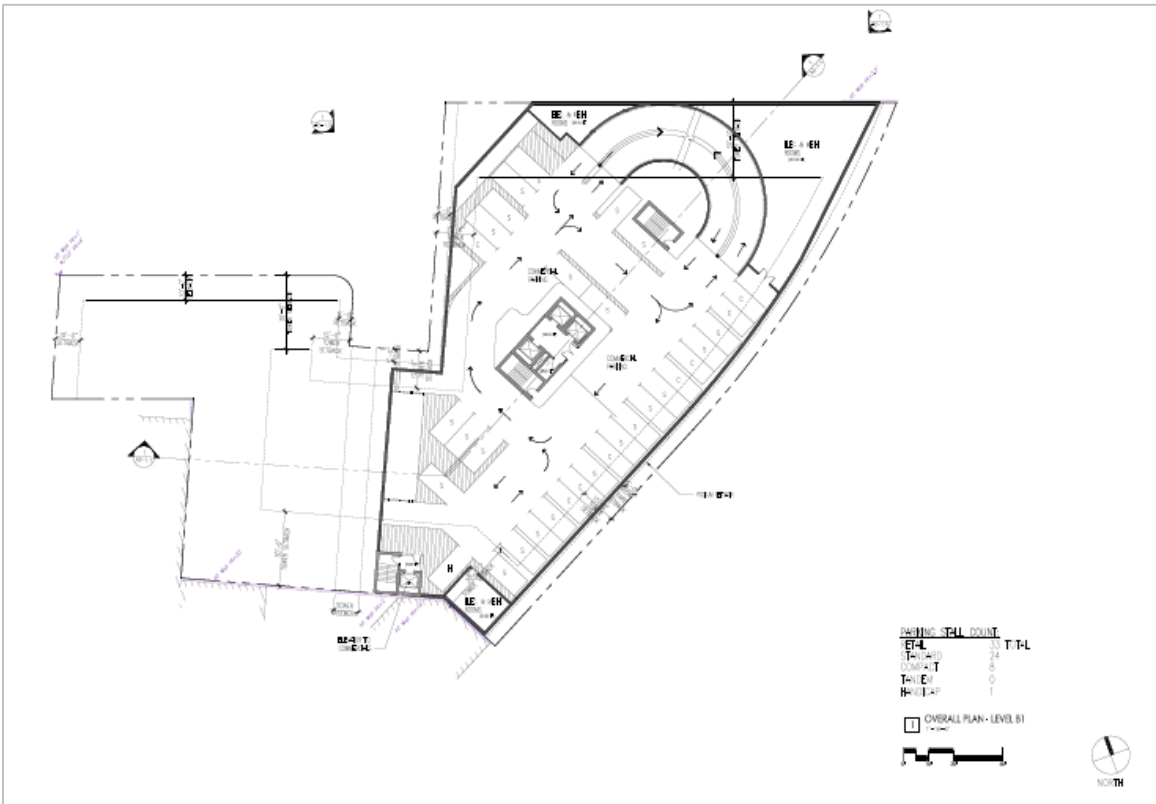
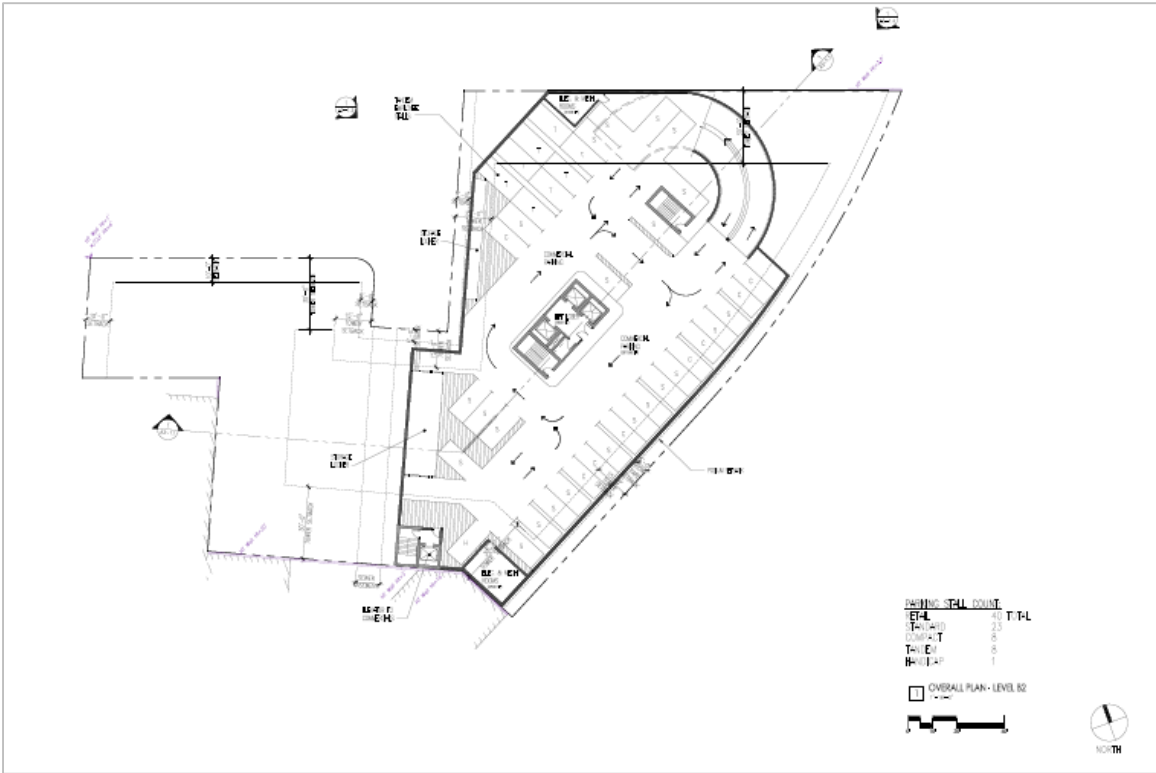
LIVING AREA:	1528.00 S.F.
LAND AREA:	56.00 S.F.
<b>TOTAL AREA:</b>	<b>1584.00 S.F.</b>

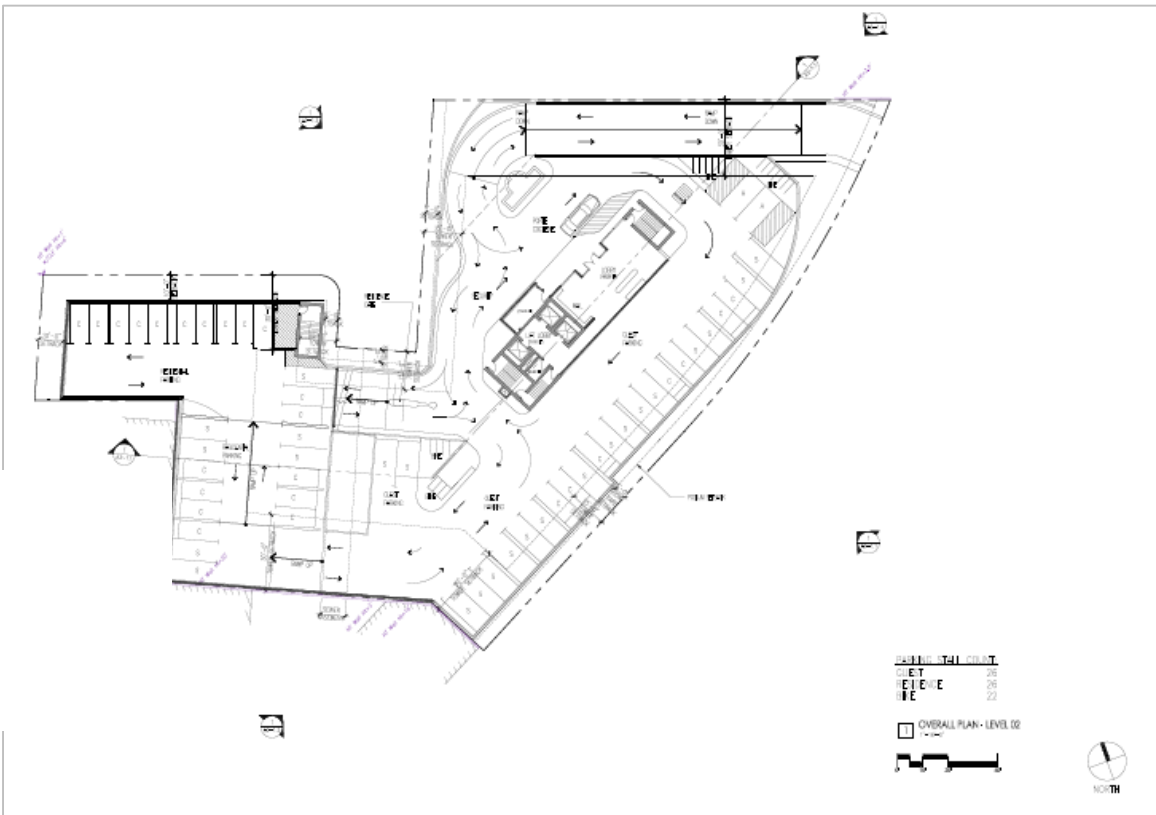
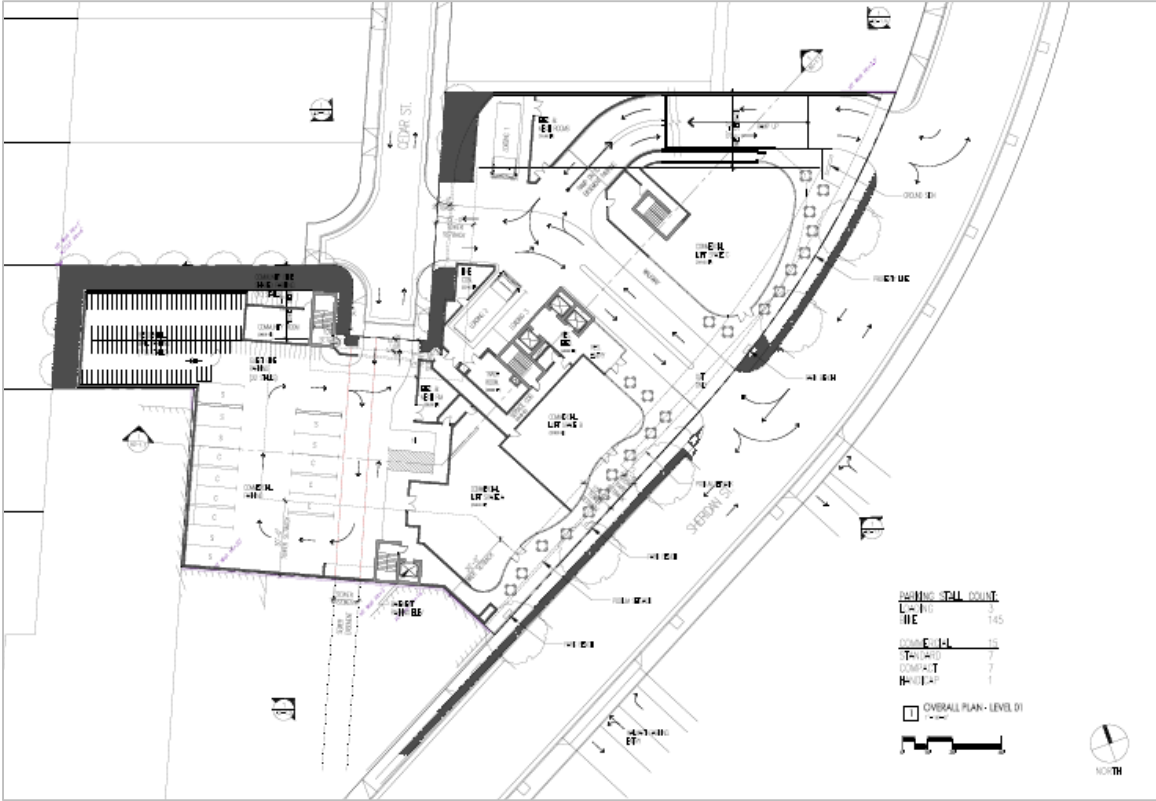


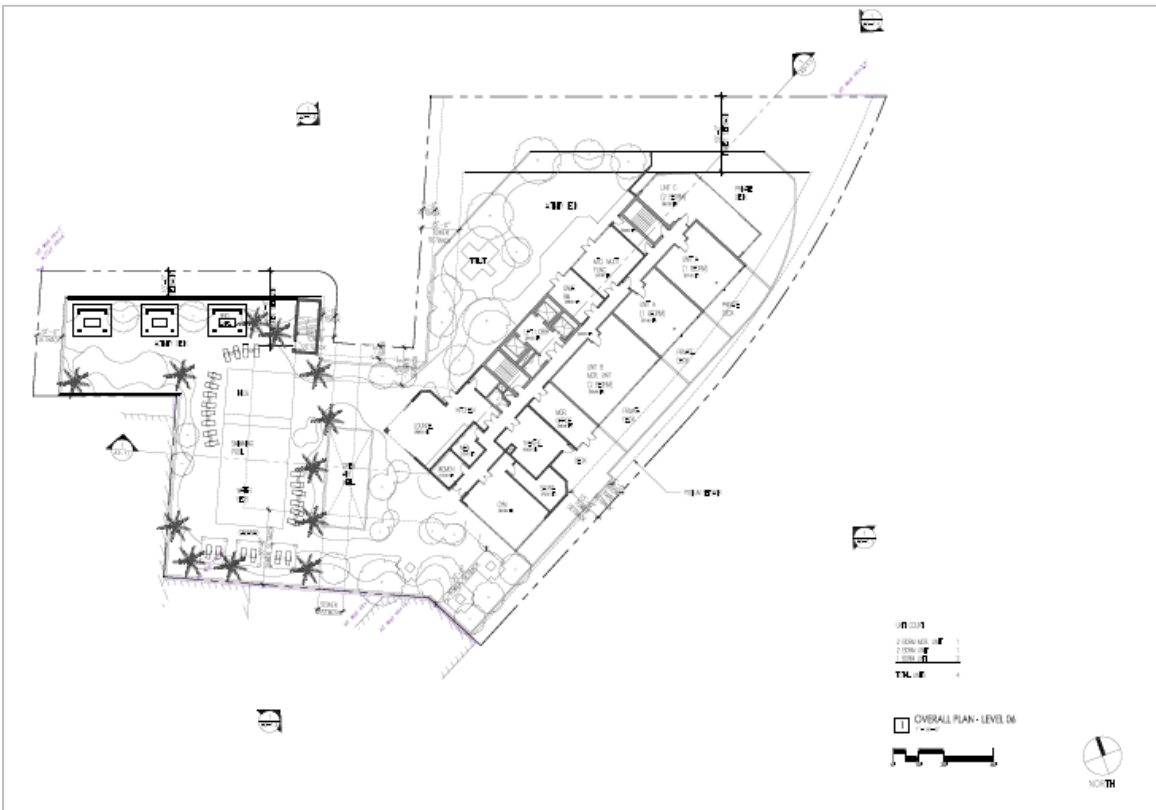
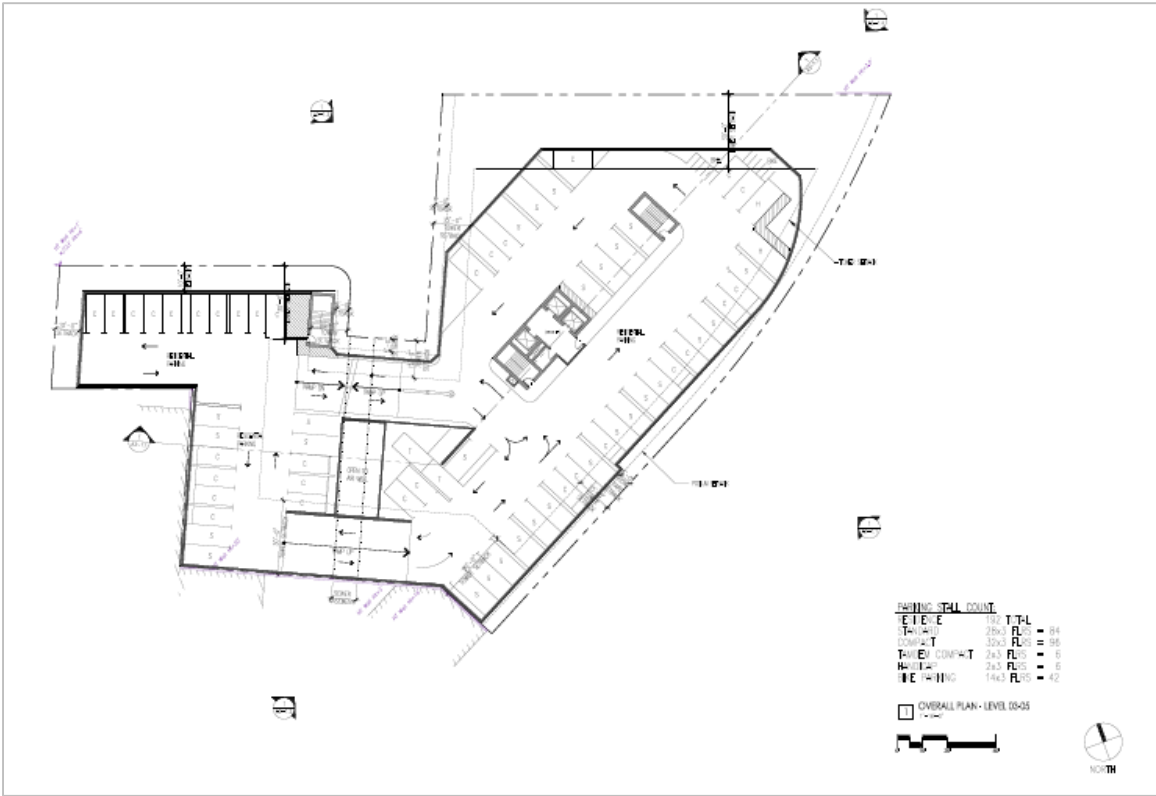
Total housing construction area: 384,000 SF:

