

Private Placement Memorandum

KRC Fund I, L.P.,
an Ohio Limited Partnership
25 Town Center Boulevard, Suite 104
Crestview Hills, Kentucky 41017

Maximum Offering Amount: \$20,000,000
\$500,000 per Unit
[plus an additional \$45,000 administration fee per Unit]

KRC Fund I, L.P., an Ohio limited partnership (the "Fund"), is a newly-organized Ohio limited partnership which intends to finance the expansion and operations of income-producing real estate assets and businesses in the "Short Vine" commercial district in Cincinnati, Ohio, USA. The Fund proposes to sell to eligible investors up to 40 units of limited partnership interests (the "Units") for \$500,000 per Unit, plus an additional \$45,000 administration fee per Unit, which fee will be paid by the Fund to the Fund's general partner. The Fund's general partner is Kentucky Regional Center, LLC, a Kentucky limited liability company doing business as Midwest EB-5 Regional Center (the "GP").

The offering will remain open until fully subscribed or until terminated by the GP in its sole discretion. The Fund may sell more than 40 Units in this offering, if so decided by the GP in its sole discretion.

The primary investors targeted by this offering are immigrants seeking to enter the United States under the fifth employment based visa preference category ("EB-5"). The EB-5 category is available to immigrants investing in a new commercial enterprise that will benefit the U.S. economy and create at least 10 full-time jobs.

An investment in Units involves risks. See "Risk Factors."

Neither the Securities and Exchange Commission nor the securities commission of any other jurisdiction has approved or disapproved of these securities or passed upon the adequacy or accuracy of this memorandum. Any representation to the contrary is a criminal offense.

Prospective investors should not construe the contents of this memorandum as legal or tax advice. Each prospective investor should consult his or her own legal and tax advisers.

ALL INVESTORS ARE REQUIRED TO SECURE AND RETAIN INDEPENDENT IMMIGRATION COUNSEL.

The date of this Private Placement Memorandum is September 15, 2010, as amended on November 15, 2010.

This memorandum is for review by the recipient only. The recipient, by accepting delivery of this memorandum, agrees to return this memorandum, all enclosed or attached documents, and all other documents, if any, provided in connection with the offering to the GP if the recipient does not undertake to purchase any of the securities offered hereby. This memorandum is furnished for the sole use of the recipient, and for the sole purpose of providing information regarding the offer and sale of Units. Neither the GP nor the Fund has authorized any other use of this information. Any distribution of this memorandum to a person other than representatives of the recipient is unauthorized, and any reproduction of this memorandum or the divulgence of any of its contents, without the prior written consent of the Fund or the GP is prohibited. The delivery of this memorandum or other information does not imply that the memorandum or other information is correct as of any time subsequent to the date appearing on the cover of this memorandum.

The delivery of this memorandum does not constitute an offer in any jurisdiction to any person to whom such offer would be unlawful in such jurisdiction. The recipient should rely only on the information contained in this memorandum. The information contained in this memorandum supersedes any other information provided to potential investors. Neither the GP nor the Fund has authorized any person to provide any information or to make any representations except to the extent contained in this memorandum. If any such representations are given or made, such information and representations must not be relied upon as having been authorized by the Fund or the GP. This memorandum is not an offer to sell, nor is it seeking an offer to buy, securities in any jurisdiction where the offer or sale is not permitted. The information in this memorandum is accurate as of the date on the front cover, but the information may have changed since that date.

The price of the Units as described in this memorandum has been arbitrarily determined by the Fund and the GP, and each prospective investor should make an independent evaluation of the fairness of such price under all the circumstances as described in this memorandum.

No representations or warranties of any kind are intended nor should any be inferred with respect to the economic viability of this investment or with respect to any benefits which may accrue to an investment in the Units. Neither the GP nor the Fund in any way represents, guarantees or warrants an economic gain or profit with regard to this investment or that favorable income tax consequences will flow therefrom. Neither the GP nor the Fund in any way represents or warrants the advisability of buying Units. Any projections or other forward-looking statements or opinions contained in this memorandum constitute estimates based upon sources deemed to be reliable, but the accuracy of this information is not guaranteed nor all-inclusive.

