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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA – UNLIMITED JURISDICTION

FEI LIU, an individual; GANGJIAN LI, an individual,

Plaintiffs,

v.

KAI HAO ROBINSON, an individual; GOLDEN STATE REGIONAL CENTER, a California Limited Liability Company; BAY AREA INVESTMENT FUND II, LLC, a California Limited Liability Company; and DOES 1-50, inclusive,

Defendants.

Case No. 21CV375935

COMPLAINT FOR:

1. Breach of Fiduciary Duty
2. Breach of Contract
3. Fraud
4. Accounting
5. Declaratory Relief

Plaintiffs Fei Liu and Gangian Li ("Plaintiffs") by and through their attorneys-in-fact, hereby bring this Complaint against Defendant Kai Hao Robinson ("Robinson"), Defendant Golden State Regional Center, ("Golden State Regional Center") and Bay Area Investment Fund II, LLC ("Bay Area Investment Fund") (collectively, "Defendants") as follows:

INTRODUCTION

1. This suit arises from the (i) deceitful and fraudulent actions of Defendants to cheat Plaintiffs out of EB-5 investments—totaling approximately $550,000—and green card applications that Plaintiffs made with Defendants; (ii) Defendants' conduct in breach of the Operating Agreement of Bay Area Investment Fund (the "OA"), attached as Exhibit 1, by failing to return Plaintiffs' funds; and (iii) Defendants' conduct in breach of the fiduciary duties that Defendants owed to Plaintiffs under the OA and the Private Placement Memorandum (the "PPM"), attached as Exhibit 2.

2. The EB-5 program, created by Congress in 1990 through the Immigration Act of 1990, offers EB-5 visas to foreign individuals who invest a minimum of $500,000 in a new commercial enterprise located in a rural area or an area of high unemployment. The purpose of the program was to stimulate the U.S. economy through job creation and capital investment by foreign investors. The EB-5 Program is administered by the U.S. Citizenship and Immigration Services ("USCIS"). Through this program, immigrant investors can become U.S. permanent residents through their EB-5 investments.

3. Defendant Bay Area Investment Fund is a company which raises capital from foreign investors pursuing permanent resident status in the United States through the EB-5 Immigrant Investor visa program. Defendant Golden State Regional Center is the sole manager of Bay Area Investment Fund. Defendant Robinson is the sole owner and manager of Defendant Golden State Regional Center.

4. Plaintiffs are part of a group of Chinese nationals who, in or around 2015, *each* paid $550,000 to Defendants Robinson and Golden State Regional Center to obtain

membership interests in Defendant Bay Area Investment Fund—the total amount of funds invested is $12.5 million.[1] Such payments were part of the EB-5 Program, and Plaintiffs sought green cards through their investments.

5. Plaintiffs' capital contributions were then transferred to property developer Kawana Meadows Development Corporation ("Kawana Meadows") starting in August 2015. Plaintiffs' funds were transferred to facilitate the construction and development of a residential construction project (the "Project"), pursuant to the EB-5 Immigrant Investor visa program requirements.[2]

6. Pursuant to that transfer, Kawana Meadows began paying interest to Defendant Bay Area Investment Fund at a rate of 5.5% per annum. That money was supposed to go to the Plaintiffs after operating expenses. It did not.

7. Between 2015 and the present, Defendants Robinson, Golden State Regional Center, and Bay Area Investment Fund misappropriated Plaintiffs' money in bad faith and concealed their wrongdoing from Plaintiffs as part of a scheme to unjustly enrich themselves at Plaintiffs' expense. This included failing to pay Plaintiffs at all for the interest received from Kawana Meadows.

8. In or around January 2019, Defendant Robinson shockingly indicated during an FBI investigation that she did not sign or did not authorize electronic signatures on Plaintiffs' I-924 applications and supporting documents, which she was required to do as the manager of Golden State Regional Center. She further misrepresented she was "unaware" she had signed or authorized electronic signatures on the OA or a Subscription Agreement, and

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[1] In addition to making the required $500,000 investment into Golden State Regional Center, Plaintiffs also each paid an "administrative fee" of $50,000. This administrative fee, not required by the USCIS, was paid to Defendants Robinson and Bay Area "to cover the costs of administration, marketing, and operations costs related to [the] Offering, including reporting requirements to the USCIS." *See* Exhibit 2, page 12.