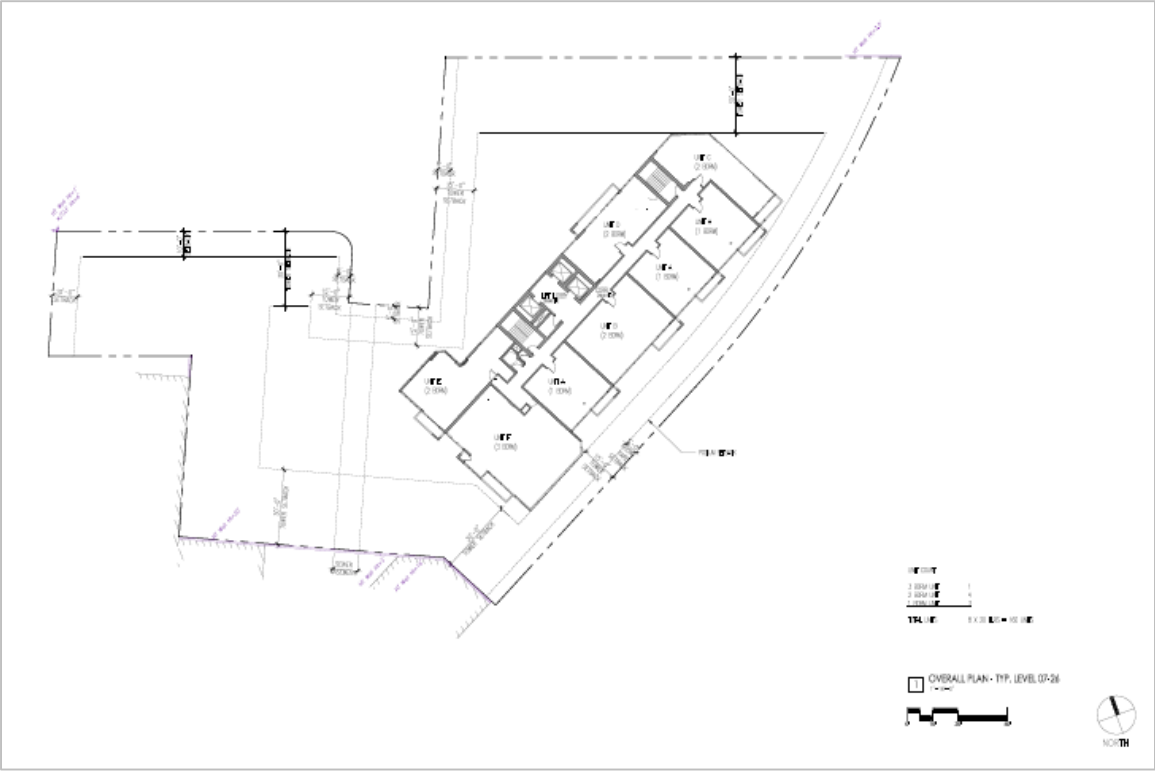
- a) Two-floor basement construction area: 44,000 SF
- b) 3 restaurants at the 1st floor: 7,547 SF
- c) The 1st floor public facilities construction area: 18,453 SF
- d) The 2nd floor parking lots and lobby construction area: 26,000 SF
- e) From the 3rd to the 5th floor Parking lots construction area: 78,000 SF
- f) The 6th floor public supporting facilities and 3 units of residential properties construction area: 10,000 SF