No person is authorized to give any information or make any representation in connection with this memorandum, except such information as is contained or referenced in this memorandum. Only information or representations contained or referenced herein may be relied upon as having been made by the Fund and the GP. Prospective investors who have questions concerning the terms and conditions of this memorandum or who desire additional information or documentation to verify the information contained herein should contact the GP. Projections or forecasts contained in this memorandum, or other materials, must be viewed only as estimates. Although any projections contained in this memorandum are based upon assumptions which the Fund and the GP believes to be reasonable, the actual performance of the Fund may depend upon factors beyond its control. No assurance can be given that the Fund's actual performance will match its intended results.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this memorandum or in any exhibits hereto, including without limitation, statements regarding financial position, business strategy, growth strategy and other plans and objectives for future operations, are forward-looking statements as such term is defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "estimate," "expect," "intend," "plan," and similar expressions that may tend to suggest a future event or outcome are not guarantees of performance, which cannot be predicted or anticipated. These forward-looking statements are based largely on expectations and are subject to a number of risks and uncertainties, many of which are beyond the control of the Fund or the GP. Actual results could differ materially from these forward-looking statements for a number of reasons, including, but not limited to, the matters discussed under "Risk Factors" and elsewhere in this memorandum. As a result, potential investors should not unduly rely on forward-looking statements. Additionally, no party related to this offering undertakes any obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this memorandum.

INVESTOR SUITABILITY STANDARDS

THE PURCHASE OF UNITS INVOLVES AN INVESTMENT RISK AND IS NOT A SUITABLE INVESTMENT FOR ALL POTENTIAL INVESTORS.

Each prospective purchaser of Units will be required to make certain representations and supply certain information to the GP in order that it may determine the suitability of persons who have subscribed for Units. The suitability standards referred to herein, however, represent minimum suitability requirements for a prospective purchaser, and the satisfaction of such standards by a prospective purchaser does not necessarily mean that the Units are a suitable investment for the purchaser. Accordingly, each prospective purchaser must rely on his or her own judgment and advisors in making a decision to contribute capital to the Fund. Each prospective purchaser should consider whether the purchase of a Unit is suitable in light of each prospective purchaser's individual investment objectives and present and expected future financial and tax position and needs.

A purchase of Units involves a high degree of risk. For the reasons set forth in this memorandum, the purchase of Units offered hereby is suitable only for certain persons who (i) can afford to hold their Units for an indefinite period and do not expect that they will be required to sell their Units in the foreseeable future, and (ii) have a sufficient net worth to sustain a loss of their entire investment in the Fund in the event such loss should occur.

ELIGIBLE INVESTORS

Who May Invest

The Units have not been registered under the Securities Act of 1933, as amended (the "Act"), or the securities laws of any other jurisdiction and are being offered for sale in reliance upon exemptions from registration in Section 4(2) of the Act and/or Rule 506 of Regulation D promulgated thereunder. Units will be sold only to persons who qualify as "accredited investors" (as defined in Rule 501 of Regulation D).

An "accredited investor" is a person who has a net worth, or joint net worth with the person's spouse, of over \$1 million (excluding the value of the person's primary residence) or who had individual income in excess of \$200,000, or joint income with the person's spouse in excess of \$300,000, in each of the two most recent years and reasonably expects the same income level in the current year.

Subscriptions

An investor may subscribe for Units by completing, signing and delivering to the GP the following:

- Subscription Agreement (see Exhibit A attached hereto); and
- For each Unit purchased, checks payable to "KRC Fund I, L.P." in the amounts of \$500,000 and \$45,000, respectively.

The GP has the right to accept or reject subscriptions on behalf of the Fund, in whole or in part, for any reason or to request additional information to determine investor eligibility. Acceptance by the Fund is not conclusive of whether an investment in Units is suitable for the investor. Suitability can be determined only by the investor and then only after discussion with the investor's tax, legal and investment advisers. Any investment in Units should be made only after a careful review of the provisions of this memorandum and attached documents.

THE OFFERING

The Fund is offering up to 40 Units to eligible investors at a purchase price of \$500,000 per Unit, plus an additional \$45,000 administration fee per Unit, which fee will be paid by the Fund to the GP. All Units will be sold on a best-efforts basis for a total maximum offering of \$20,000,000 (exclusive of administration fees). The Fund may sell more than 40 Units in the offering if so decided by the GP in its sole discretion.

The offering will remain open until fully subscribed or until terminated by the GP in its sole discretion. The GP may, in its sole discretion, accept subscriptions, admit investors as partners, commence Fund operations, and offer and continue to offer Units for sale. The GP reserves the right to purchase, or cause affiliates to purchase, Units for its own account, for cash or contributions of property. The GP may accept subscriptions for fractions of a Unit in its discretion. If the GP terminates the offering, all funds will be returned to investors. There will be no minimum offering size.