[2] The Project entailed construction and operation of 143 residential units, consisting of 69 singly family units and 74 duplex and condo multi-family units, located in Santa Rosa, California. *See* Exhibit 2, pages 14-15.

alternatively, that the electronic signature on those documents was not her own or not authorized by her.

9. As a result of Defendant Robinson's misrepresentations to FBI investigators, Plaintiffs were investigated for visa fraud by USCIS, which impermissibly hindered their chances of eventually receiving green cards.

10. Despite receiving notice that Plaintiffs then withdrew their I-526 applications from USCIS, Defendants refused requests from Plaintiffs for a refund of the $500,000 paid by each Plaintiff. But, Defendants intentionally refused to return the principal fund to Plaintiffs. In addition, Defendants provided various inconsistent and fraudulent statements trying to cover their real intentions of refusing to return the fund.

11. Instead, Defendants have responded to Plaintiffs' requests for a return of their funds with a variety of excuses. First, Defendant Robinson indicated that Plaintiffs needed to wait until August 9, 2020, when the OA term would expire. However, once the OA term expired, Defendants still refused to refund Plaintiffs' monies. Second, Defendant Robinson told Plaintiffs to wait for Defendants to amend the OA and PPM. However, Defendants have failed to amend either agreement as indicated, and have refused to provide Plaintiffs with any indication as to when the amendments can be expected, *if at all*. And, after August 9, 2020, Defendants simply (and falsely) indicated that the principal fund cannot be refunded because all funds needed to be renewed on a new agreement with Kawana Meadows.

12. The Plaintiffs hold 99.9% of the membership interests of Bay Area Investment Fund.[3] Pursuant to the OA and the PPM, Plaintiffs have the ability to amend the OA when an amendment would materially affect their rights or obligations.[4] Plaintiffs also have the

[3] "Members will collectively own 100% of the Percentage Interests in [Bay Area Investment Fund]." *See* Exhibit 2, page 22; Exhibit 1, page 8.

[4] Members have an approval right "to amend the Operating Agreement when the amendment materially affects rights or obligations of the Manager or Members." *See* Exhibit 2, page 22; *see also* Exhibit 1, Section 6.05(b).

right to petition the court to remove Defendant Bay Area Investment Fund's manager for breaching the OA, or for engaging in gross negligence or willful misconduct.[5]

13. In addition to the reasons above, Plaintiffs are entitled to a return of their funds upon notifying Defendants Robinson and Golden State Regional Funds they have withdrawn their I-526 Petitions. However, Defendants still refused to return Plaintiffs' investment funds despite receiving notice of this withdrawal and despite the fact that the five-year term of the fund expired on August 9, 2020, entitling Plaintiffs to received their funds back from Defendants.

14. The evasive actions of Defendants toward Plaintiffs have confirmed Plaintiffs' worse fears: Defendants continue to fraudulently conceal their conduct to Plaintiffs' detriment.

THE PARTIES

15. Plaintiffs are all citizens of the People's Republic of China. Plaintiffs are part of a group of investors who each paid $550,000 each to Defendants Robinson, Golden State Regional Center, and Bay Area Investment Fund to obtain membership interests in Defendant Bay Area Investment Fund in order to obtain green cards as EB-5 investors. Together, Plaintiffs hold a 99.9% interest in Bay Area Investment Fund.

16. Defendant Bay Area Investment Fund is solely managed by Defendant Golden State Regional Center. Defendant Kai Robinson is the sole manager of Golden State Regional Center. Upon information and belief, Robinson resides in the County of Santa Clara.

17. Defendant Golden State Regional Center is a California limited liability company. It was registered with the California Secretary of State on January 3, 2012. Its agent for service of process is Defendant Robinson. Its principal place of business is located at 380 N

[5] The "Majority-in-Interest of the members may elect to remove a Manager… if such removal is due to a judicial determination… of (i) a material breach of [the OA] by the Manager, or (ii) gross negligence or willful misconduct by the Manager." *See* Exhibit 1, Section 6.04.