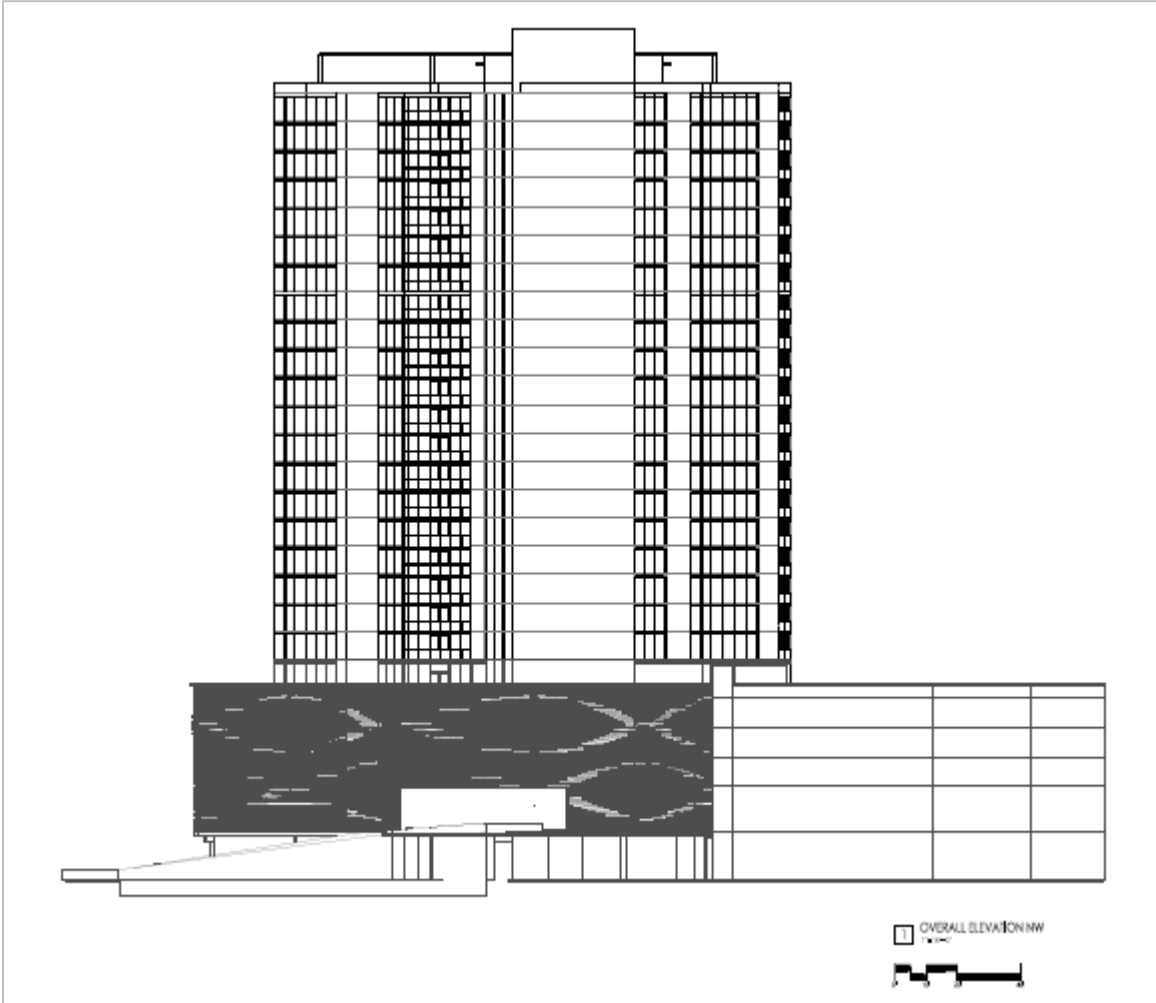


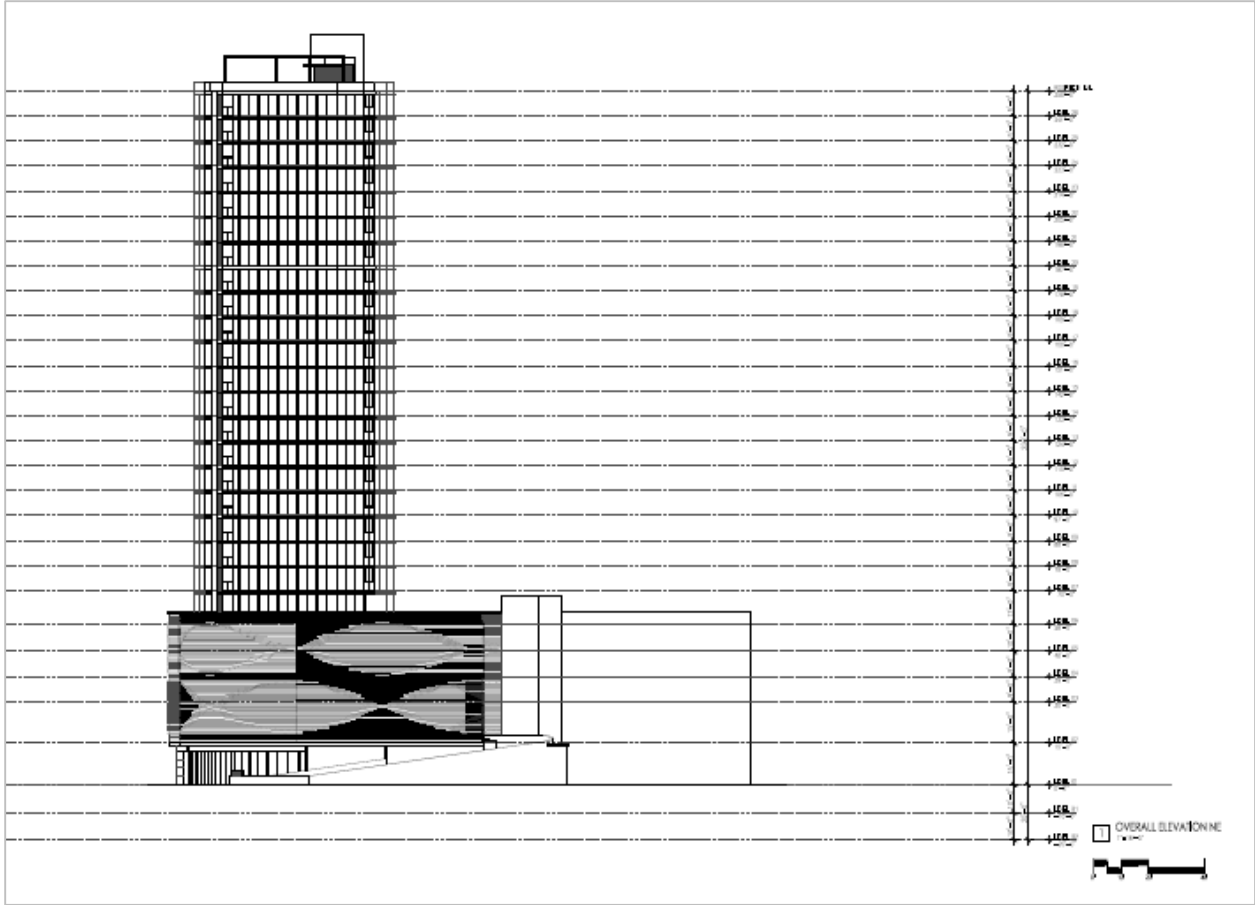


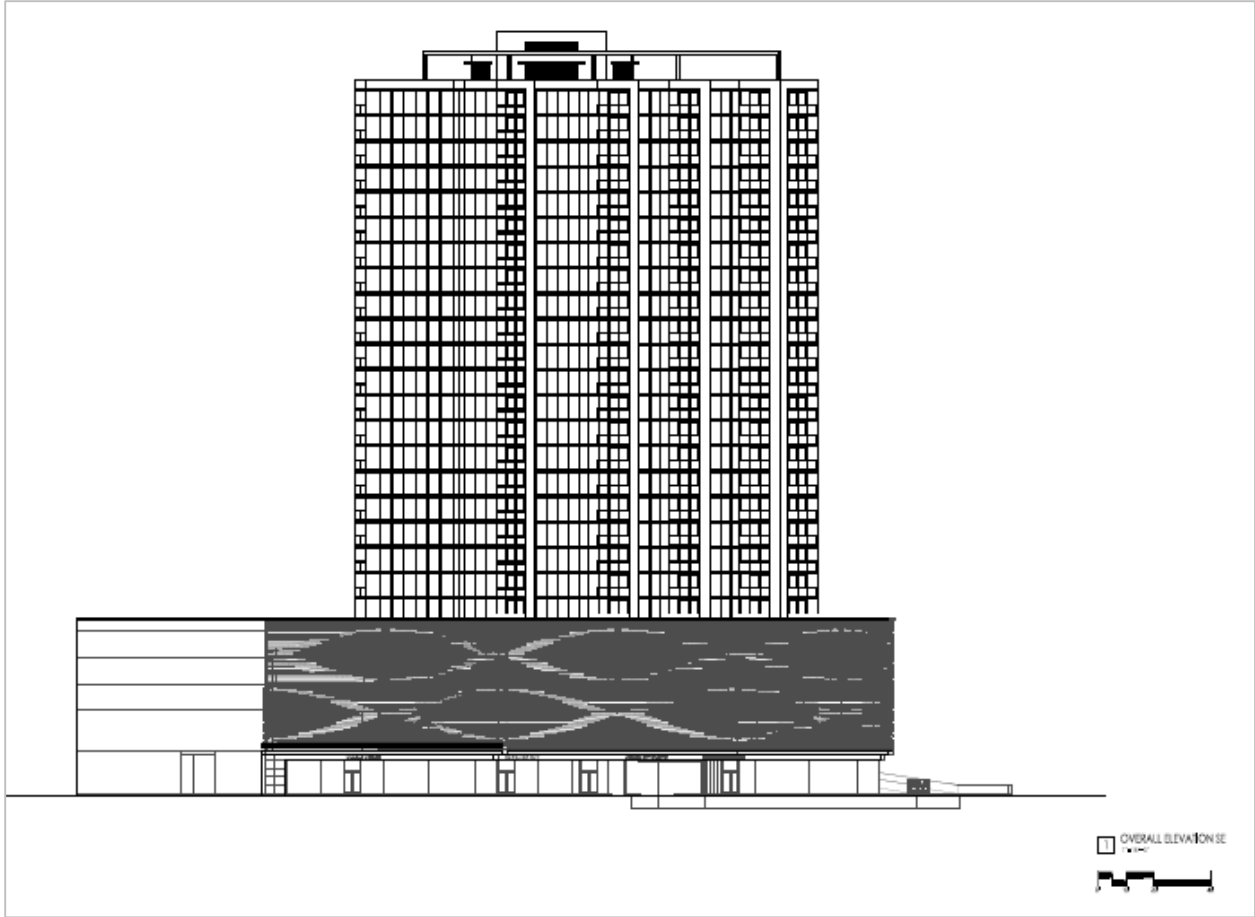




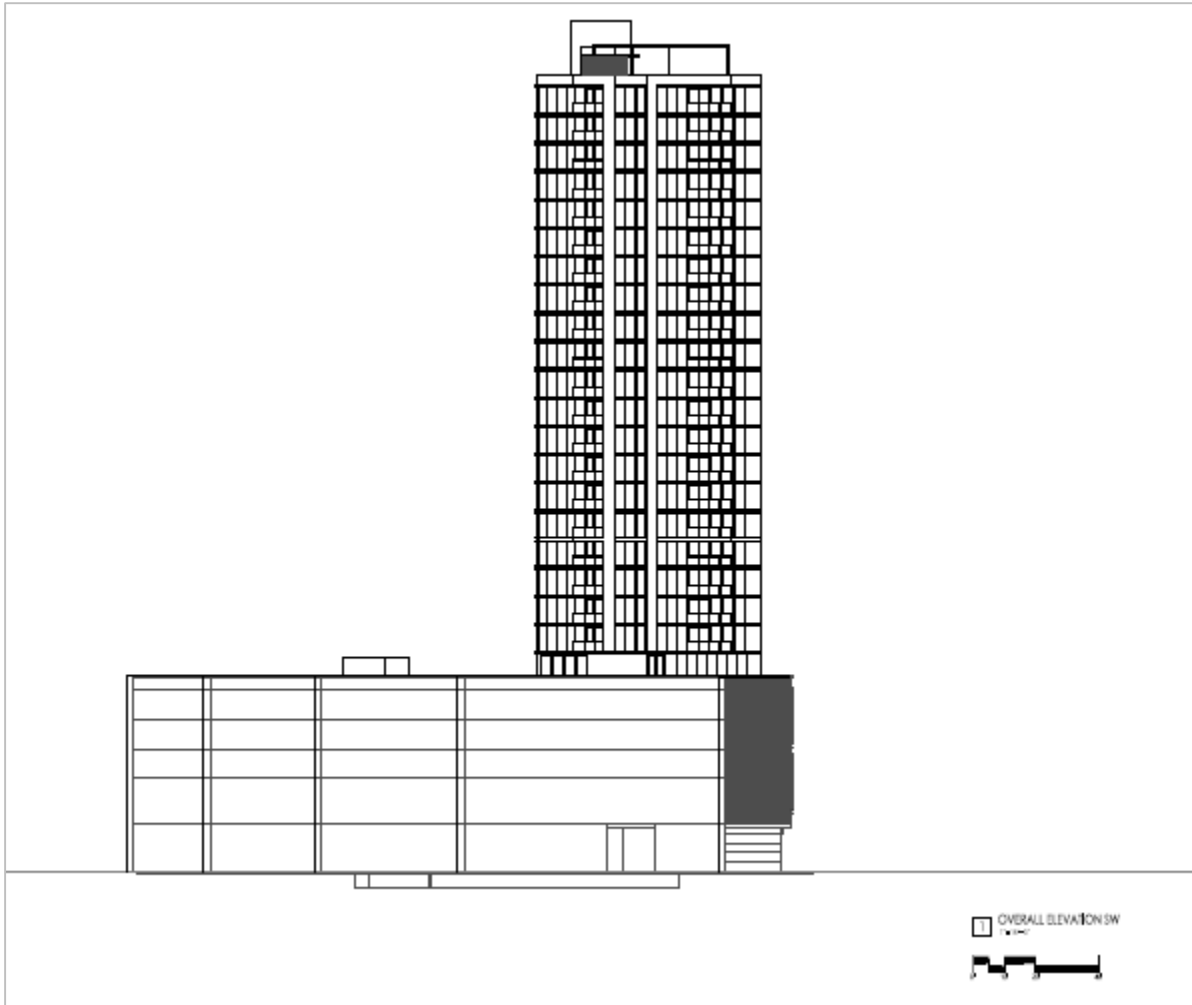


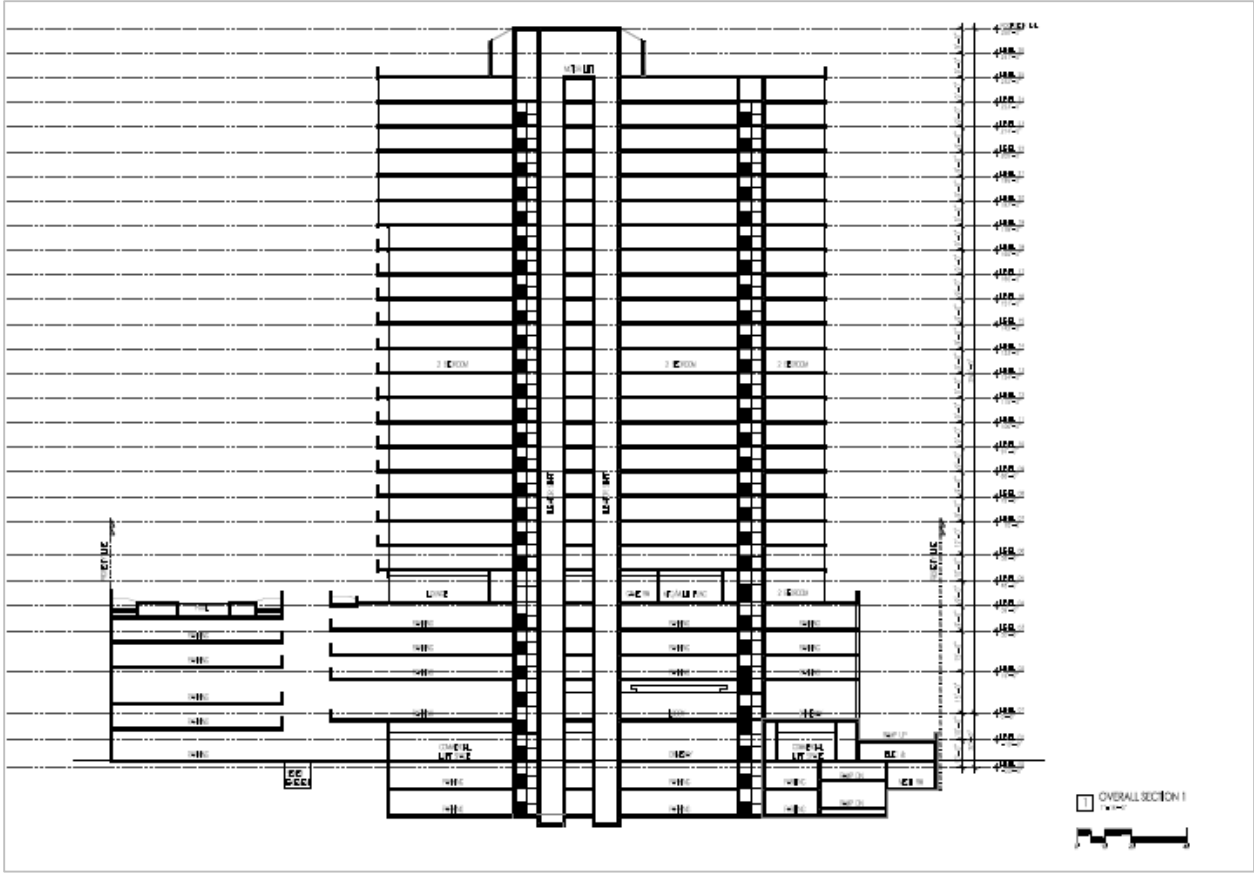














The above illustrations are an artist's conception of the Hawaii City Plaza Project. The actual building may deviate from the illustrations above.



The above illustration is an artist's conception of the Hawaii City Plaza Project. The actual building may deviate from the illustrations above.

#### **D. The Property**

The Hawaii City Plaza Project is a unique \$89.15 million mixed-use development, conceived as a catalyst for the growth in Honolulu's burgeoning downtown District. The Project includes a synergistic mix of urban housing and retail.

#### **PROGRAM HIGHLIGHTS**

The Hawaii City Plaza Project is conceived as a 26-story, approximately 384,000 square foot mixed-use development consisting of three restaurants, 163 residential condominium units, 313 parking spaces for motor vehicles and 163 parking spaces for bicycles. The proposed development program includes a targeted mix of complementary uses that address several significant neighborhood, District and regional needs.

- **Residential**

The Hawaii City Plaza Project will offer 163 units of well-designed, high-density, and entry-level condominiums to suit the needs of first-time buyers. Compact, efficient, creative space with abundant north light, high ceilings, and efficient open floor plans will be designed with students and professionals in mind. Common areas will provide collaborative space to engage with neighbors.

- **Retail**

The Hawaii City Plaza Project will include ground-floor parking, retail and entertainment space including food, shopping, and neighborhood services. Retail tenants will be carefully selected to provide a dynamic mix of high-quality, local products, food and amenities for residents and visitors alike. The retail space will be designed to provide a high degree of transparency to the surrounding streets and to draw pedestrian traffic from other nearby retail centers.

**E. Targeted Employment Area**

The Property is located in a Census Tract that is considered by the State of Hawaii to qualify as a high unemployment area under the provisions of the Pilot Program as a Targeted Employment Area ("TEA") with unemployment rate that is in excess of 150% of the U.S. National average. The Project is located in the City and County of Honolulu, Hawaii. The State of Hawaii Department of Business, Economic Development and Tourism confirmed that the Property is located in Census Tract 36.01 which is in an area that has an unemployment rate that is greater than 150% of the U.S. National average in 2014 (the "TEA Letter"). AAHIRC is aware that USCIS guidance establishes that the determination of whether a geographic area qualifies as a TEA is decided by USCIS at the time that an EB-5 investor's I-526 visa petition is filed with USCIS. The 2014 annual unemployment rate for this group of census tracts was 9.5%, which was more than 150% greater than the U.S. National annual unemployment rate of 6.2%. Accordingly, AAHIRC has made its plans based on the requirement that Qualified Investors are each investing \$500,000 in the Company (New Commercial Enterprise) to qualify their investments under the Pilot Program.

**F. Job Creation**

The Economic Study prepared by Michael Evans, Ph. D. evaluates the financial and other data set forth in this Business Plan. The Economic Study concludes that the Project will create a total of 1,010.7 permanent new jobs in the construction of the buildings and related improvements on the Property and the operations of the new business activities owned by the Company that are being created in the Project. This is comprised of the following:

- (1) 924.9 new jobs created from construction activities.
- (2) 43.9 new jobs created from architecture and engineering services.
- (3) 5 new jobs created from sales commission activities.
- (4) 36.9 new jobs from restaurant operations.

The projected total of job creation is 1,010.7 new jobs.

As such, the Economic Study concludes that up to \$50.5 million of EB-5 funds can be invested in the Project. The Company is making the Investment of up to \$40 million in the Company, giving a cushion of approximately \$10.5 million, equating to 210.7 excess jobs, or approximately 12.63 jobs per investor.

**G. Management**



The Company was formed in the state of Hawaii on November 10, 2015. The General Partner CIRC was formed in the state of California on June 18, 2012. The General Partner will manage the activities of the Company. The Company is the entity into which the Prospective Investors will each make their Investments. The Company will make the Investment of the proceeds of the respective \$500,000 Investments from the Prospective Investors for use in the construction and operations of the Project.

AAHIRC was approved as a USCIS regional center on May 28, 2015. AAHIRC is the holder of the USCIS-approved regional center rights to sponsor and administer qualified projects under the EB-5 Program within five counties in Hawaii (the "**Territory**"), including the City and County of Honolulu, the Project location. AAHIRC will oversee the Project and perform the responsibilities of the USCIS regional center as set forth in Section III A. The approval of a regional center means USCIS recognizes the economic entity as a designated participant in the EB-5 Program.

The General Partner will conduct the day-to-day management of the Company and shall have the following authority to act on behalf of the Company:

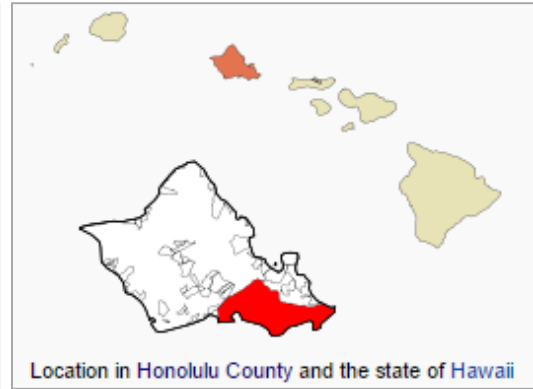
- (1) to employ attorneys, agents, consultants, accountants and other independent contractors to perform services on behalf of the Company, including affiliates of the General Partner; provided that such services are reasonably necessary or advisable and the compensation therefore is reasonable;
- (2) to bring or defend legal actions in the name of the Company, pay, collect, compromise, arbitrate, or otherwise adjust or settle claims or demands of or against the Company or its agents;
- (3) to perform or cause to be performed all of the Company's obligations under any agreement to which the Company is a party;
- (4) to cause the Company to use the Investment in the construction and operations of the Project;
- (5) to manage in all matters relating to the Project, the accredited investors, the petitions to be filed with USCIS and the effective management of the investments made by the accredited investors; and
- (6) to execute, acknowledge and deliver any and all instruments necessary to effectuate any of the foregoing.

## **H. Location Overview**

- **City of Honolulu**



Home to the State Capitol, Honolulu is the vibrant epicenter of Hawaii. Home to the majority of Oahu's population, the sprawling city of Honolulu spreads throughout the southeastern shores of Oahu, from Pearl Harbor to Makapuu Point, encompassing world famous Waikiki (Hawaii Tourism Authority).



Honolulu is both the westernmost and the southernmost major American city. For statistical purposes, the U.S. Census Bureau recognizes the approximate area commonly referred to as "City of Honolulu" (not to be confused with the "City and County") as a census county division ("CCD").

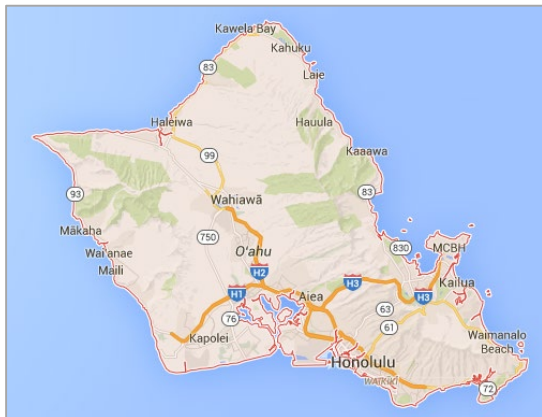
Hawaii is a major tourist destination and Honolulu, situated on the island of Oahu, is the main gateway to Hawaii and a major gateway into the United States. The city is also a major hub for international business, military defense, as well as famously being host to a diverse variety of east-west and Pacific culture, cuisine, and traditions (Wikipedia, *Honolulu*).

Hawaii's most historic places include Iolani Palace, the Kawaiahaeo Church, the Hawaiian Mission Houses Historic Site and Archive and the treasured artifacts of the Bishop Museum to iconic landmarks like the Aloha Tower, the King Kamehameha I Statue, the Duke Kahanamoku Statue and the historic Hawaii Theatre. Honolulu is also Hawaii's hot spot for arts, culture and entertainment. From the nightlife, live music and fine dining of Waikiki to the art galleries and underground bars of the Chinatown arts district (Hawaii Tourism Authority).

- **State of Hawaii**



Honolulu County and City is a consolidated city-county located in the U.S. state of Hawaii. The City and County includes both the city of Honolulu (the state's capital and largest city) and the rest of the island of O'ahu, as well as several minor outlying islands, including all of the Northwestern Hawaiian Islands (islands beyond Niihau) except Midway Atoll (Wikipedia, *Honolulu County*).



The consolidated city-county was established in the city charter adopted in 1907 and accepted by the Legislature of the Territory of Hawai'i. Because of Hawaii's municipal structure, the United States Census Bureau divides Honolulu County into several census-designated places for statistical purposes. (City and County of Honolulu; Wikipedia, *Honolulu County*).

- **Project Location**

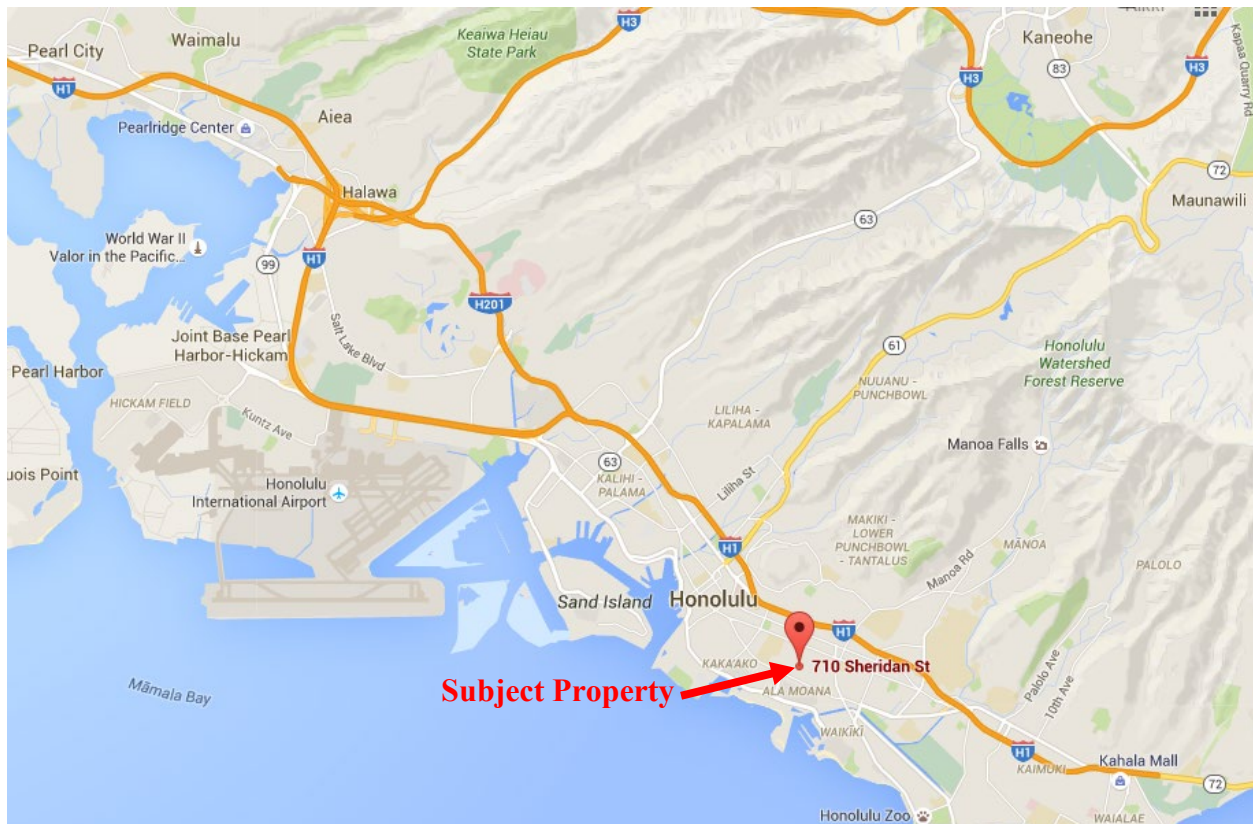
The Project is a proposed mixed use development within Honolulu County, Hawaii located at 710 and 730 Sheridan Street and 733 Cedar Street, Honolulu, Hawaii 96814.