Escrow and Use of Subscription Payments

An investor applying for approval of an I-526 Immigrant Petition by Alien Entrepreneur (the "I-526 Petition") through the EB-5 Program (as defined below) by U.S. Citizenship and Immigration Services ("USCIS") of the U.S. Department of Homeland Security must subscribe for at least one full Unit. Pending USCIS's decision on the prospective investor's I-526 Petition, the subscription payment will be held in an escrow account. If the USCIS approves the prospective investor's I-526 Petition, the Fund will close on the prospective investor's subscription agreement, subject to the general discretion of the GP to reject subscriptions. The subscription payment will then be applied as the prospective investor's capital contribution, and the subscription payment in the escrow account will be released to the Fund for the Fund's use consistent with the then applicable EB-5 Program requirements. If the USCIS denies the prospective investor's I-526 Petition, the

subscription payment will be released from the escrow account and returned to the prospective investor, who will be released from his or her obligation to purchase the Unit.

Use of Administration Fees

The GP will collect an administration fee of \$45,000 per Unit at the time the investor submits its subscription agreement. The GP will deposit the administration fee in the Fund's operating account. The expenses the Fund may satisfy out of the administration fee funds include, but are not limited to, the Fund's cash expenditures for costs and expenses relating to the Fund's activities and business, including (i) all costs and expenses attributable to acquiring, holding, monitoring and disposing of the Fund's assets (including interest on money borrowed by the Fund or the GP on behalf of the Fund, registration expenses and brokerage, finders', custodial and other fees); (ii) legal, accounting, auditing, consulting and other fees and expenses (including expenses associated with negotiating, consummating, monitoring and disposing of the Fund's assets and the preparation and distribution of the Fund's reports, financial statements, tax returns, and forms K-1); (iii) costs, expenses and liabilities of the Fund (including litigation and indemnification costs and expenses, judgments and settlements); (iv) all out-of-pocket fees and expenses incurred by the Fund, the GP, or the GP's managers, members, agents, officers and employees relating to investment and disposition opportunities of and for the Fund (including legal, accounting, auditing, consulting and other fees and expenses, financing commitment fees, real estate title and appraisal costs, and printing); (v) any management fees specified in the Fund's agreement; (vi) any taxes, fees and other governmental charges levied against the Fund; (vii) any private placement fees and expenses paid to third parties in connection with the organization and funding of the Fund; and (viii) all amounts set aside by the GP in its sole discretion as reasonable reserves for future expenses of the Fund, all as determined by the GP. If an I-526 Petition is denied by the USCIS and the Fund rejects the subscriber's subscription agreement, the Fund will attempt to refund the non-expended pro-rata portion of the subscriber's administration fee but will not be obligated to do so if, in the GP's judgment, the refund will leave the Fund without sufficient reserves to continue operations. EB-5 investors should proceed under the understanding that little to none of his or her administration fee will be refunded should the Fund reject the investor's subscription agreement based on denial of the investor's I-526 Petition.

SUMMARY

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| The Fund | KRC Fund I, L.P., a newly-organized Ohio limited partnership. The Fund will continue in existence until terminated as provided in the partnership agreement. |
| General Partner | Kentucky Regional Center, LLC, a Kentucky limited liability company doing business as Midwest EB-5 Regional Center. The GP will be responsible for the management of the Fund. See "General Partner." |
| Partners | Persons subscribing to purchase Units who are accepted as partners in the Fund (the "Partners"). |
| Fund Objectives | The Fund's objectives are to provide its Partners with distributions of cash or other property through returns on investments. |

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| Offering Size | Up to \$20,000,000 through the sale of up to 40 Units at a price per Unit of \$500,000. There will be no minimum offering size. |
| Minimum Commitment | <p>One Unit (\$500,000), provided that the GP may accept subscriptions for fractions of a Unit in its discretion.</p> <p>An investor applying for approval of an I-526 Petition through the EB-5 Program by the USCIS must subscribe for at least one full Unit.</p> |
| Closing | <p>The offering will remain open until fully subscribed or until terminated by the GP in its sole discretion.</p> <p>For investors who are applying for approval of an I-526 Petition through the EB-5 Program, their subscription payment will be held in an escrow account. If the USCIS approves the investor's I-526 Petition, the Fund will close on the prospective investor's subscription agreement. If the USCIS denies the investor's I-526 Petition, the subscription payment will be released from the escrow account and returned to the investor, who will be released from his or her obligation to purchase the Unit.</p> |
| Allocations and Distributions; Investment Strategy | <p>Allocations and distributions of cash will be prorated among the Partners based on the relative capital commitments of each to the Fund.</p> <p>The Fund anticipates investing the capital raised in this offering in SV ARX, LLC, an Ohio limited liability company ("InvestCo"). SCI Company, an Ohio limited liability company ("SCI"), is the manager of InvestCo. InvestCo may raise other or additional funds, whether in the form of debt or equity, from sources other than the Fund as well, provided that any funds which are advanced by the Fund to InvestCo shall be, to the extent reasonably possible, the most senior non-institutional indebtedness of InvestCo (as to loans made by the Fund to InvestCo) and the most senior equity security of InvestCo (as to equity purchased by the Fund in InvestCo).</p> <p>InvestCo anticipates making a loan to Short Vine Entertainment, LLC, an Ohio limited liability company ("SVE"). SVE has been organized to oversee and manage the "Project," which is the development of income-producing real estate assets and businesses in the "Short Vine" commercial district in Cincinnati, Ohio, USA. The Project is described in more detail in</p> |

Exhibit B attached hereto.