The project land is composed of three parcels of land:

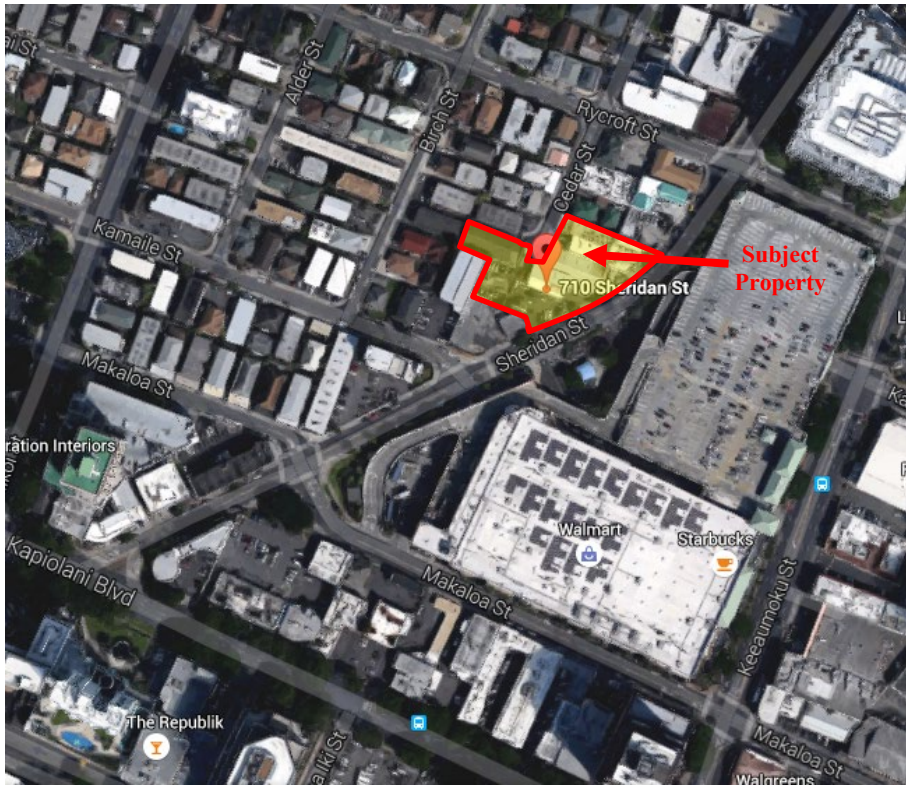
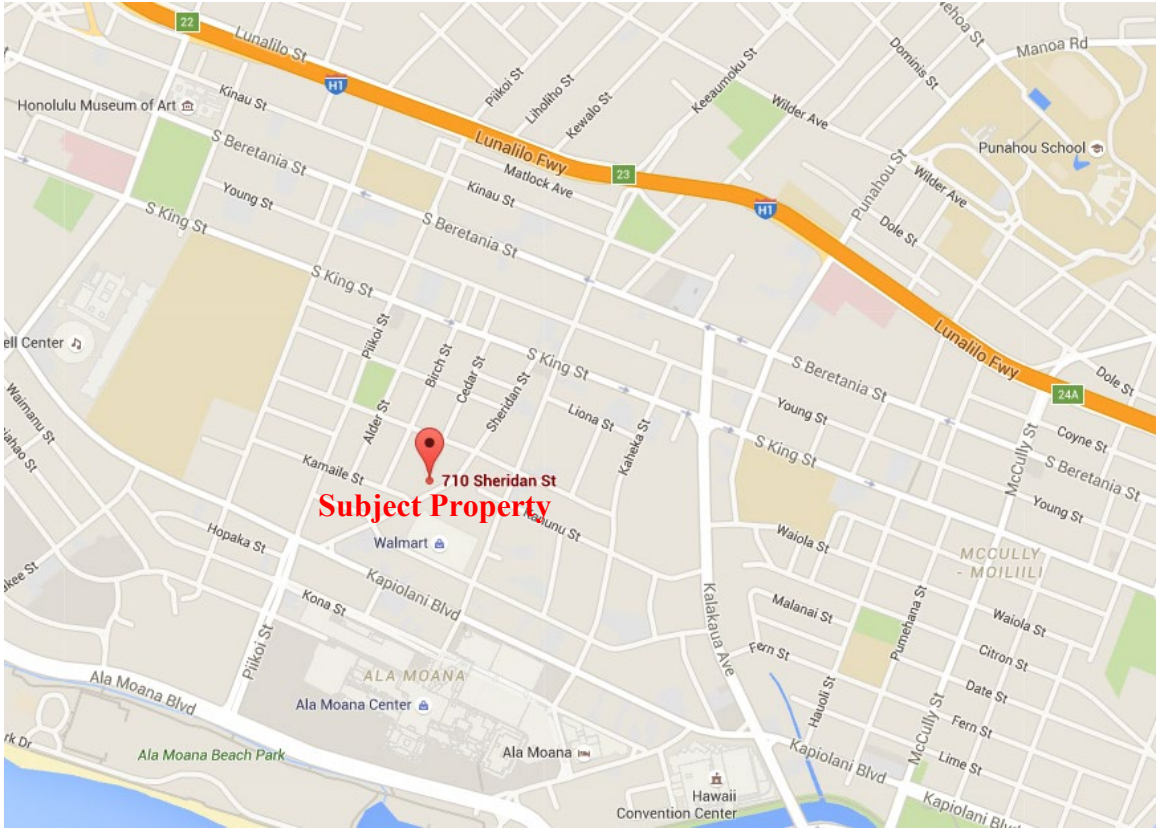
- 710 Sheridan Street, Honolulu, HI      TMK: 1-2-3-014-2
- 730 Sheridan Street, Honolulu, HI      TMK: 1-2-3-014-11
- 733 Cedar Street, Honolulu, HI      TMK: 1-2-3-014-4

The Project site is approximately one mile from Interstate I-H1 Exits #22, #23, and #24A. The Subject Property is approximately 7 miles from Honolulu International (HNL) Airport approximately 8.3 miles from Joint Base Pearl Harbor-Hickam, and approximately 2.5 miles from the Honolulu Zoo.

The site of the proposed new development can be seen in the following maps:







## I. Sources and Uses

The Project has a total projected cost of \$89.15 million. This is comprised of the following:

- \$8.5 million for the purchase of the Property; and
- \$80.65 million of projected costs to complete the construction and commence operation, which includes approximately \$71.04 million of projected "hard" construction costs, and approximately \$9.61 million in projected "soft" construction costs which includes all the cost of obtaining the necessary governmental approvals, other entitlements, all pre-development costs, and marketing and sales costs.

The Project is to be financed through several capital sources: (1) approximately \$30 million from the Construction Loan; (2) approximately \$19.15 million from equity; and (3) \$40 million made by Investor's Investment in the Company.

All of the Limited Partner's Capital Contribution (\$500,000 for each individual) will be used as part of the Investment to pay for "hard" construction costs and other qualified development expenses in accordance with the EB-5 Program guidelines.

The following chart summarizes the projected Source and Use of funds for the Project.

<b>USES</b>	<b>Amount</b>
Acquisition Costs	\$ 8,500,000
Construction Hard Costs	71,040,000
FF&E Costs	178,000
A&E Costs	3,500,000
Soft Costs	5,800,000
Operating Costs	130,000
<b>Total Development Costs</b>	<b>\$89,148,000</b>

<b>SOURCES</b>	<b>Amount</b>
EB-5 Investment (from <b>80</b> foreign investors)	\$40,000,000
Construction Loan	30,000,000
Developer Equity	19,148,000
<b>Total Capitalization</b>	<b>\$89,148,000</b>

## J. Construction Budget

The following budget represents the total costs to complete the construction and commence initial operation of the Project on the Property. This includes projected construction costs to be funded with proceeds from the Construction Loan together with the proceeds from the Investment and General Partner's equity. The Company previously acquired the Property. All the Hard and Soft costs represented in the following budget are the projected future costs.

<i><b>Hawaii City Plaza Development Cost</b></i>		
Land	\$	8,500,000
<b>Total Acquisition cost</b>		<b>8,500,000</b>
Underground Parking Garage		2,640,000
Main Structure Construction		60,000,000
Above Ground Parking Plus Retail		8,400,000
<b>Total Construction Hard Costs</b>		<b>71,040,000</b>
Chinese Restaurant FF&E		178,000
<b>Total FF&amp;E Costs</b>		<b>178,000</b>
Design & Engineering		2,000,000
Project Management Fees		1,500,000
<b>Total A&amp;E Costs</b>		<b>3,500,000</b>
Studies and Reports		100,000
Drawing Review Fees		400,000
Permit Application Costs		800,000
Construction Loan Interest		3,000,000
Sales Commissions		1,500,000
<b>Total Soft Costs</b>		<b>5,800,000</b>
Grand Opening Advertising		20,000
Initial Inventory		10,000
Working Capital		100,000
<b>Total Pre-Opening Costs</b>		<b>130,000</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>\$</b>	<b>89,148,000</b>

Costs are based upon the following:

**Acquisition costs** refer to the expenditures required to purchase land, related expenses, and land carrying costs.

**Construction costs** are based upon estimations provided by the Developer.

The Developer's cost assumptions are as follows:

Underground Parking:	\$ 60 PSF	44,000 SF
Main Structure:	\$300 PSF	200,000 SF
Above Ground Parking & Retail:	\$ 60 PSF	140,000 SF

RS Means estimates \$306.13 PSF for 200,000 SF residential building in Honolulu, HI estimated per 2016 data release. RS Means estimates \$230.10 PSF for a 7,547 SF restaurant, \$117.75 PSF for a 2-level, 44,000 SF Underground Parking Garage, and \$91.40 PSF for a 6-level, 132,453 SF Above Ground Parking Garage. Thus the Developer's estimates, which are utilized for job creation analysis, are both reasonable and conservative compared to these localized construction estimations.

**FF&E costs** are furniture, fixture, and equipment costs associated with the 3,116 SF restaurant which the NCE/JCE will be retaining and operating. FF&E costs are not considered within the referenced economic analysis. However, FF&E purchasing would result in additional indirect and induced job creation.

The cost estimate is based upon comparison with costs for dining (1,750 SF) and kitchen (1,366 SF) spaces of an upscale hotel's full-service restaurant, calculated within the following tables:

<b>RESTAURANT (GUEST DINING) FF&amp;E ESTIMATE</b>		
<u>Soft Good Renovation Item</u>	<u>Per Square Foot</u>	<u>Total</u>
Artwork	\$ 0.91	\$ 1,590.13
Carpet / Pad	5.55	9,715.21
Dining Chairs with Arms	3.78	6,622.42
Dining Chairs no Arms	20.78	36,358.00
<b>SOFT GOODS RENOVATION SUBTOTAL</b>	<b>\$ 31.02</b>	<b>\$ 54,285.75</b>
<u>Full Renovation Item</u>	<u>Per Square Foot</u>	<u>Total</u>
Banquettes	2.81	4,921.88
Buffet Equipment	14.72	25,756.75
Decorative Lighting	7.55	13,210.25
Architectural Lighting	10.38	18,169.88
Sound System	2.11	3,698.75
Tables	5.48	9,595.83
Communal Dining Tables	4.95	8,663.28
Communal Table Stools	1.10	1,925.00
<b>FULL RENOVATION SUBTOTAL</b>	<b>\$ 49.11</b>	<b>\$ 85,941.61</b>
<b>TOTAL RESTAURANT FF&amp;E COST</b>	<b>\$ 80.13</b>	<b>\$ 140,227.36</b>

<b>KITCHEN FF&amp;E ESTIMATE</b>		
<u>Soft Good Renovation Item</u>	<u>Per Square Foot</u>	<u>Total</u>
Flourescent Lighting	\$ 3.95	\$ 5,401.74
Doors	3.15	4,304.90
Kitchen Equipment	20.98	28,661.67
<b>TOTAL KITCHEN FF&amp;E COST</b>	<b>\$ 28.09</b>	<b>\$ 38,368.30</b>

**Architecture and Engineering (“A&E”) costs** are those related to design, civil engineering, and project management. Design and Engineering costs are estimated to be at \$2,000,000, which is 2.82% of hard costs. The RS Means average for residential is 6.0 %, restaurant is 7.0%, above ground parking garage is 6.0%, and underground parking garage is 8.0%, all of which are higher than the figure calculated from the Developer’s estimation (Exhibits C-2, C-3, and C-4). Project management fees are those specifically charged by the Developer for this Project.

**Soft costs** are costs are those associated with Project development which are not eligible as hard construction or A&E costs. The Project considers Studies and Reports, Drawing Review Fees, Permit Application Costs, Construction Loan Interest, and Sales Commissions for these soft costs.

**Pre-Opening costs** are costs are those associated with the Developer’s restaurant operations. The Project considers Grand Opening Advertising, Initial Inventory, and Working Capital for these initial operating costs which are not included within the aforementioned Project Management costs.

**K. Construction Timeline**

Construction on the Project is expected to commence around January 2017. Based on the experience and expertise of the General Partner, it will take approximately twenty-six (26) months for the Company to complete the construction of the Building and obtain a final Certificate of Occupancy. The following high-level Work Breakdown Structure details the development schedule based on the Owner’s expectations, which may be driven either by access to EB-5 investment dollars or commenced upon receiving non-EB-5 proceeds:

Hawaii City Plaza Project	2018												2019												2020											
	Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
EB-5 Timeline	[Timeline bars for Administrative and Planning, Foundation & Basement Construction, Main Structure Construction, Finishing Construction, and Operations]																																			
	EB-5 funds deployed in combination with Non-EB5 funds																																			
	968.8 construction jobs created												41.9 operational jobs created												All EB-5 funds have been exhausted											
	1,010.7 TOTAL JOBS CREATED																																			

## ADMIN & PLANNING

The Administrative phase covers land entitlements, design, civil engineering, permits, and applicable fees in addition to Project due diligence activities. The Developer has engaged in the following activities:

- |                                |   |
|--------------------------------|---|
| May 2015 to July 2015          | Complete preliminary scheme and analysis report   |
| August 2015 to October 2015    | Revise the TOD special planning program of Honolulu planning department with the municipal government |
| November 2015 to December 2015 | Submit the TOD planning application   |

The Developer anticipates the following:

- May 2016: Receive approval of TOD planning application by municipal government
- April 2016: Design construction drawings
- July 2016: Submit construction drawings to municipal government
- November 2016: Examination of construction drawings completed
- December 2016: Apply for construction permit

## SITE WORK AND VERTICAL CONSTRUCTION

Site work tasks may include construction fencing, rough grading, soil excavation/import/compaction, and underground wet and dry utilities, trash enclosure, curb, gutter,

hardscape, back fill (if needed) and finish grade, landscaping, grade base and pave, and monument and signage.

Building construction (including exterior and interior construction) tasks may include excavation and foundation (to the extent not completed in site work), underground rough plumbing and electricity, pour and form slab/curb, framing, rough electrical, rough plumbing, fire sprinkler, internal framing and walls, roofing, glass and glazing, exterior siding, set HVAC units, painting, fire alarm installation, system start-ups, and the clean and punch list.

The Developer estimates the following timeline for building construction activities:

- January to May 2017: Foundation and basement construction activities
- June 2017 to June 2018: Construction of main structure
- February 2019: Completion of all construction
- March 2019: Delivery and commencement of occupancy and operations

## **OPERATIONS (ONGOING)**

The Company will use the proceeds from the Construction Loan, the Investment, and equity contribution from the General Partner to fund a portion of initial restaurant operating costs.

### **L. Project Completion**

Upon construction completion, the Project will be conveyed into various condominium interests. The completed residential condominium parcels will be conveyed to the vested parties in fee simple title with an undivided interest in certain common areas, governed by a Master Owners' Association. The Master Owners' Association would be created for the purpose of ongoing management and maintenance of the common building areas and improvements. The residential condominium owners of the building will additionally receive an undivided interest in the residential common area under a subsidiary Residential Homeowners' Association. Each condominium ownership entity will be responsible for paying monthly association dues.

### **M. Operating Assumptions**

When the Project has been constructed, it will mainly generate income from the sale of condominium units, restaurant revenues and the leasing of retail space. Based on the General Partner's projections, the Project will generate gross revenues of about \$105.34 million from the sale of condominiums and leasing of retail space. Company is expected to have a surplus of \$75.34 million after paying off the \$30 million Construction Loan.

The sales revenue \$105.34 million minus Total Costs \$89.148 million results in gross profit of \$16.192 million. Corporate income tax or individual income tax of partnership shall be deducted at the average rate 30%; thus, After-Tax Profit is estimated at \$11.33 million.

### III. IMMIGRATION MATTERS

#### Overview

The EB-5 immigrant visa preference category is intended to encourage the investment of capital, lawfully acquired by a foreign national into the United States economy to preserve or create jobs for American 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 threshold that foreign investors must contribute and it mandates that 10 full-time jobs must be created for "qualifying employees" through an alien investor's contribution of the requisite capital investment from a lawful source of funds. In addition to the return that investors may expect 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 (LPR) status in the United States. Investors are responsible to maintain their continuing eligibility for their conditional LPR status and to apply to USCIS for the lifting of their conditional status by filing an I-829 within two (2) years of receiving conditional status. The Company, General Partner and its affiliates are not responsible to undertake this process on behalf of any individual investor.

The Offering has been structured so that investors may meet the immigrant investment eligibility requirements of the laws and regulations which govern the EB-5 Program and to fully qualify under this program to become eligible for admission to the United States of America as lawful permanent residents with their spouses and unmarried, minor children.

The State of Hawaii Department of Business, Economic Development and Tourism, the agency authorized by the State to determine and designate an area of high unemployment as a Targeted Employment Area (TEA) issued its TEA designation Letter confirming that the Property and this project are located in a TEA with an unemployment rate 150% or more of the U.S. National average for 2014. Accordingly the Project would meet the requirements of a high employment area for purposes of qualification as a Targeted Employment Area for EB-5 Program projects. However, USCIS makes the final determination of TEA for each investor as of the date of the filing of his or her individual petition, and USCIS does not always accept a state's designation of a TEA if the unemployment statistics are too dated when more current statistics are available.

#### The I-526 Petition Process

For investors seeking lawful permanent residence, the first step in the process is to file an I-526 immigration Petition for Entrepreneur, referred to in this Memorandum as the I-526 Petition, together with accompanying evidence in support of the program's requirements. USCIS adjudicates I-526 petitions by reviewing these criteria, among others:

1. New Commercial Enterprise. There must be evidence that shows that the enterprise into which the EB-5 investor is investing is new (meaning it was established after November 29, 1990) and authorized to transact business in the geographic area of coverage of the Regional Center under the applicable terms and conditions of the EB-5 Program.

2. Investment Capital. The petition must be supported by evidence that the petitioner is in the process of, or has, fully investing the minimum required capital. USCIS expects these funds to be "at risk," connoting an irrevocable commitment to the enterprise. The Company must be used by the enterprise exclusively to create employment. Funds used to pay administrative costs or other obligations undertaken to promote the investment in the enterprise are not deemed "at risk" And therefore no EB-5 funds may be used or credited for such expenditures.



3. Source of Capital. Evidence must support the legal acquisition of capital. Funds earned or obtained in the United States while the investor was in unlawful immigration status are not deemed to be lawfully acquired. If funds are not lawfully acquired, they may not be deemed "at risk."

4. Partners 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 Hawaii Uniform Limited Partnership Act (the "**LP Act**"), and as otherwise set forth in the Limited Partnership Agreement, investors in an EB-5 enterprise must have all the rights and duties usually accorded to Partners applicable under the LP Act. The rights of the Limited Partners under the Limited Partnership Agreement are consistent with rights normally granted to Partners under the LP Act.

5. Amount of the Investment. The petition must be supported by evidence that the full required minimum sum has been or is in the process of being invested.

6. Employment Creation. There must be evidence that, as of the end of the two-year period of each EB-5 investor's conditional residence (deemed and projected by USCIS to be 2.5 years after adjudication of the I-526 petition) or a reasonable time thereafter, 10 full-time jobs for "qualifying employees" will be created on account of each EB-5 investment. See the following discussion about "qualifying" jobs, employees, and investment in a Regional Center, which may permit counting indirect jobs created outside the regional center.

In further support of the EB-5 Program, the U.S. Congress provided for the authorization of regional centers by USCIS, an agency which organizationally is located within the U.S. Department of Homeland Security. Enterprises located within a regional center are not required to employ 10 "direct" workers within the enterprise for each EB-5 qualifying investment. It suffices if the EB-5 Program investor demonstrates that at least 10 qualifying jobs will be created directly or indirectly on account of the Limited Partner's Capital Contribution in the Company based on a reasonable economic methodology.

The Regional Center had an independent professional economist, with expertise in the EB-5 regional center job calculation area, conduct an economic and statistical analysis to determine the number of jobs expected to be created as a result of foreign investors each contributing \$500,000 (U.S. Dollars) (assuming \$500,000 funding to the Company per investor) to the Company to enable it to develop the Project. This analysis was conducted using the RIMS II Model ("**RIMS II**").

## **Economic Study**

The economic study prepared for the Project is based on the RIMS II economic model. RIMS II is based on an accounting framework called an Input-Output (I-O) table. For each industry, an I-O table shows the industrial distribution of inputs purchased and outputs sold. A typical I-O table in RIMS II is derived mainly from two data sources: BEA's national I-O table, which shows the input and output structure of nearly 500 U.S. industries, and BEA's regional economic accounts, which are used to adjust the national I-O table to show a region's industrial structure and trading patterns.

Using RIMS II for impact analysis has several advantages. RIMS II multipliers can be estimated for any region composed of one or more counties and for any industry, or group of industries, in the national I-O table. The accessibility of the main data sources for RIMS II keeps the cost of estimating regional multipliers relatively low. Empirical tests show that estimates based on relatively expensive surveys and RIMS II-based estimates are similar in magnitude.

RIMS II is widely used in both the public and private sector. In the public sector, for example, the Department of Defense uses RIMS II to estimate the regional impacts of military base closings. State

transportation departments use RIMS II to estimate the regional impacts of airport construction and expansion. In the private sector, analysts and consultants use RIMS II to estimate the regional impacts of a variety of projects, such as the development of shopping malls and sports stadiums.

There are many advantages to using RIMS II. First, the accessibility of the main data sources makes it possible to estimate regional multipliers without conducting relatively expensive surveys. Second, the level of industrial detail used in RIMS II helps avoid aggregation errors, which often occur when industries are combined. Third, RIMS II multipliers can be compared across areas because they are based on a consistent set of estimating procedures nationwide. Fourth, RIMS II multipliers are updated to reflect the most recent local-area wage and-salary and personal income data.

The summary of the Economic Study prepared by Michael Evans, Ph. D. is contained on the following page.

### Tabulation of Principal Results

Table A shows the annual revenue, the final demand multiplier, and the total number of jobs created by the construction and operations of the apartment building. Since the construction will take more than two years, the economic impact figures for the hard construction costs and appropriate soft costs include direct as well as indirect and induced jobs. All figures are permanent jobs.

<b>Table A. Summary of Expenditure and Revenue Estimates, Construction and Sales Commissions</b>					
Activity	<u>Expen/Rev</u> Mil Cur \$	<u>Expen/Rev</u> Mil 2010 \$	Final Demand Multiplier	Total Jobs	Direct Jobs
Hard Construction Costs	70	61.783	14.9695	924.9	458.3
Architecture & Engineering <u>Svcs</u>	3.5	3.250	13.5075	43.9	17.6
Sales Commissions *	1.5	1.298	3.8439	5.0	0.0
Restaurant Operations	2.081	1.595	23.152	36.9	25.9
<b>Total Jobs</b>				<b>1010.7</b>	

For purposes of this Offering, jobs created by rental income have been excluded. Therefore, the total job creation for the Project is 1,010.7 and is based on construction, architectural and engineering, sales commissions, and restaurant operations. FF&E costs are not considered within the referenced economic analysis. However, FF&E purchasing would result in additional indirect and induced job creation.

### Approval of I-526 Petition Not Guaranteed

The I-526 Petition will be approved only if USCIS is satisfied that the foregoing I-526 Petition criteria have been met. The determination of whether these criteria have all been reasonably satisfied is within the discretion of USCIS. It is also within the power, if not the discretionary authority, of USCIS to seek additional clarifying information about other aspects of the investment 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 Limited Partner may not proceed with the next step in the immigration process, consular processing or adjustment of status. Instead, the Limited Partner must decide whether to appeal the denial of the I-526 Petition at his or her own cost and expense 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 children under the age of 21 years 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 permanent resident. Approval means that the investment documented by the I-526 Petition has qualified the investor as an alien entrepreneur who is now eligible to apply for admission as CLPR.

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**

Consular processing is designed for aliens who are living outside of the United States, who prefer to process at a consulate for strategic reason or as a matter of convenience, or are ineligible to adjust status. Typically, the consular post, which is chosen at the time the I-526 Petition is filed, is in the country of last residence, *i.e.*, the last principal actual dwelling place. In very limited instances, usually involving a recognized hardship, a different consular post may be used to process for lawful permanent residence.

Before issuing an immigrant 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 the discussion on Immigration Risk Factors, below, for a list of the grounds of inadmissibility). Waivers are available for certain of the many grounds of inadmissibility, but the grant of a waiver is in the discretion of the government and aliens seeking waivers 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 immigrant 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 Limited Partners of the investor's family will be granted an immigrant visa. If the investor is denied an immigrant 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 fingerprints and a medical examination and to report to a consular interview. Immigrant visas usually are issued shortly after the interview unless the consul detects problems in the visa application, the underlying I-526 Petition or during the interview process. Visa applicants should allow about twelve months to

complete consular processing, although times for processing vary greatly among consular posts. In the event of visa unavailability, then the processing time will be longer.

### **Visa Issuance Not Guaranteed**

Decisions by consuls are discretionary and unreviewable. USCIS and the U.S. Department of State report recent efforts to communicate more efficiently regarding their respective roles in determining the eligibility of EB-5 investors for immigrant visas. There cannot be any assurance that improved communications will occur generally or with respect to a particular investor or the investor's spouse or minor children. Neither may it be assured that improved communications will result in the issuance of a visa. Other factors that a consul 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 arrangements in their country of residence before they are issued an immigrant visa based upon an approved I-526 Petition.

### **Admission After Immigrant Visa Issued Not Guaranteed**

After issuance, immigrant visas remain valid for six (6) months. During this period, the holder of the visa must use it to travel and enter the United States in order 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 immigrant 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 immigrant visa does not guarantee admission to the United States.

### **Adjustment of Status**

The Adjustment of Status ("AOS") procedure is designed to permit aliens who have been lawfully admitted to the United States as non-immigrants or who have been lawfully 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 see the section on Immigration Risk Factors-Aliens, below.)

Aliens seeking AOS must also comply with requirements peculiar to the AOS process. Aliens who do not meet these additional requirements will be required to use consular processing to obtain an immigrant visa, which will necessitate a departure from the United States. Aliens admitted in certain non-immigrant statuses may encounter more difficulties (and may not be successful) 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.

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 United States, 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 United States; (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 in removal proceedings 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.

Investors should consult with immigration counsel to determine if they, their spouse and their children are eligible for AOS.

During AOS processing, the applicant will be required to submit a medical examination and will receive instructions from USCIS regarding biometric data collection and an interview. 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.

### **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 United States is issued routinely if the alien articulates a *bona fide* need to travel. It is not necessary to demonstrate an emergent 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 United States. It is important for AOS applicants who wish the right to travel to make application for Advance Parole while they are in the United States. They must remain in the United States 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 checking. In demonstrated emergent 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 United States 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 United States 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 checking. 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 expiry 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 unreviewable. 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 if he or she is placed into removal proceedings.

Aliens admitted in unexpired non-immigrant status who are denied AOS to CLPR are usually entitled to remain in the United States 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 United States. If at the time of the denial of AOS, the alien's non-immigrant status was expired, the alien is expected to depart the United States. Failure to depart timely is a violation of U.S. immigration law and regulation which may affect the ability of the alien to qualify for future immigration benefits.

If an alien investor is admitted to the United States 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 United States. 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. They, too, will be expected to depart the United States at that time.

AOS applicants should not make any permanent connections to the United States or change any permanent living, employment, schooling or other 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 I-526 Petition followed by entry into the United States using an immigrant visa 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 United States indefinitely. Failure to remove the conditions results 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 continuously since becoming a CLPR. The Company will provide documentation, upon request by a Limited Partner, as reasonably necessary and available in support of such Partner's application for removal of conditions. Changes to the business from the plan could jeopardize removal of conditions. In addition, to support the removal of conditions, the Limited Partner needs to preserve conditional his or her CLPR status in the U.S. through meeting the physical presence requirement or having preserved/protected CLPR status by having applied for and be issued a Re-entry Permit by the USCIS.

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, it may 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 expiry 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 extend CLPR status, presumably in ignorance of the law. Aliens have also experienced difficulty obtaining advance permission 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.

### **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 USCIS 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 Project. There cannot be any assurance that investor Partner 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.

---

#### IV. 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 EXHIBITS 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.

##### A. Risks Related to Company's Proposed Business—General

1. The Project Has No Operating History. The success of the Investment will be directly dependent upon the success of the Project's business operations. The Project should be considered in its development stage and its operations are subject to all of the risks inherent in the establishment of a new business enterprise, including, but not limited to, hurdles or barriers to the implementation of its business plan. No assurances can be given that the Project will be completed or will operate profitably.

2. Partners Will Bear Significant Financial and Visa Approval Risks. Purchasers of Units will be providing a significant portion of the risk capital to the Project pursuant to the Investment and will be investing at a time when the success of the Project remains uncertain. Among other risks at this stage of the development of the Project are the facts that the Company has not obtained a Construction Loan as of the date hereof, has not obtained all necessary entitlements to build the Project. In addition, if the Company cannot raise the full amount of the Investment from the proceeds of this Offering, the Company may not be able to raise sufficient financing to complete the Project. The Company expects to release the proceeds of the Investment before the full amount of the Offering is raised, and before a Construction Loan is obtained and entitlements are obtained. If the Company is unable to complete the Project for any reason, the Limited Partners may lose their investment in the Company, and may not qualify to obtain approval of their I-829 petitions because the anticipated jobs were not created.

3. The General Partner and its Other Affiliates will be Subject to Conflicts of Interest. The General Partner and its affiliates, including the General Contractor and the Escrow Agent, have total control over the operation of the Project and the potential repayment of the Investment. This will result in conflicts of interest between the interests of the Limited Partners, the General Partner and its other affiliates. The potential conflicts of interest include, but are not limited to, the following:

(a) General Partner has determined the terms of the Investment without arms' length negotiation with Company, and the General Partner will administer the Investment;

(b) The General Partner will pay development fees to its affiliates related to services provided in connection with the development of the Project;



(c) The General Partner and/or its other affiliates may acquire and operate other real estate projects for their own respective accounts, and could allocate resources to those other projects rather than the Project;

(d) The General Partner and its other affiliates will not be required to disgorge any profits or fees or other compensation they may receive from any other business they own separate from the Project, and Partners will not be entitled to receive or share in any of the profits, return, fees or compensation from any other business owned and operated by the General Partner and their other affiliates for their own benefit;

(e) The General Partner and its other affiliates are not required to devote all of their 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 General Partner, the Principals and their other affiliates;

(f) The Project, the General Partner, and the Prospective Investors have not been represented by separate counsel in connection with the formation of the Company, the drafting of the Limited Partnership Agreement or the Subscription Documents, or this Offering. As a result, the Limited Partners have not had separate counsel to protect their interests in connection with the terms of the Offering.

4. The General Partner' Liability will be Limited. Pursuant to the Limited Partnership Agreement, the General Partner, its agents, and their other affiliates will not be liable to the Company or any Partners 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, gross negligence or willful misconduct. The Limited Partners will have limited recourse against those parties. The Limited Partnership Agreement also provides that the Company will indemnify, hold harmless and waive any claim against the General Partner, their agents, and their other affiliates, 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 Limited Partnership Agreement or as a result of any action which the General Partner and/or their designated agents are requested to take or refrained from taking by the Company unless such loss has arisen as a result of their gross negligence or willful misconduct.

5. The Project will have no Diversification of its Investment. The Company will invest its capital in one Project through the Investment, thus providing no diversification.

6. The Project's Success is Dependent upon the Successful Implementation of its Business Plan by the Company. The success of the Company will largely depend upon the Company's success in implementing its Project Business Plan (as defined below). Because many of the factors necessary for success are beyond the control of the Company, there can be no assurance that the Company will be able to successfully implement the business plan, or carry out that business plan as circumstances require.

7. The Project will be Subject to Insurance Risks. The Company intends to obtain and maintain insurance on the Project. Notwithstanding the foregoing, no assurance can be given that sufficient insurance can be obtained in the event of a catastrophic loss to a particular asset.

8. 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 Company's success in implementing its business plan related to 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 Company, there can be no assurance that the 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 the Limited Partner to obtain an approval of Form I-829 Petition and receive a permanent green card is dependent upon the successful implementation of the Project Business Plan. Material changes to the Project Business Plan may result in the denial of Limited Partner's Form I-829 Petition.

9. Distributions by the Company are not Guaranteed. Payment of distributions and the amounts thereof will be dependent upon the profitability of the Company. No assurances can be given that the Company will operate profitably or be able to declare and pay any distributions to the Limited Partner, or that Limited Partner will earn a positive return on their Offering Price or receive a return of any or all of their Capital Contribution or Administrative Fee.

## **B. Special Risks Associated With The Project**

1. Ownership of Property. The Company has entered into a purchase agreement to purchase the Property. There are no assurances that the Company will be able to close and acquire the Property or under the terms set forth in the purchase agreement. In that event, the investors in the Company could lose both their investment in the Company and their eligibility for permanent visa approval.

2. Permit Approvals for the Project have not been obtained. The required permit approvals have not been obtained in order to develop the Project in accordance with the current business plan. There are no assurances that the business plan may not have to be modified accordingly, or that the permit approvals will be obtained. If the permit approvals are not obtained, the Company may not be able to build the Project, or the Company may be required to reduce the size of the Project. In that event, the Project may create fewer jobs than currently estimated, which could potentially cause the Project to have insufficient job creation to support all investors in the Company. A change in the Project could also be considered a material change by the USCIS, which could require that investors withdraw and refile their I-526 petitions, which would cause delays in obtaining their I-526 approvals and the potential for age-out of some investors.

3. A Construction Loan Commitment for the Project has not been obtained. Completion of the Project will require the Company to obtain a substantial Construction Loan, currently anticipated to be approximately \$40 million, assuming that the Company raises the maximum proceeds of \$40 million in this Offering. There is no assurance that the Company will be able to obtain a Construction Loan. In order to obtain a Construction Loan, the Company will be required to demonstrate that it has raised the capital required to complete the Project. If the Company cannot obtain a Construction Loan, there can be no assurance that the Company will be able to complete the Project. In that event, the investors in the Company could lose both their investment in the Company and their eligibility for permanent visa approval.

4. Timing of Completion is Uncertain. Included in the Project Business Plan is a time schedule for the completion of the Project. There are no assurances that this time schedule can be met, and if the timing for the completion of development is delayed by any significant degree, then the cost of development may increase and the receipt of proceeds could be delayed. Additionally, the ability of the investor to obtain an approval of Form I-829 and receive a permanent green card is dependent upon the successful implementation of the time schedule for completion of the Project. If the timelines are subject to delays, the delays may affect the investor's ability to show the requisite jobs were created by the Project during the investor's period of conditional permanent residency.

5. Cost Overruns. Cost overruns may be encountered as a result of numerous factors, including not only the delay in the development process, 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 development budget that have not otherwise been reserved for in the contingency fund.

6. The Investment in the Project is Speculative. Investing in real estate as contemplated by the Company involves an inherent exposure to fluctuations in the real estate market, including the availability of financing, increases in mortgage rates and borrowing rates and general economic conditions, and there is no assurance that its investment strategy will be successful. Prospective Investors should not subscribe for Units unless they can afford a loss of all their capital invested in the Company as a result of the non-payment of the Investment.

7. The Company's Investment is Illiquid. The Project may not be easy to liquidate or refinance. No assurance can be given that the Investment will be paid or when it will be paid.