InvestCo anticipates that the terms of any investment in SVE will allow InvestCo to make distributions to the Fund in such amounts to enable the Fund to distribute to its Partners, on a per-Unit basis and beginning in year 2, an annual amount equal to 2.0% of the per-Unit purchase price. InvestCo anticipates liquidating its position in SVE at some point during or over the course of years 5-7 and returning the proceeds thereof to its investors; the proceeds therefrom received by the Fund will be distributed to its Partners.

Furthermore, a tenant of the Project is anticipated to be an early-stage technology company ("TechCo"). InvestCo anticipates making an investment in TechCo in the form of a convertible note or equity. InvestCo anticipates that the terms of any investment in TechCo will provide that InvestCo will share in the proceeds of a sale of TechCo. As and when InvestCo receives distributions of funds from TechCo, whether through the liquidation of its position in TechCo or otherwise, InvestCo will return such funds to its investors; the funds therefrom received by the Fund will be distributed to its Partners.

SCI will receive, as compensation for acting as the manager of InvestCo, after the payment of all fees and expenses, the balance (if any) of a one-time fee equal to 5% of the total funds raised by InvestCo, including the funds invested in InvestCo by the Fund.

See "The Project."

Payments to the GP and Affiliates

The GP will receive, as compensation for acting as the general partner of the Fund, after the payment of all fees and expenses relating to compliance with the EB-5 Program and otherwise relating to this offering, the balance (if any) of the \$45,000 per Unit administration fee payable by the investors in the offering. See "General Partner."

Term

The Fund shall have a perpetual term, provided that the GP may elect to terminate and liquidate the Fund at any time in its sole discretion.

Risk Factors

See "Risk Factors Relating to the Offering" and "Risk Factors Relating to the EB-5 Program."

THE EB-5 PROGRAM

ALL INVESTORS ARE REQUIRED TO SECURE AND RETAIN INDEPENDENT IMMIGRATION COUNSEL.

The EB-5 Immigrant Investor Program and Pilot Program

The EB-5 Immigrant Investor Program (the "EB-5 Investor Program") grants lawful permanent resident status in the United States to foreign investors who make a qualifying investment ("Qualifying Investment") under the provisions of 8 U.S.C. §1153(b)(5)(A)(i)-(iii), (C) (the "Act"). To take advantage of the EB-5 Program, qualified investors must make a Qualifying Investment and complete the required immigration procedures.

The "EB-5 Program" was created by Section 610 of Public Law 102-395 (October 6, 1992), and is different in certain ways from the basic EB-5 Investor Program. The EB-5 Program began in accordance with a Congressional mandate aimed at stimulating economic activity and creating jobs for U.S. workers, while simultaneously affording eligible aliens the opportunity to become lawful permanent residents. Through this program, foreign investors may make Qualifying Investments in an economic unit known as a "Regional Center" or the subsidiary of a Regional Center.

An investor must invest at least \$500,000 if the project is located in a targeted employment area ("TEA"), which is defined by the USCIS as a "rural" or "high unemployment area." Otherwise, an investment must be at least \$1,000,000.

The Project is located in an approved TEA.

Regional Centers

A Regional Center is defined by USCIS as any economic unit, public or private, engaged in the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment. Prior law required investment in a Regional Center to generate an increase in export sales; however, because of statutory amendments in 2000 and 2002, the law no longer requires an increase in export sales for approval of a Regional Center, although the statutory amendments still encourage this aspect of the program. Presently up to 3,000 immigrant visas are set aside each year for the EB-5 Program. Although the EB-5 Program temporarily sunset on September 30, 2008, it was reinstated and extended for by Congress until September 30, 2012.

In order to become designated as a Regional Center, among other things, an applicant must demonstrate to USCIS how its proposed program will, among other things,:

- Focus on a geographic region;
- Promote improved regional productivity; and
- Create a minimum of 10 direct or indirect jobs per investor;

The GP was officially designated as a Regional Center on April 29, 2010. The purpose of the Fund is to invest the proceeds from the sale of its Units in projects projected to create at least 10 full-time jobs for qualified U.S. workers per investor. Since the Fund will make investments only in a TEA, the minimum investment amount is \$500,000 per investor.