8. The Project will be Subject to Typical Real Estate Investment Risks. Real estate development involves a variety of risks, including those relating to (i) the availability and timely receipt of regulatory approvals, (ii) the cost and timely completion of construction, which may be beyond the Company's control as a result of, among other factors, weather, shortages or price increases of construction materials (which may prove defective), equipment, energy, technical skills and labor, third party performance risks, environmental risks, changes in market conditions, changes in governmental policies, risks due to dependence on cash flow, costs associated with contingent liabilities that are recourse to the Project, changes in interest rates, local government financial distress and budget cutbacks, changes in laws or policies, terrorists acts, environmental liabilities, natural disasters, lease-up velocity and rent levels, and (iii) the availability and maintenance of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays and expenses and could prevent completion of development, any of which could have an adverse effect on the financial condition and results of operations of the Company. Properties under development or properties acquired to be developed generally generate no revenue while under development and experience operating deficits for a period after completion of development. The Company may commence development or redevelopment activities prior to obtaining financing for such activities and there is no guarantee that financing will be available on favorable terms.

9. Subordinated Debt Risk. The Investment to be made by the Company will be subordinate to the repayment obligation to Construction Loan and any additional debt or equity financing, and a default under the Construction Loan could otherwise result in a foreclosure of the mortgage lien securing such Construction Loan and cause the Investment to have no economic value.

10. The Project will be Subject to the Risks of Additional Leverage from Construction Loan. If the Company obtains a Construction Loan, it will be secured by a first mortgage lien on the Project. If the construction or operations of the Project deviate in any material adverse respect from those projected, the Company may not have sufficient cash flow to service the Construction Loan. If the Company defaults on the Construction Loan, regardless of the cause, the Construction Lender may foreclose on the mortgage and sell the Property. In that event, any proceeds from the sale would be used first to pay all amounts owed on the Construction Loan, before any other creditors of the Company are paid. Any remaining proceeds from such payment could be insufficient to repay the Investment, which could result in a loss to investors of their investment in the Company.

11. Prospective purchasers of Condominiums may not be able to Obtain Mortgages. There is no guaranty that U.S.-based banks and other financial institutions will provide mortgages for purchasers of the condominiums given more restrictive and strict financial rules and policies, which may adversely affect condominium sales and impact the financial balance sheet of the Project.

12. Homeowners Association for the Condominium Section. The condominium section of the Project will be subject to Homeowners Association ("**HOA**") maintenance fees, the level of which may adversely affect interest for individual condominium units. High HOA maintenance fees may result in lower than market price for such units, which could have an adverse effect on the Project.

13. Marketing of Project Components. Although the Project is unique in its location and design, there are no assurances that the Company will be able to successfully market the finished units to the general public at projected prices as projected by the Company. Sales of units will be dependent upon numerous factors, including consumer and commercial demand for the real estate products to be delivered in the specific areas that comprise the Project. There are no assurances that marketing efforts will be successful.

14. Unique Risks of Condominium Business. Condominium housing construction projects have certain unique risk factors, including the following:

(a) The location of the Project is a key factor in attracting prospective purchasers of units, and any material and adverse change in the surrounding area of the Project will have a significant adverse effect on sales prices and the ability to operate profitably.

(b) Results of operations are subject to risks inherent in the condominium industry, such as the demand for condominiums in the general vicinity of the Project, which could materially and adversely affect such Project.

(c) Competition from other condominium properties, located in close proximity to the Project may reduce the demand which could materially and adversely affect the Project.

(d) The success of the Project depends on key management personnel whose continued service is not guaranteed, and their departure could materially and adversely affect the Project.

(e) Adverse economic conditions in general may have had a material and adverse effect on the Project, affecting sales prices, occupancy rates and the ultimate operating results of the Project.

15. Retail Leases. The Company's rental revenues for its retail portion could be impacted by declines in market rents, which in turn could affect the Company's ability to repay the Investment.

16. Difficulty in Renewing Leases. The Company will derive a portion of its revenue directly or indirectly from rent received from retail tenants. Upon expiration or termination of leases, leases for the retail units in the Property may not be renewed, space may not be re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions to tenants, may be less favorable than current lease terms. If the demand for retail is less than the Company anticipates, the Company's financial results will be adversely affected.

17. Environmental Risks. The business of making a loan in real property involves risks relating to hazardous and toxic contamination of such property or adjacent property, including subsurface and underground water contamination. Such contamination could have a detrimental effect on the Investment, and can result from the actions of tenants, contractors, and other parties such adjacent property owners. The Company could be required to clean up or otherwise abate such contamination, placing additional and unexpected financial burden on the Project which may result in the Company being unable to meet its financial obligations relating to the Project, including its obligation to service or repay the Investment. In such event, the Company could suffer a loss of some or all of the amount invested in the Project.

18. Americans with Disabilities Act. It is likely that the Project will be required to comply with the Americans with Disabilities Act, or the ADA, subject to the local municipality's interpretation of ADA and ordinances and practices with respect to compliance with the ADA. The ADA requires that "public accommodations" such as office buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both, which could be imposed on the Company. The Company may be required to expend funds to comply with the provisions of the ADA, which could adversely affect the Company's ability to make distributions to the Company in an amount sufficient to enable the Company to return the Investors' investment in a Company.

19. Mechanics Liens. The Project may be subject to mechanic's liens which entitle the holder of such lien to foreclose on the Project. State law provides any person who supplies services or materials to a real estate project with a lien against the project securing any amounts owed to such person. Although the Company intends to use procedures to prevent the occurrence of mechanic liens (such as requiring mechanic lien releases prior to payment and issuing joint-party checks) no assurance can be given that mechanic liens will not appear against the Project. If a mechanic lien does appear, then it must be negotiated by the Company in order to obtain its release or the person holding such lien will have the right to bring an action to foreclose on the Project in order to satisfy the amount due under the lien.

20. Accuracy of Anticipated Sources and Uses of Funds. The anticipated sources and uses of funds ("**Anticipated Sources and Uses**") contained in this Memorandum are based upon the past experience of management and its affiliates in developing, constructing and operating various properties. The Anticipated Sources and Uses figures are based upon current estimates of income from the sale of the condominiums and expense relating to the operation of the Project, including retail operations. If the assumptions with respect to demand for the Project components do not prove correct, the Project would have difficulty in achieving its anticipated results. The Anticipated Sources and Uses figures assume occupancy levels for the retail space and certain rates, as well as a steady growth in rates. There can be no assurance that the Project can achieve or maintain the occupancy levels or other growth rates assumed by the Anticipated Sources and Uses. Some of the other underlying assumptions in the Anticipated Sources and Uses figures inevitably may not materialize and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the period covered may vary from the Anticipated Sources and Uses, and the variation may be material. As a result, the rate of return to Company may be lower than that projected. Any repayment of the Investment will depend on the Company's ability to operate the Project profitably or ultimately for the Company to sell it at a profit, which, in turn, will depend upon economic factors and conditions beyond the control of the Company.

21. Conflicts of Interest. The General Partner is affiliated with the General Contractor and Escrow Agent. The General Partner will have a conflict of interest in taking any action necessary to protect the Investment against the General Contractor or the Escrow Agent in the event the General Contractor or the Escrow Agent does not perform their respective obligations as the general contractor or the escrow agent of the Project. In addition, the Escrow Agent is not licensed as an escrow agent in the State of California or with any regulatory agency.

22. The Project may be Subject to Technical Risks and Technology Risks. The Project may be subject to technical risks, including design errors, defects in construction and materials, mechanical breakdown, failure to perform according to design specifications and other unanticipated events, which adversely affect operations, health, safety and other equipment and/or plant facilities. While the Project will be insured and it is expected that third parties will bear much of this risk, there can be no assurance that any or all such risk can be mitigated or that such parties, if present, will perform their obligations.

23. Uncertainty of Cash Flow to Meet Fixed Obligations. The Project is subject to risks due to adverse changes in general or local economic conditions; relative appeal of particular types of facilities to patrons, customers, and vendors; reduction in the cost of operating competing businesses; decreases in employment, reducing the demand for condominiums; the possible need for unanticipated renovations; adverse changes in interest rates and availability of funds and other changes in operating expenses; changes in governmental rules and fiscal policies; acts of God, including earthquakes, which may cause uninsured losses; the financial condition of patrons and customers of the Project; environmental risks; loss to or condemnation of the Property on which the Project is located; and other factors which are beyond the control of the Company and General Partner. Decreases in actual Project income from anticipated amounts, or increases in operating expenses, among other factors, could result in the Company's inability to meet all its cash obligations. Furthermore, any material and adverse effects on the cash flow and financial condition of the Company could result in the Company's failure to repay the Construction Loan. If the Company fails to repay the Construction Loan, Partners could see a substantial, if not total, loss of their investment and out-of-pocket expenses incurred.

24. Territorial Dependence. The Project is situated in Honolulu, Hawaii. As a result, the success of the Project will be directly dependent upon the continued demand for residential and retail real estate at that location.

25. Interest Rate Increases. Increases in interest rates will directly affect the capitalization rate of the Project for sale or refinance purposes, thus limiting the ability of the Company to refinance and/or payoff the total indebtedness on the Project.

26. Direct Funding to Company. In the event Investor elects to fund Investor's Capital Contribution and Administrative Fee directly to the Company, the Capital Contributions and Administrative Fees of Investors in this Offering will not be held in escrow. Capital Contributions will be put to use to fund the Investment as described herein. Administrative Fees will be immediately used to pay for Offering expenses as described herein.

### **C. Risks Related To The Offering**

1. Determination of the Offering Price and Other Terms of the Units have been Arbitrarily Determined. The Offering Price for the Units, and the returns proposed to be paid to Partners and other terms of the Units may not bear an exact correlation to assets acquired or to be acquired, or the value of the Project or any other established criteria, or quantifiable indicia for valuing a business. No representation is being made by the Regional Center or the Company that the Units have or will have a market value equal to their Offering Price or could be resold (if at all) at their original Offering Price. The Offering Price for the Units should not be considered an indication of the actual value of the Units or the price at which the Units may be transferred following the consummation of this Offering.

2. Financial Projections. The financial projections included in the Memorandum were provided by a third party consultant that the Company believes has expertise in this area, and are based upon what the Company believes to be reasonable assumptions concerning certain factors affecting the probable future operations of the Project. No assurances can be made that these projections will prove to be accurate, and Investors are cautioned against placing excessive reliance on such projections in deciding whether to invest in the Company. In particular, construction, fuel, and capital costs are very volatile, and may cause the Company to seek additional capital or alternative forms of capital. In turn, this could result in a dilution of Limited Partner's ownership interest in the Company, or could cause the repayment of Partners to be further subordinated to additional debts or other repayment and/or distribution obligations of the Company.

3. There will be no Public Market for the Units and the Units are Subject to Significant Restrictions on Transferability. There is no public market for the Units and no such market is expected to develop in the future. The sale of the Units is being made without registration under the Securities Act and applicable state securities laws, in reliance upon various exemptions under the Securities Act, including the "private offering" exemption of Section 4(2) and 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 Units offered hereby. Accordingly, an investment in the Units will be highly illiquid. The Units 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. In addition, if the Subscriber is (i) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S or (ii) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Units sold, prior to the expiration of the applicable "distribution compliance period" (as defined below), (A) until the expiration of such "distribution compliance period" any offer or sale of the Units may not be made by it to a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(k) of the Securities Act and (B) until the expiration of the "distribution compliance period," it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Unit or any interest therein except to a person who certifies in writing to the Company that such transfer satisfies, as applicable, the requirements of the legends described herein and that the Units will not be accepted for registration of any transfer prior to the end of the applicable "distribution compliance period" unless the transferee has first complied with these certification requirements. The "distribution compliance period" means the one-year period following the issue date for the Units. Consequently, a holder of the Units 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 Units indefinitely. In addition, an investor should be able to withstand a total loss of his or her investment in the Company.

4. The Limited Partnership Agreement also Limits Transferability of Units. Pursuant to the Limited Partnership Agreement, the Units are not readily transferable and no transfer of Units may be made unless, among other things, the transferor delivers to the General Partner 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 Units be registered under such laws or that an exemption from registration exists and there can be no assurance that an exemption will be available.

5. 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.

6. Limited Partnership Agreement. The General Partner has established the terms of the Limited Partnership Agreement which were not negotiated on an arm's-length basis. In addition, legal counsel for the Company and the General Partner may act as immigration counselor represented the interests of the Prospective Investors. Prospective Investors should consult with their own legal counsel with respect to the investment in the Company.

7. Returns to Partners. The costs of developing, selling and operating the Project will not be guaranteed by any party, nor will there be any guaranty of profit on the investment in the Company. The return of the interest and Capital Contribution of the Limited Partner will be directly dependent upon the completion and sale of condominium units by the Company to an extent necessary to retire the Construction Loan, any Additional loan and the Company's Loan.

8. Risk of Bridge Financing. To the extent applicable, if bridge financing is obtained before the Investment is fully funded, there is a risk that USCIS may challenge the job creation formula utilized with respect to the Project to the extent of jobs created from any bridge financing that is replaced by the Investment, although the Company believes that it has a supportable position to utilize bridge financing to accelerate the development of the Project.

9. Legal Considerations. LEGAL COUNSEL TO CIRC AND COMPANY DOES NOT REPRESENT ANY INVESTOR IN CONNECTION WITH (A) THE REVIEW OF THIS MEMORANDUM, THE LIMITED PARTNERSHIP AGREEMENT, THE SUBSCRIPTION AGREEMENT OR ANY OTHER DOCUMENT RELATING TO THIS OFFERING OR (B) SUCH INVESTOR'S INVESTMENT IN THE INTERESTS. IN THE ABSENCE OF ANY WRITTEN AGREEMENT EXECUTED BY SUCH COUNSEL TO THE CONTRARY, SUCH COUNSEL OWES NO DUTIES TO ANY INVESTOR. EACH INVESTOR MUST SEEK INDEPENDENT SEPARATE COUNSEL AND MUST RELY ON THE ADVICE OF SUCH COUNSEL TO PROVIDE INDEPENDENT EVALUATION OF THIS OFFERING, INCLUDING, WITHOUT LIMITATION, TAX AND CURRENCY EXCHANGE CONSEQUENCES TO THEM AND OTHER ISSUES RELATING TO ANY INVESTMENT IN THE COMPANY. THIS MEMORANDUM IS WRITTEN IN THE ENGLISH LANGUAGE ONLY WHICH LANGUAGE SHALL BE CONTROLLING IN ALL RESPECTS. ANY VERSION OF THIS MEMORANDUM IN ANY LANGUAGE OTHER THAN ENGLISH IS NOT AUTHORIZED.

10. The General Partner are Not Subject To Regulatory Oversight. The General Partner are not registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"), in reliance upon the exemption from registration set forth in Section 203(b)(3) of the Advisers Act. In consequence, the General Partner generally is not subject to the restrictions contained in the Advisers Act, although the General Partner may become subject to such restrictions in the future.

#### **D. Tax Risks**

**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 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 INVESTORS 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 GENERAL PARTNER IN ITS SOLE DISCRETION, UNITS IN THE COMPANY ARE ONLY BEING SOLD TO NON-U.S. PURCHASERS IN RELIANCE ON REGULATION S OR ACCREDITED INVESTORS IN RELIANCE ON REGULATION D 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 federal income tax risks associated with an investment in the Units. Some, but not all, of the various risks associated with the federal income tax aspects of the Offering of which investors should be aware are set forth below and as more fully described in Section D 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 Units and on the investor's individual tax situation. Neither the General Partner nor its affiliates nor counsel for the company has provided any tax (or other legal) advice to any holder of units or Prospective Investor. The following discussion is not tax advice. Neither the General Partner nor its affiliates nor counsel for the Company has provided any tax (or other legal) advice to any holder of units or Prospective Investor. This summary does not discuss the impact of various proposals to amend the Code which could change certain of the tax consequences of an investment in the Company. Neither the General Partner nor its affiliates nor counsel for the Company has provided any tax (or other legal) advice to any holder of units or Prospective Investor.

1. There are Risks Related to the Status of the Company for Federal Income Tax Purposes. The Company has been organized as a limited liability company under the laws of the State of Hawaii. The Company will not apply for a ruling from the Internal Revenue Service (the "IRS") that it will be treated as a partnership for federal income tax purposes, but intends to file its tax returns as a partnership for federal and state income tax purposes. Investors should recognize that many of the advantages and economic benefits of an investment in the Units depend upon the classification of the Company as a partnership (rather than as an association taxable as a corporation) for federal income tax purposes. A change in this classification would require the applicable Company to pay a corporate level tax on its income which would reduce cash available to fund distributions to investors, prevent the flow-through of tax benefits, if any, for use on investors' personal tax returns, and could require that distributions be treated as dividends, which together could materially reduce the yield from an investment in the Company. In addition, such a change in a Company's tax status during the life of the Company could be treated by the IRS as a taxable event, in which event the investors could have tax liability without receiving a cash distribution from the Company to enable them to pay such tax liability. The discussion herein assumes that the Company will at all times be treated as a partnership for federal tax purposes. The continued treatment of the Company as a partnership is dependent on present law and regulations, which are subject

to change although there is no current legislation in existence or presently contemplated that would otherwise affect the Company's classification as a partnership for United States income tax purposes.

2. Investors May Have Possible Federal Income Tax Liability in Excess of Cash Distributions. Each investor will be taxed on the investor's allocable share of the Company's taxable income, regardless of whether the Company distributes cash to investors. Investors should be aware that although the Company will use its best efforts to make distributions in an amount necessary to pay income tax at the highest effective individual income tax rate on the Company's taxable income, the federal income tax on an investor's allocable share of the Company's taxable income may exceed distributions to such investor. An investor's allocable share of the Company's cash distributions is subject to federal income taxation only to the extent the amount of such distribution exceeds an investor's tax basis in its Partnership Interest at the time of the distribution. Additionally, distributions, which exceed the amount for which an investor is considered "at-risk" with respect to the activity, could cause a recapture of previous losses, if any. There is a risk that an investor may not have sufficient basis or amounts "at-risk" to prevent allocated amounts from being taxable. The deductibility of various Company expenses allocable to certain Partners may be subject to various limits for U.S. federal income tax purposes. It is possible that losses of the Company or of a particular activity of the Company or of a particular activity of the Company could exceed income in a given year. Any such losses may be passive losses, which may subject Partners to limits on deductions for losses. Additionally, the deductibility of capital losses are also subject to limitations. Partners should consult their own tax advisers regarding potential limitations on the deductibility of their allocable share of items of losses and expenses of the Company. Each Partner will be required to report on his or her own U.S. federal income tax return his or her share of the Company's income, gains, losses, deductions and credits for the taxable year of the Limited Partner, whether or not cash or other property is distributed to that Partner.

3. Partners May Have Possible Federal Income Tax Liability Due to Receipt of Phantom Income. Partners may receive phantom income on that portion of the interest income received by the Company under the Investment which is (i) used to pay for extraordinary expenses, if any and (ii) not distributed to the Limited Partners. Although the Limited Partners receive a corresponding deduction for such payments as an investment expense, due to the phase-out of such deductions, these deductions are limited and will likely not fully offset the tax liability incurred from the phantom income. Partners should consult their own tax advisers regarding potential tax liability regarding the recognition of phantom income on the interest income received by the Company under the Investment.

4. Information Reporting to Partners by the Company. The Company will file an information return on IRS Form 1065 and will provide information on Schedule K-1 to each Partner 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, Partners will need to apply for extensions of time to file their tax returns.

5. Tax Auditing Procedures will be under Control of the General Partner. Any audit of items of income, gain, loss or credits of the Company will be administered at the Company level. The decisions made by the General Partner with respect to such matters will be made in good faith consistent with the General Partner's fiduciary duties to both the Company and to the investors, but may have an adverse effect upon the tax liabilities of the investors.

6. 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 Memorandum will not be changed in a manner which adversely affects the interests of investors.

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

**E. Immigration Risk Factors**

A SUBSCRIBER SHOULD CONSULT WITH LEGAL COUNSEL FAMILIAR WITH UNITED STATES IMMIGRATION LAWS AND PRACTICE. PURCHASE OF A UNIT DOES NOT GUARANTEE LAWFUL PERMANENT RESIDENCE IN THE UNITED STATES. THE UNITS DESCRIBED IN THIS 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 UNIT. SEE "**I.F. THE OFFERING - RISK FACTORS**") FOR CERTAIN ADDITIONAL RISKS ASSOCIATED WITH A PURCHASE OF A UNIT.

1. General. While best efforts have been made to structure this Offering so that Partners may meet EB-5 immigrant visa requirements under 8 U.S. C. § 1153 (B)(5)(A) - (D); INA Act § 203 (B)(5)(A) - (D) and qualify as "alien entrepreneurs," a preliminary step to becoming eligible for admission to the United States with the Limited Partner, his or her spouse and qualifying children as lawful 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 Limited Partner will be approved as an "alien entrepreneur" and obtain conditional or unconditional lawful permanent resident status.

2. Attaining Lawful Permanent Residence. Even after approval of the I-526 Petition, there cannot be any guarantee that the Limited Partner, his or her spouse or any of their qualifying children will be granted lawful permanent residence. The grant of such immigration status is dependent, among other things, upon the personal background of each applicant. Any one of the several 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.

3. 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 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:

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

(c) 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;

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

(e) 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;

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

(g) persons engaged in prostitution or commercialized vice;

(h) 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;

(i) persons excludable on grounds related to national security, related grounds, or terrorist activities;

(j) persons determined to be excludable by the secretary of state of the United States on grounds related to foreign policy;

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

(l) persons who are likely to become a public charge at any time after entry;

(m) persons who were previously deported or excluded and deported from the United States;

(n) 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;

(o) 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;

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

(q) persons who are practicing polygamists; and

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

4. No Return of Administrative Fee if Visa or Adjustment of Status is Denied. Following I-526 Petition Approval, the Limited Partner, his or her spouse and qualifying children must timely apply for an immigrant visa or adjustment to permanent resident status. As part of this process, the Limited Partner will undergo medical, police, security and immigration history checks to determine whether the Limited Partner, 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 the Limited Partner, his or her spouse or any of their children are denied an immigrant visa or denied adjustment of status to conditional lawful permanent residence, the Company will be obligated to return the \$500,000 Capital Contribution without interest within three (3) months upon the receipt of the appropriate denial notice. However, the Company will not be obligated to return the \$50,000 Administrative Fee, in which case the entire \$50,000 Administrative Fee will be forfeited.

5. Conditional Lawful Permanent Residence. Lawful permanent residence status granted initially to the Limited Partner, his or her spouse and their qualifying children is "conditional"; the Limited Partner, his or her spouse and their qualifying children must seek removal of conditions before the second anniversary of lawful permanent admission to the United States. There cannot be any assurance that the USCIS will consent to the removal of conditions as to the Limited Partner, his or her spouse and their qualifying children. If Partners fail to have conditions removed, the Limited Partner, his or her spouse and their qualifying children may be required to leave the United States and may be placed in removal proceedings. Should it be determined that there has occurred a wrongful denial by USCIS of Limited Partner's I-829, circumstances may warrant seeking Federal Court relief and reversal of such a denial where it can be reasonably shown that the Limited Partner has in fact satisfied the requirements at 8 CFR 216.6 for eligibility for removal of conditions. Even if Partners succeed in having conditions removed, the Limited Partner, 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 members of family may require some members to depart from the United States and such family members may be placed in removal proceedings. Examples of possible reasons for denial of the Limited Partners petition to remove conditions from permanent residence include:

- failure to preserve CLPR status in the U.S. through meeting the physical presence requirement or having preserved/protected CLPR status by having applied for and be issued a Re-entry Permit by the USCIS;
- failure to maintain investment in the Company for the required time period, such as through some kind of distribution or return of the Limited Partners capital before the time for removal of conditions on the Limited Partners residence, even if 10 jobs were created;
- failure of the project to use all of the Limited Partners' invested capital in job creating activity at risk to the Limited Partner, 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 Limited Partners' investment has created 10 new jobs of U.S. workers that can be allocated to such Partners (which may result from failure to meet the project's economic milestones that were used as assumptions in projection of the indirect jobs that would be created by the Limited Partners investment); and,
- even if the required 10 jobs were created, the project's material departure from the Business Plan presented to USCIS in obtaining the Limited Partners initial I-526 Petition Approval.

6. Limited Regulations Regarding Removal of Conditions. USCIS and the 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 Partners to qualify for the removal of conditions, where good business practices permit. This notwithstanding, Partners 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 this program which currently is in a state of evolution. The removal conditions are currently found in 8 Code of Federal Regulation (CFR) § 216.6 and should be reviewed carefully by each Partner.

7. Numerical Quotas. Currently, ten thousand (10,000) EB-5 immigrant visas are allocated annually to alien investors and the spouse and qualifying children of the investor. EB-5 status is available on a first-come, first-served basis. If more visas are sought than are available, a delay in the availability of EB-5 lawful permanent resident status will result. 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 wait before visa status for them becomes available. Also, the availability of current EB-5, immigrant visas may end, the number of available EB-5 immigrant visas may decrease or increase, or the time it takes to acquire EB-5 status may increase significantly. Other changes in the administration of the visa preference system may affect and even preclude the ability to obtain a visa for lawful permanent residence or to adjust to lawful permanent residence.

8. Country Quotas; Visa Retrogression. The current law provides the applicability of a country quota if the 10,000 visa cap is reached on an annual fiscal basis. If the cap would be reached under current legislation, the 7% per country quota limitations would become operative and therefore put a maximum on EB-5 visas issued during such calendar year. Since for fiscal year 2014, up to 80% of the EB-5 visas were issued to Chinese nationals, this limitation could result in what is called visa retrogression by creating a backlog or waiting time before an immigrant visa can be issued. This may have a serious and adverse effect of marketing the EB-5 Program in China, thereby potentially preventing the Company from raising the maximum amount of capital needed to complete the Project and from creating the necessary number of jobs estimated by the Economic Study. This could also result in Chinese nationals having to wait an extended period of time before they can be admitted to the United States as a lawful permanent resident. Visa retrogression may also limit the visa availability for the children of Subscriber's who are under the age of 21 years of age at the time of Subscriber's filing of Form I-526. Under the Child Status Protection Act ("CSPA"), the age of a child will be frozen if he or she is the derivative beneficiary of an I-526 petition that is pending; however once the petition is approved the child's age will no longer be frozen and the child may no longer have the benefit of the CSPA and may therefore "age-out" of eligibility for an immigrant visa. Additionally, because a Subscriber's investment in the Company must be "sustained" during the two years of their conditional residence, the time period before which a Subscriber can have his or her investment capital returned may be extended by the length of the visa retrogression. This may require Subscriber's capital investment to be maintained in the Company or Project for an extended period of time until the approval by USCIS to remove the Subscriber's conditions on his or her permanent residence, thereby delaying the Subscriber's "exit strategy." Legislation has previously been proposed to eliminate the per country quota and there are no assurances whether such legislation may ultimately be passed. On April 13, 2015, the Chief of the Visa Control and Reporting Division of the U.S. Department of State, Charles Oppenheim, reported that due to the increasing volume of I-526 Petition approvals for Chinese nationals, that beginning in May 2015, a cut-off date of May, 2013 would be established for Chinese nationals in the EB-5 immigrant visa category. This was confirmed in the May 2015 visa bulletin. This means that during the month of May 2015, only those EB-5 investors (and their derivative beneficiaries) with a priority date of May 2013 or earlier (i.e. March 2013, April 2013, etc.) may apply for an EB-5 immigrant visa.

9. Active Participation in the Company's Business. The EB-5 Program requires that an applicant is actively involved in the business affairs of the Company. The failure to be actively involved may jeopardize the I-526 Petition Approval or result in the denial of lawful permanent residence status for the Limited Partner, his or her spouse and their qualifying children. The Limited Partnership Agreement, reflecting the EB-5 regulations governing what level of participation is acceptable to meet the EB-5 criteria, mandates that each 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 Limited Partnership Agreement is expected to be sufficient to meet these requirements, or else the General Partner will cause the Limited Partnership Agreement to be amended to conform with EB-5 regulations.

10. Risks Attendant to the EB-5, Fifth Preference Visa Status. The EB-5 Program has many requirements that must be met to the satisfaction of USCIS. The failure to meet even one of these requirements to the satisfaction of USCIS may result in the denial of an I-526 Petition.

11. Approval Letter; NAICS Codes. The approved industries of focus of Regional Center may not include some or all of the industries used in the job creation model of the Economic Report. On May 30, 2013, the USCIS issued its Policy Memorandum entitled "EB-5 Adjudications Policy" which is applicable to, and is binding on, all USCIS employees. Section V. B. (Regional Center Amendments) of the Policy Memorandum provides:

Because businesses strategies constantly evolve, with new opportunities identified and existing plans improved, the instructions to Form I-924 provide that a regional center may amend a previously-approved designation. The Form I-924 provides a list of acceptable amendments, to include changes to organizational structure or administration, capital investment projects (including changes in the economic analysis and underlying business plan used to estimate job creation for previously approved investment opportunities), and an affiliated commercial enterprise's organizational structure, capital investment instruments or offering memoranda.

**Such formal amendments to the regional center designation, however, are not required when a regional center changes its industries of focus, its geographic boundaries, its business plans, or its economic methodologies.** A regional center may elect to pursue an amendment if it seeks certainty in advance that such changes will be permissible to USCIS before they are adjudicated at the I-526 stage, but the regional center is not required to do so. (Emphasis added).

The Company believes no formal amendment of the Approval Letter of Regional Center to include the industries listed in the Economic Study is required in order to qualify the Project under the EB-5 Program. However, to exercise a reasonable due diligence, the Company will prepare an I-924 Amendment Application to USCIS to demonstrate good faith in concurrently applying for the addition of these NACIS general industry categories at the two-digit level now allowed by USCIS. There is no assurance that the Policy Memorandum will not be revoked, amended and/or rescinded or that an adjudicator will adhere to it. The revocation, amendment and/or rescission of the Policy Memorandum or the failure of an adjudicator to adhere to the Policy Memorandum may result in the denial of an I-526 Petition.

12. The Regional Center Program, on which the Company relies, is currently set to expire on September 30, 2016 and may not be extended. The Regional Center Program ("**EB-5 Program**") was first created by law in 1992. Since then, the law authorizing the EB-5 Program has been extended, most recently through September 30, 2016. The EB-5 Program is currently set to expire on September 30, 2016

("Expiration Date"). Unless a law is passed which extends the EB-5 Program or makes the EB-5 Program permanent, the EB-5 Program will no longer exist beyond the Expiration Date. The Company relies on the EB-5 Program to allow Investors to receive certain immigrant benefits for jobs created indirectly by the Project. We cannot predict whether the EB-5 Program will be extended or made permanent and we have no control over the extension of the EB-5 Program. If the EB-5 Program is not extended or made permanent, Investors may encounter the following risks:

- If an Investor's I-526 petition has not been filed by the Expiration Date, that Investor may not be able to file an I-526 petition based on the Project.
- If an Investor's I-526 petition is filed but has not been adjudicated by USCIS on the Expiration Date, that Investor's I-526 petition based on the Project may remain pending indefinitely or be denied.
- If an Investor's I-526 petition is approved but he or she is outside the U.S. and has not received an immigrant visa prior to the Expiration Date, the Investor may not receive an immigrant visa to enter the U.S. and may not be granted conditional permanent residency based on the Project.
- If an Investor's I-526 petition is approved and he or she is physically present in the U.S. in valid nonimmigrant status, but USCIS has not approved an adjustment of status for the Investor prior to the Expiration Date, the Investor may not receive adjustment of status approval and may not be granted conditional permanent residence based on the Project.

13. The Investor may experience a lengthy delay in obtaining conditional lawful permanent resident status. The USCIS processing times are fluid; the process times found on the USCIS website (the "**Website**") are not always accurate. The USCIS may issue a Request for Evidence ("**RFE**") or a Notice of Intent to Deny ("**NOID**") during the adjudication of the Investor's I-526 petition. The RFE or NOID can result in extensive delays in individual I-526 petition adjudication. Likewise, the USCIS may put an entire project on hold to consider policy issues related to the Offering, the EB-5 business plan, or the analysis prepared by the Economist, which may result in extensive delays in adjudication. USCIS delays could also result in long lapses between Investors in the Project and that in turn could delay job creation, impacting an Investor's ability to have his or her I-829 petition to remove the conditions of lawful permanent residency approved.

14. There can be no assurance that the Company will meet the job creation and retention requirements of the EB-5 Program; in the event the Company does not meet the requirements of the EB-5 Program the result would be the loss of any U.S. conditional lawful permanent status issued in connection with the investment in the Company. In order for EB-5 immigrant Investors to convert their conditional lawful permanent resident status to lawful permanent resident status within the allotted two years' time, the Company must directly or indirectly create 10 full-time U.S. jobs for each \$500,000 Commitment. For example, in the event the Company raises the anticipated offering amount of \$6 million, the Company will be required to create and sustain at least 120 direct, indirect and induced jobs. The Company may or may not create, either directly or indirectly, and may or may not sustain, the required number of jobs if any or all Units are sold. Additionally, USCIS may not accept evidence provided by the Company which attempts to demonstrate job creation by the Project. If an Investor receives conditional lawful permanent resident status but later does not receive lawful permanent resident status, the Company has no obligation to refund any of the Investor's capital contribution to the Company or otherwise redeem the Investor's Unit.

15. There can be no assurance that the Company will meet the job creation requirements with respect to a particular Investor because jobs will be allocated to Investors in the order in which such



Investor's permanent residency commences. Jobs will be allocated to each Investor based on the sequential order of the date that each Investor's permanent residency commences. An Investor's permanent residency shall be deemed to commence on the date (a) that such Investor's Application for Adjustment of Status (I-485) is approved by the USCIS or (b) that such Investor first enters the United States on an EB-5 Immigrant Visa. In the event that two or more Investors share the same date of commencing conditional permanent residency, priority of job creation allocation shall be given to the Investor who first made payment to the Company, in the Escrow Accounts if the Limited Partner elects to utilize the Escrow or in the Company's designated account if the Limited Partner elects to deliver payments directly to the Company. This allocation process will continue until all EB 5 Jobs have been allocated to Investors in the priority described above, and there is no guaranty that one or more Investors will receive legal permanent residency in the United States as a result of his or her investment in the Company.

16. It is a requirement of the EB-5 Program that an immigrant Investor's source of funds be lawful and traceable. EB-5 immigrant Investors must demonstrate to the USCIS that the Company invested in the Company were obtained through lawful means. Likewise, each EB-5 immigrant Investor must document, to the satisfaction of the USCIS, the source of these funds whether they be earned through income, sale of real estate, sale of stock, gifted, a loan, divorce settlement, etc. Likewise, the Investor must to the best of their ability trace the Company from the time they were earned through the time they were invested in the Company (the new commercial enterprise). The USCIS will retain ultimate authority in deciding whether the Investor has met their burden of proof with respect to tracing and demonstrating the lawful source of his or her funds. It is also understood that prior to executing the subscription agreement the EB-5 immigrant Investor must be prepared to present all documents relevant to lawful source of funds and tracing of these funds to the General Partner.