General Investor Eligibility

The requirements for an investor under the EB-5 Program are essentially the same as in the individual EB-5 Investor Program, except that the EB-5 Program allows "*indirect*" job creation as well as "*direct*" job creation. The capital investment requirement for any EB-5 investor, inside or outside of a Regional Center, is \$1,000,000. The capital investment requirement for an EB-5 investor in a TEA is \$500,000.

EB-5 Approval under the EB-5 Program

To seek status as an immigrant investor, applicants must file USCIS Form I-526, Immigrant Petition by Alien Entrepreneur. The I-526 Petition must be filed with supporting documentation that clearly demonstrates that the individual's investment meets all EB-5 requirements, such as:

- investing the requisite capital amount;
- proving the investment comes from a lawful source of funds;
- creating the requisite number of jobs; and, where applicable,
- demonstrating investment within a targeted employment area.

Once the USCIS approves the I-526 Petition, an immigrant investor may obtain status as a conditional resident by filing Form I-485, Application to Register Permanent Residence or Adjust Status, if already residing within the United States in a lawful non-immigrant status. If the investor is outside the United States, he or she will obtain a conditional immigrant visa through a U.S. embassy or consulate.

To become a lawful permanent resident, eligible investors must file a Form I-829, Petition by Entrepreneur to Remove Conditions. The I-829 Petition must be filed within 90 days before the second anniversary of an alien investor's admission to the United States as a conditional resident.

Important Terms

Indirect Job Creation: An important advantage resulting from the Regional Center designation is that a Regional Center can count, in addition to direct jobs, "*indirect*" jobs. The requirement of creating at least 10 new full-time jobs may be satisfied by showing that, as a result of the investment and the activities of the new enterprise, at least 10 jobs will be created both directly and indirectly through an employment creation multiplier effect. To show that jobs are actually created indirectly by the business, reasonable methodologies may be used, such as multiplier tables, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and other economically or statistically valid forecasting tools that show that the investment will result in increased employment.

High Unemployment Area: A high unemployment area is a geographic area or political subdivision located within a metropolitan statistical area or within a city or town with a population in excess of 20,000 with an unemployment level at least 150% of the national unemployment rate. High unemployment areas within a state are identified and designated by a state agency appointed by the governor (for a high unemployment area within the District of Columbia, designation is made by the Mayor). Typically, a Regional Center seeks to encompass one or more high unemployment areas. One example of a high unemployment area is a Regional Center that encompasses a large city which contains clearly delineated census tracts that have been designated as a high unemployment

area by the State based on the measured unemployment rates for the population residing within those locations.

Rural Area: A rural area is a geographical area that is outside a metropolitan statistical area, or part of the outer boundary of any city or town having a population of 20,000 or less as shown by population indicators. In certain areas, an approved statewide Regional Center may encompass both high unemployment areas and rural areas.

Required Amount of Investment: Depending on the location of the project, the required amount of the investment may be either \$1,000,000 or \$500,000. If the project is located within a TEA, the required minimum threshold for investment is \$500,000. Otherwise, an alien must invest a minimum of \$1,000,000 to qualify.

Required Commercial Enterprise: To qualify under the EB-5 Program, an investment of the requisite amount (\$500,000 or \$1,000,000) must be made in a new commercial enterprise located within an approved Regional Center.

Risk: The regulations and precedent decisions require an investor to place their investment at risk for the purpose of generating a return on his or her capital investment. As such, the USCIS does not permit the capital contribution to be subject to guarantees, buy back arrangements, unsecured promissory notes or other agreements that mitigate the at risk requirement.

Engagement of the Alien Investor in the Enterprise: The regulations require that the alien investor is or will be "engaged" in the management of the new commercial enterprise, either through day-to-day managerial control or through participation in policy-making decisions for the commercial enterprise. As a limited partner of the Fund, an investor is deemed to satisfy this requirement.

THE PROJECT

General

The Fund's objectives are to provide investors with distributions of cash or other property through returns on investments.

The Fund anticipates investing the capital raised in this offering in InvestCo. SCI is the manager of InvestCo. InvestCo may raise other or additional funds, whether in the form of debt or equity, from sources other than the Fund as well, provided that any funds which are advanced by the Fund to InvestCo shall be, to the extent reasonably possible, the most senior non-institutional indebtedness of InvestCo (as to loans made by the Fund to InvestCo) and the most senior equity security of InvestCo (as to equity purchased by the Fund in InvestCo).

InvestCo anticipates making a loan to SVE. SVE has been organized to oversee and manage the Project. The Project is described in more detail in Exhibit B attached hereto.

InvestCo anticipates that the terms of any investment in SVE will allow InvestCo to make distributions to the Fund in such amounts to enable the Fund to distribute to its Partners, on a per-Unit basis and beginning in year 2, an annual amount equal to 2.0% of the per-Unit purchase price. InvestCo anticipates liquidating its position in SVE at some point during or over the course of years 5-7 and returning the proceeds thereof to its investors; the proceeds therefrom received by the Fund will be distributed to its Partners.

Furthermore, InvestCo anticipates making an investment in TechCo in the form of a convertible note or equity. InvestCo anticipates that the terms of any investment in TechCo will provide that InvestCo will share in the proceeds of a sale of TechCo. As and when InvestCo receives distributions of funds from TechCo, whether through the liquidation of its position in TechCo or otherwise, InvestCo will return such funds to its investors; the funds therefrom received by the Fund will be distributed to its Partners.

SCI will receive, as compensation for acting as the manager of InvestCo, after the payment of all fees and expenses, the balance (if any) of a one-time fee equal to 5% of the total funds raised by InvestCo, including the funds invested in InvestCo by the Fund.

Notwithstanding the foregoing, the Fund may provide financing on different terms, and under different structures, than those described above. The Fund may also make additional investments. To wit, the Fund may provide financing through loans and/or through the acquisition of equity. The Fund may make loans, and/or acquire equity, to or in InvestCo directly, to or in SVE directly, and/or to or in TechCo directly. The Fund may also make loans, and/or acquire equity, to or in other Project businesses or real estate assets directly. The Fund may form separate limited liability companies or similar entities to make and hold the loans made to, and/or the equity acquired from, InvestCo, SVE, TechCo and/or other businesses or real estate assets or in connection with various financing activities.

The debt and equity acquired by the Fund may be purchased or sold by the Fund at any time and from time to time during the term of the Fund or at the end of the term of the Fund as part of the process of liquidating the Fund.

GENERAL PARTNER

Kentucky Regional Center, LLC, a Kentucky limited liability company doing business as Midwest EB-5 Regional Center, will serve as sole GP of the Fund. The GP will have control and be responsible for the management of the Fund, overseeing day-to-day operations of the Fund and the loans made and equity held by the Fund. The GP will have sole and absolute authority to invest, hold, sell or exchange Fund assets and properties, provided that the GP shall use its best efforts to cause the Fund to operate in accordance with the then applicable EB-5 Program requirements. The Partners will have no control over the operations of the Fund.

The GP will receive, as compensation, after the payment of all fees and expenses relating to compliance with the EB-5 Program and otherwise relating to this offering, the balance (if any) of the \$45,000 per Unit administration fee payable by the investors in the offering.

CONFLICTS OF INTEREST

The GP will be subject to various conflicts of interest in managing the Fund. Those conflicts include:

1. **Other Activities of the GP.** The GP and its affiliates have acquired, financed, operated and sold businesses and expect to continue to do so in the future. Such businesses may be managed by the GP. The GP is not required to, and will not, devote its full time efforts to the Fund but will devote only so much of its time to the business of the Fund as in its judgment is reasonably required. In this regard, certain owners of the GP are also owners and/or operators of businesses and/or real estate assets which are expected to receive direct or indirect financing from the Fund.

2. **Other Financing Options.** The GP and its affiliates may finance an acquired business or the purchase of real estate without borrowing or otherwise receiving capital from the Fund.

3. **Receipt of Fees and Other Benefits by the GP.** The operation and management of businesses acquired by the GP and financed by the Fund may result in fees and compensation to the GP and its affiliates. In addition, except for those obligations of these acquired businesses to the Fund, the acquisition and sale of these businesses and all real estate will be made by the GP for its own account.

4. **No Independent Counsel.** The Fund and the GP are represented by the same legal counsel. No independent counsel has been selected to represent the interests of any of the investors. The foregoing disclosure does not limit the right of any investor to select independent legal counsel to represent its interests in connection with its subscription for Units.

RISK FACTORS RELATING TO THE OFFERING

The purchase of the Units offered hereby involves various risks. In addition to the factors set forth elsewhere in this memorandum, investors should consider the following:

1. The business of identifying, acquiring, operating and selling businesses and income-producing real estate assets, and loaning capital to such businesses, is highly competitive and subject to numerous inherent risks, including changes in general or local economic conditions. The Project may not succeed, and InvestCo may not succeed. The GP may not succeed in identifying suitable opportunities, and the businesses identified for investment by the GP may fail.

2. The GP will have complete discretion in identifying, acquiring and selling businesses and real estate. Partners in the Fund will not have the opportunity to evaluate the merits of any investment in any such business nor will they be able to influence the decision to make any such investment in any particular business.