17. The Company may change the Project's direction, which may be considered a material change. The Company's business, including the design, construction and operation of the Project may not proceed according to the business plan submitted with the Investor's original I-526 petition due to economic conditions, weather conditions, labor conditions, competitive conditions, etc. A material change from the Company's original business plan between the time of I-526 petition approval and I-829 petition approval may lead to an I-829 petition denial of an Investor. Additionally, the sale of the Property may occur during the period of an Investor's conditional permanent residence. While the Company will take all reasonable steps to satisfy USCIS requirements regarding the sale of the Property, USCIS may consider this a material change. The new USCIS EB-5 Adjudications Policy Memorandum states that USCIS will review I-829 petitions for compliance with the I-829 petition regulations even if there is a material change in the business plan. However, it is not known whether USCIS will follow this new policy and USCIS has not defined a "material change." If the I-829 petition is denied on this basis, the USCIS can place the Investor into removal proceedings where the Investor's conditional lawful permanent resident status may be terminated, making the Investor removable from the United States.

18. The Investor may choose to file a new I-526 petition in the case of material change. Current USCIS policy allows a conditional lawful permanent resident in the U.S. to file a new I-526 petition containing a new business plan if they or the regional center believes that the Project has materially changed and the I-829 petition would likely be denied. Upon approval of the new I-526 petition, the Investor begins a new two year period of conditional lawful permanent resident status and five year period towards naturalization. The Investor would still have to proceed with the timely filing of the I-829 petition or risk falling out of status. Any conditional lawful permanent resident children who turn twenty-one before the filing of the new I-526 petition cannot be included in the new I-526 petition and are removable from the U.S. If the Investor and his or her spouse divorced between the date of approval of the initial I-526 petition and the subsequent I-526 filing the derivative spouse could no longer derive lawful permanent resident status.

19. Family Relationships.

(a) 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 at the time of the investor's first admission to the United States as a conditional lawful permanent resident or following adjustment of status to lawful permanent residence. USCIS will 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.

(b) Children or step-children 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 at the time of the investor's first admission to the United States as a conditional lawful permanent resident or adjustment of status 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.

(c) A "child" is someone under the age of 21 years who is unmarried. If a child becomes age 21 or marries before being admitted to the United States 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 CSPA 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 CSPA 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. If more visas are sought than are available and a numerical quota delay occurs, the CSPA may not reduce the deemed age of the son or daughter to less than 21 years of age, depending on the length of the quota backlog, and may affect the child's ability to immigrate with the investor parent.

(d) Under some circumstances, a child who becomes 21 years of age or marries while holding conditional lawful permanent resident 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.

(e) 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 required criteria that USCIS requires of an investor seeking to remove conditions. Failure of each member of the family to establish these criteria will result in the denial of the application to remove conditions, placement of the family members in removal proceedings and their mandated departure from the United States.

(f) It is unclear under USCIS procedures if a "child" who becomes a "son or daughter" by turning 21 years of age before the death of the investor is entitled to seek removal of conditions. USCIS regulations are silent on this matter. If USCIS does not extend this benefit, such a "son or daughter" may be denied an application to remove conditions and will be placed in removal proceedings and may be mandated to depart the United States.

20. TEA Determination. To the extent that the program is based upon a TEA Determination being sustained by USCIS, meaning that the applicable project qualifies under the Targeted Employment Area designation, there is a risk that USCIS could otherwise disagree with the economist 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. There is no certainty that the TEA designation will be approved until there is a final review and determination made by USCIS when the application with USCIS is adjudicated.

21. The Delays in the 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. Delays in the development of the Project could affect the construction timeline and could affect the number of jobs created by the Project. A significant delay in the Project construction timeline could result in an insufficient number of jobs created during the Limited Partner's period of conditional permanent residence.

22. Insufficient Number of Investors. Regional center designations are based on the full investment of many different investors in a single project. Some regional centers' projects are in great demand and even have waiting lists, but that is not the case with all regional centers. If a regional center project does not attract a sufficient number of investors, the project may not happen or may be delayed, which could result in the original investors being unable to remove conditions.

23. Issues with Condition Removal. Condition removal may be denied by USCIS when the business assumptions utilized in the econometric model are not realized. An I-526 Petition may be approved based upon an economist's report using a recognized econometric model to predict the number of indirect and induced jobs that will be created based upon a specific dollar investment in a specific project in a specific geographical area in a specific industry in a specific timeframe and other specific foundation facts. Although USCIS should not second-guess the econometric report at the I-829 stages, USCIS will want proof that the assumptions relied upon in the report have actually occurred. If they have not occurred because of economic conditions, change of plans, construction delays, etc., the investor is at risk that the condition removal petition will not be approved.

24. Loss of Regional Center Designation. A regional center may lose certification. USCIS is in the process of developing standards to review regional centers. The results of any review process could lead to regional center decertification.

25. At Risk Requirement. In order for an I-526 Petition to be approved, the investor's investment must be "at risk." If adjudication is made that the Company are not truly at risk at either the I-526 or I-829 stage, the petition will be denied. At a minimum, the investor's commitment is until final adjudication of the Limited Partner's I-829 petition. Although there can be no guaranteed right of redemption or specific return, some regional center investments are more risky than others; some have a greater chance of the investor getting his or her money back after a certain number of years with some rate of return; and some are more speculative investments. While the investor is allowed to have a guaranteed right to return of the investment money if the I-526 is not approved (and some regional centers place the investment money in escrow pending the I-526 approval), USCIS' position is that there can be no guarantee of redemption of the investment if the I-829 petition is not approved.

26. Unpredictable Adjudication. Even if none of the contingencies occur, the investor is subject to the risk inherent in the nature of the adjudicating agency. It is not unusual for there to be contradictory adjudicatory results on identical projects. Often, very complicated financial transactions are being adjudicated by immigration examiners with little or no financial background and with relatively minimal training. This can lead to – and has led to – decisions on individual petitions that may be difficult to comprehend. In addition, the agency has been known to adopt restrictive positions and change those positions without notice in the EB-5 area.

27. There can be no Assurance that USCIS will Continue to Accept Hawaii's Designation of the Project's TEA (Targeted Employment Area). The Company expects to rely on a letter from the State of Hawaii Department of Business, Economic Development & Tourism stating that the Project is located in a geographical area in which the unemployment rate was greater than 150% of the U.S. National average in 2014. At this time, USCIS gives deference to such letters; however, USCIS may, at any time, change its position and not give deference to state designation letters regarding the classification of geographical areas as TEAs. Such a decision by USCIS may negatively impact a determination by USCIS that the Project is not located in a TEA.

28. Job Creation Risks. The Project's projected number of job creation relies on an Economic Impact Study prepared by the economist that may be challenged by USCIS. The estimated number of jobs to be created by the Project and its operation is the result of the findings of an Economic Impact Study prepared by the Economist. The estimates are based on assumptions and projections that may prove to be incorrect. Although USCIS should not second-guess the econometric report at the I-829 stage, USCIS will want proof that the assumptions relied upon in the report have actually occurred. If they have not occurred because of economic conditions, change of plans, construction delays, etc., the investor is at risk that the condition removal petition will not be approved. Furthermore, USCIS rules for and policy for crediting investors with indirect job creation are unclear and have been changing, and even with regional center designation investors cannot be sure that USCIS will find that the project can be credited with job creation sufficient to qualify all investors in the project for conditional residence or for removal of conditions. Regional center designation or project approval can be re-visited by USCIS when the business assumptions utilized in the econometric model are not realized. The Company will provide a copy of the Economic Impact Analysis upon the request of any investor and will make such analysis available to all investors in connection with the filing of their I-526 petitions with the USCIS.

29. Achieving your immigration goal of conditional and lawful permanent resident status will require you to comply with U.S. immigration residency requirements. EB-5 immigrant Investors who obtain conditional or lawful permanent resident status must intend to make the U.S. their primary residence. Lawful permanent residents who maintain their primary residence outside the U.S. risk revocation of their U.S. residence status. Each prospective EB-5 immigrant Investor should consult a competent immigration attorney to review the likelihood that the Investor's immigration objectives will be achieved. The Company, through the Investment, must satisfy the job creation and retention requirements of the EB-5 program to ensure that sufficient jobs are created at the time when our Investors file for the removal of the condition of their permanent residency. If an Investor fails to obtain or later loses their lawful permanent resident status due to his or her failure to comply with the residency requirements of the EB-5 Program, the Company have no obligation to refund any of the Investor's Commitment or otherwise redeem the Investor's Unit.

30. Change in Laws. The immigration laws and the corresponding rules, regulations and USCIS interpretations related to the EB-5 Program and the corresponding applications 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.

#### **Escrow Risk Factors**

In the event Investor elects to fund Investor's Capital Contribution and Administrative Fee through Escrow, the Escrow Agreement provides for the disbursement of all or a portion of the Subscriber's Five Hundred Thousand Dollars (\$500,000) Capital Contribution amount upon satisfaction of the Escrow Release Conditions. There can be no assurance that such Subscriber will be successful in filing his or her I-526 Petition. Moreover, if any Subscriber's I-526 Petition is ultimately denied, there is a risk that such Subscriber may not receive a return of his or her Capital Contribution if the Company is

unable to or otherwise refuses to return the \$500,000 in accordance with the provisions of the Limited Partnership Agreement. Escrow Agent is not licensed as an escrow agent by the California Department of Business Oversight or any regulatory agency. Escrow Agent is performing its services as an accommodation to General Partner and the Investors. Escrow Agent is affiliated with General Partner and is not an independent third party acting on behalf of the Investors. Therefore, there can be no assurance that Escrow Agent will act independently, in the best interests to protect the Investor, or that the activities of the Escrow Agent will not be subject to action by any regulatory agency.

## **G. Risks Related To The Investment**

1. There are Increased Risks Involved with Construction Lending Activities. Construction lending, such as the Investment, generally is considered to involve a higher degree of risk than other types of lending due to a variety of factors. These factors include the dependency on successful completion of a Project and the difficulties in estimating construction costs.

2. The Bankruptcy or Insolvency of the Company Could Impair the Company's Ability to Secure Repayment of the Investment. There can be no assurance that the Company will not become insolvent and, possibly, the subject of voluntary or involuntary bankruptcy proceedings under the federal bankruptcy code. Under the federal bankruptcy code, a bankruptcy court may reduce the rate of interest applicable to a bankrupt estate's debts and/or decrease or stretch out debt servicing payments. Additionally, the trustee of a bankrupt estate, or the estate itself, as debtor-in-possession, has certain special powers to avoid, subordinate or disallow debts. In certain circumstances, the creditors' claims may be subordinated to financing obtained by a debtor-in-possession subsequent to its bankruptcy.

3. Repayment of the Investment will be dependent upon the Repayment of Construction Loan. If the Company obtains a Construction Loan, it will be subject to the terms of such loans. The repayment of the Investment will be junior and subordinate to the Construction Loan and any additional loan. While the Company anticipates that it will be able to make appropriate payments on all of the Construction Loan, any unforeseen difficulty, such as the occurrence of construction delays, hardships in the general economic climate which lead to lessened consumer spending, inability to obtain additional financing necessary for the completion of the Project, or any other difficulty including but not limited to those mentioned in other risk factors herein, may cause the Company to default on its payments on the Construction Loan. If the Company does so default, the anticipated "intercreditor agreement" to be entered into among the Company, the Construction Lender, and any additional lender may prohibit the repayment of the Investment until the balance of the Construction Loan and any additional loan is repaid and the senior liens are discharged. This may leave the Company with significantly less funds than anticipated to repay the Investment, and the Company may be unable to repay any part of the Investment, or be able to repay only a portion of the Investment. Furthermore, if the Company defaults on the Construction Loan, the Construction Lender may choose to foreclose upon the Company's assets, which assets will be used first to satisfy the Company's obligations to the Construction Lender.

4. Additional Debt may be Required for Completion of the Project or Post-Completion Operations. Although the Company believes that the Company will successfully raise all of the capital necessary to fund the Project and for working capital after completion of the Project, it is possible that unforeseen difficulties may cause the Company to fail to raise the additional capital necessary to operate the Project, or that the proceeds from the Company's Loan to the Company plus the additional capital raised will be inadequate to satisfy all capital requirements, or that such financing may be untimely procured, requiring the Company to obtain alternative financing in addition to the Company's Loan to the Company and the other anticipated sources of financing, including supplementary short-term and long-term debt financing, or equity financing. The terms of such alternative financing, if it can be procured, may be better or worse for the Company than the terms of the Investment from the Company to the

Company, and may result in subsequent investors in the Company having superior rights to those of the Company. Furthermore, if the Company is unable to obtain such additional financing, it may be unable to complete or operate the Project, which may result in the inability of the Company to repay the Investment, and could result in a substantial, or total, loss of the Limited Partners' investments.

## V. 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 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.**

**PRIOR TO INVESTMENT, AN 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 DESCRIBED IN THIS MEMORANDUM, AND ALL OTHER TAX CONSEQUENCES IN CONNECTION WITH THE COMPANY.**

**THE FOLLOWING DISCUSSION IS NOT TAX ADVICE. PROSPECTIVE INVESTORS IN THE COMPANY ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES 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 Unit. Therefore, a material 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 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 UNIT.

### *United States Tax Status*

The Company will be classified for U.S. federal income tax purposes as a partnership rather than as an association taxable as a corporation under currently applicable tax laws. This classification, however, is not binding on the IRS or the courts, and no ruling has been, or will be, requested from the IRS. No assurance can be given that the IRS will concur with such classification or the tax consequences set forth below. This summary also does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the federal income tax laws, including financial institutions, insurance companies, tax-exempt investors or non-U.S. Partners. Moreover, this summary does not address the U.S. federal estate and gift tax or alternative minimum tax consequences of the acquisition, ownership, disposition or withdrawal of an investment in the Company.

### *Certain Considerations for U.S. Investors*

The following discussion summarizes certain significant U.S. federal income tax consequences to an investor who:(a) owns, directly or indirectly through a partnership or other flow-through entity, an interest as an investor; (b) is, with respect to the United States, a citizen or resident individual, a domestic

corporation, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust for which a court in the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions, as such terms are defined for U.S. federal income tax purposes; and (c) is not tax-exempt.

### *Taxation of Company Income, Gain and Loss*

The Company will not pay U.S. federal income taxes, but each investor will be required to report his or her allocable share (whether or not distributed) of the income, gains, losses, deductions and credits of the Company. It is possible that the investors could incur income tax liabilities without receiving from the Company sufficient cash distributions to defray such tax liabilities. Each investor is required to take into account in computing his or her federal income tax liability, and to report separately on his or her own federal income tax return, his or her distributive share of the Company's income, gain, loss, deductibility and credit for any taxable year of the Company ending within or with the taxable year of such investor.

Pursuant to the Limited Partnership Agreement, items of the Company's taxable income, gain, loss, deduction and credit are allocated so as to take into account the varying interests of the investors over the term of the Company. The Limited Partnership Agreement will contain provisions intended to comply substantially with IRS regulations describing partnership allocations that will be treated as having "substantial economic effect," and hence be respected, for tax purposes. However, those regulations are extremely complex, and there can be no assurance that the allocations of income, deduction, loss and gain for tax purposes made pursuant to the Limited Partnership Agreement will be respected by the IRS, if reviewed. It is possible that the IRS could challenge the Company's allocations as not being in compliance with such Treasury regulations. Any resulting reallocation of tax items may have adverse tax and financial consequences to a Limited Partner.

Investors are urged to consult their own tax advisors regarding the consequences of the Investment.

The Company's taxable year will be the calendar year, or such other year as required by the Code. Tax information will be distributed to each investor as soon as reasonably practicable after the end of the year.

### *Other Taxes*

Each non-U.S. investor is subject to U.S. estate tax on his or her interest in the Company. If at the time of death, the non-U.S. investor remains a non-U.S. resident, under the Internal Revenue Code, a non-U.S. investor may pass, free of U.S. estate tax, the first \$65,000 of U.S. situs assets. The value in excess of this \$65,000 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. All but four 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 Partner 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 investor's 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 interest (which will be recognized as ordinary interest income) to the extent the U.S. investor has not previously included the accrued interest 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 Partner should consult their own tax advisors with respect to these limitations.

Any gain from the sale or disposition of the Units by a non-U.S. investor will generally be treated as gain or loss effectively connected with a trade or business in the United States and would be subject to federal net income tax. Accordingly, each non-U.S. investor should consult their own tax advisors prior to the sale or disposition of an interest in the Company.

#### *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 General Partner decides how to report the items on the Company's tax returns. In the event the income tax returns of the Company are audited by the IRS, the tax treatment of the Company's income and deductions generally is determined at the partnership level in a single proceeding rather than by individual audits of the Limited Partners. If the IRS audits the Company's tax returns, however, an audit of the Limited Partner's own tax returns may result. The General Partner, designated as the "Tax Matters Partner," has considerable authority to make decisions affecting the tax treatment and procedural

rights of all Limited Partners. In addition, the Tax Matters Partner has the authority to bind certain Partners to settlement agreements and the right on behalf of all investors to extend the statute of limitations relating to the investors' tax liabilities with respect to Company items. The legal and accounting costs incurred in connection with any audit of the Company's tax returns will be paid off by the Company, but each Partner will bear the cost of 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 the Treasury 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.

## VI. ADDITIONAL INFORMATION

Prior to the consummation of the Offering, the Company will provide to each Prospective Investor and such Prospective Investor's representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information which the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such Prospective Investor. Any such questions should be directed to:

Hawaii City Plaza LP  
c/o California Investment Regional Center LLC  
9911 Valley Boulevard  
El Monte, California 91731  
Email: [thlusa@gmail.com](mailto:thlusa@gmail.com)

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.

\*\*\*

4832-2710-4811, v. 5