3. The proceeds used from loans made by the Fund or InvestCo to, or the sale and issuance of equity to the Fund or InvestCo by, TechCo or other similar Project businesses will be used for working capital, development, sales initiatives and other expenses that may not result in the generation of significant revenue to TechCo. TechCo may also need additional capital in the future. It is possible that TechCo may be unable to raise additional capital on terms that are attractive to or that protect the Fund. There can be no assurance that TechCo will be able to raise such additional funds.

4. The Fund may experience a deficiency in cash flow. Revenues may be insufficient to pay expenses. The GP is not obligated to fund shortfalls in cash flows.

5. Units should only be purchased as a long-term investment and by investors who have a substantial net worth and no need for liquidity.

6. There is no assurance that the Fund will be profitable or successful. Units should be purchased only by persons who can afford the entire loss of their investment.

7. There is no assurance there will be any cash distributions to the Partners. Except as otherwise provided by law, the GP will not be liable for the return of any contribution by an investor.

8. All decisions with respect to the management of the Fund will be made exclusively by the GP. The Partners have no right or power to take part in the management or control of the business of the Fund. Accordingly, no person should purchase any of the Units offered unless he or she is willing to entrust all aspects of the Fund to the GP.

9. The Units have not been registered under the Act or the securities laws of any other jurisdiction, and may not be sold or transferred unless the sale is registered or qualified under the Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or applicable securities laws of any other jurisdiction (which, together with the Act and the Exchange Act, and all rules and regulations promulgated thereunder, are hereinafter referred to as the "Securities Laws"), or unless an opinion of counsel, satisfactory to the GP and its counsel, is obtained that registration is not required. While a partner may assign his or her economic interest in the Fund, the transferee may not become a substitute partner without the approval of the GP. There is no public market for the Units, and it is not expected that a public market will develop. Adverse tax effects also may result from a transfer of Units.

10. The GP reserves the right to purchase, or cause affiliates to purchase, Units for cash or contributions of property. These Units may be purchased at any time.

11. The Fund may generate taxable income for the Partners without generating the necessary cash flow to allow for distributions by the Fund to the Partners to pay the tax liability.

RISK FACTORS RELATING TO THE EB-5 PROGRAM

In addition to the factors set forth elsewhere in this memorandum, investors should consider the following:

1. Congress and/or USCIS may change the law, regulations, or interpretations of the law without notice and in a manner that may be detrimental to an investor or the Fund.
2. It is impossible to predict visa-processing times. Investors should not physically move to the United States until their visa has been issued.
3. Investors who obtain conditional or permanent residence status must intend to make the United States their primary residence. Conditional or permanent residents who continue to live abroad risk revocation of their conditional or permanent residence status.
4. USCIS requires proof of direct and indirect employment creation as part of the removal of conditions process. There is no assurance that the actual number of direct employees and indirect job creation will be the same as the number predicted in the economist's report. Depending upon the disparity, there may be insufficient employment to remove conditional resident status.
5. The process of obtaining conditional and permanent resident status involves several factors and circumstances which are not within the control of the Fund. These include the investor's past history and quotas established by the United States government limiting the number of immigrant visas available to qualified individuals seeking permanent resident status under the EB-5 Program. Although the Fund has been structured so that each Unit holder may maximize eligibility for conditional and permanent residency under the EB-5 Program, no assurance can be given that each investor will obtain approval of his or her particular immigrant petition. Purchase of a Unit does not guarantee conditional or permanent residency in the United States. Furthermore, no advice can be

given that conditions to permanent residency will be removed. Each prospective investor should consult competent immigration counsel to review the likelihood that the investor's immigrant petition will be granted.

6. The investment must be at risk to qualify for the EB-5 Program. As part of the green card application, an immigrant investor must show evidence that he or she has placed the required amount of capital at risk for the purpose of generating a return on the capital placed at risk.

7. Each investor who purchases Units with the intention of obtaining permanent or conditional residence from the USCIS is encouraged, along with his or her advisors, to make his or her own independent review of the EB-5 Program and the various risk factors relating to the process in obtaining permanent or conditional residence in the United States to determine if an investment in the Units is a suitable approach for such investor.

8. As part of the I-526 Petition, an investor must present to the USCIS clear documentary evidence of the source of funds invested and that the funds belong to the investor. Generally, the investor can satisfy the source of funds requirements by submitting documents showing that he or she has a level of income from legal sources that would yield sufficient funds for the investment. The USCIS generally requires copies of income tax returns to satisfy the source of funds requirement. For investors who do not have such records, there may be other records that can be provided to the USCIS by an investor to demonstrate that the investment funds came from legal sources. All such matters regarding the investor's I-526 Petition should be discussed with his or her immigration counsel.

9. The EB-5 Program requires an investor to hold a policymaking or management position within the Fund. The Fund believes that each Partner, as a limited partnership partner, is provided with the powers and duties under the partnership agreement sufficient to meet the USCIS requirement that an investor is actively participating in policymaking or management of a new commercial enterprise.

10. USCIS rules and regulations relating to the EB-5 Program require that to maintain the validity of its approval and designation, an approved Regional Center must continue to meet the statutory requirements of the EB-5 Program by serving the purpose of promoting economic growth, improved regional productivity, job creation and increased domestic capital investment. The USCIS thus requires Regional Centers to monitor all investment activities under its sponsorship and to maintain records, data and information on a quarterly basis to report to the USCIS, upon request, year-to-date information for each federal fiscal year. Such records, data and information include, but are not limited to, the Regional Center's administration, oversight and management plan, biographical and other relevant investor data, total regional center investment and job creation totals.

SUMMARY OF PARTNERSHIP AGREEMENT

The following is a summary of certain provisions of the partnership agreement of the Fund. This summary is qualified in its entirety by reference to the full text of the partnership agreement.

Capital Contributions

Each Partner will make a capital contribution of \$500,000 for each full Unit purchased, plus an additional \$45,000 administration fee. The GP or its affiliates may become a Partner by purchasing Units for cash or contributions of property.

Partners have no right to a return of any capital contribution.

Allocation of Profits and Losses

Profits and losses will be allocated among the Partners in proportion to their ownership interests in the Fund.

Management of the Fund

The management of the Fund and all decisions concerning the business affairs of the Fund will be made by the GP. No Partner other than the GP shall take part in the management of the Fund's business and affairs or have any right or authority to act for or bind the Fund.

The GP will receive, as compensation, after the payment of all fees and expenses relating to compliance with the EB-5 Program and otherwise relating to this offering, the balance (if any) of the \$45,000 per Unit administration fee payable by the investors in the offering.

Voting Rights, Amendments and Meetings

The vote of the Partners owning a majority in interest of the ownership interests in the Fund is required to amend the partnership agreement.

Meetings of the Partners may be called by the GP at its discretion or upon written request of Partners owning a majority in interest of the ownership interests in the Fund.

Restrictions on Assignment of Partner Interests

The ownership interest of a Partner in the Fund may be assigned only as permitted by the partnership agreement. The assignment, transfer or pledge of an interest in the Fund by a Partner is prohibited unless (i) the Fund causes the interest to be registered under the Securities Laws, which the Fund has no obligation or intention to do, or (ii) counsel satisfactory to the Fund has rendered an opinion that an exemption from registration is available and that the transfer will not otherwise violate the Securities Laws.

The GP may defer the effectiveness of any transfer or assignment of an interest in the Fund if necessary to avoid a termination of the Fund for federal income tax purposes.

Substitute partner

An assignee of a Partner's interest in the Fund will be admitted as a substitute partner only upon the written consent of the GP, delivery of an executed instrument of assignment, the assignee's agreement to be bound by the terms of the partnership agreement, the execution of such other instruments as the GP deems necessary or desirable to effect the admission, the assignee's agreement to pay all expenses in connection with the admission, and compliance with the Securities Laws.

Death, Insanity, Incompetency, Dissolution or Bankruptcy of a Partner

Upon the death, insanity, incompetency, dissolution or bankruptcy of a Partner, the person designated by the Partner as the Partner's successor in interest shall immediately succeed to the interest of the former Partner in the profits, losses, cash available for distribution and distributable proceeds of the Fund. If a Partner fails to designate a successor in interest, or the person designated cannot succeed to the interest, the successor in interest will be the executor, administrator, guardian, trustee in bankruptcy, successor or assignee of the deceased, insane, incompetent, dissolved or bankrupt partner, or the person to whom the interest is otherwise transferable under applicable law. A successor in interest shall not be admitted as a substitute partner except in accordance with the partnership agreement.

Term

The Fund shall have a perpetual term, provided that the GP may elect to terminate and liquidate the Fund at any time in its sole discretion.

SUMMARY OF SALES MATERIAL

In addition to this memorandum, the Fund, the GP or any of its affiliates may utilize a supplemental brochure, an executive summary or fund outline in connection with the offering of Units. The GP may also respond to specific questions from prospective investors and their representatives. The offering of Units is made only by means of this memorandum. Except as described herein, the Fund has not authorized the use of other supplemental literature in connection with this offering. The information in such literature does not purport to be complete, may conflict with information in this memorandum, and shall not be considered a part of this memorandum, or as incorporated in this memorandum by reference, or as forming the basis of the offering or sale of Units.