First Street, San Jose, California 95112. It also maintains a current address of 160 Franklin Street, Suite 200, Oakland, California 94607. Its sole manager is Defendant Robinson.

18. Defendant Bay Area Investment Fund is a California limited liability company. It was registered with the California Secretary of State on January 9, 2012. It is managed by Defendant Golden State Regional Center. Its agent for service of process is Defendant Robinson. Its principal place of business is located at 380 N First Street, San Jose, California 95112. It also maintains a current address of 160 Franklin Street, Suite 200, Oakland, California 94607.

19. Plaintiffs do not know the true names and capacities of Defendants Does 1 through 50, inclusive, but allege that these Defendants are responsible in some manner for the acts, omissions, incidents, transactions, and/or events alleged herein, and Plaintiffs therefore sue each of them by such fictitious names. Plaintiffs will amend this complaint to state the true names and capacities of said Defendants when they are ascertained. Each and every reference in this Complaint to Defendants, or any of them, is intended to and shall be deemed to include all fictitiously named Defendants.

20. Plaintiffs are informed and believe that Defendants and DOE Defendants were the agent, representative, partner, joint-venturer, co- participant, and/or co-conspirator of each of the other Defendants and that in doing the acts alleged herein, each Defendant was acting individually as well as within the course and scope of such relationship, with full knowledge and consent of or ratification by the other Defendants.

21. Plaintiffs are informed and believe that, at all relevant times, Defendants, and each of them, pursued a common course of conduct, acted in concert and conspired with one another, and aided and abetted one another to accomplish the wrongs alleged herein.

22. There exists, and at all times relevant herein there existed, a unity of interest and ownership by, between and amongst Defendants and DOES 1 through 50 ("Defendant

Entities"), such that their separateness has ceased to exist and that treatment of the acts alleged herein as those of each individual entity by themselves would result in an inequitable result.

23. Plaintiffs are informed and believe that, at all relevant times, Defendant Robinson uses Defendant Entities as mere shells for her personal benefit. Plaintiffs are informed and believe that, at all relevant times, Defendant Robinson and Defendant Entities including but not limited Golden State Regional Center, have failed to observe required corporate formalities including keeping legal and accurate corporate records, books and/or accounts.

24. Plaintiffs are informed and believe that, at all relevant times, Defendant Robinson controlled, dominated and operated all Defendant Entities including but not limited to Golden State Regional Center as her own personal businesses and as her alter ego without adhering to laws, agreements and obligations.

25. Plaintiffs are informed and believe that, at all relevant times, Defendant Robinson used Defendant Entities' including but not limited Golden State Regional Center's accounts, addresses and assets as a mere conduit for her own personal purposes.

26. Plaintiffs will suffer injustice if Defendant Robinson and her Defendant Entities including but not limited to Defendant Golden State Regional Center are treated separately. All Defendant Entities were unduly influenced and governed by the Defendant Robinson such that recognition of the Defendant Entities as separate and distinct entities would permit corporate abuse and promote an injustice and prevent Plaintiffs and creditors from accessing truthful information, books and records as sources to help satisfy a judgment entered against Defendant Robinson and/or Defendant Entities.

JURISDICTION AND VENUE

27. This Court has jurisdiction to hear the subject matter of this complaint pursuant to California Constitution, Article VI, Section 10 and California Code of Civil Procedure Section 410.10.

28. This Court has jurisdiction because the acts and events giving rise to the claims of this Complaint occurred in the County of Santa Clara, California, and Defendants conducted activities in the State of California pertaining to acts complained of herein.

29. Venue is proper in this Court under Code of Civil Procedure § 395 because events or omissions giving rise to the claims alleged herein occurred within the County of Santa Clara, California. Venue is further proper in this Court because Defendants currently reside in the County of Santa Clara, California. In addition, the Operating Agreement of Bay Area Investment Fund (attached hereto as Exhibit 1) also has a California "Governing Law" provision.

FACTUAL ALLEGATIONS

The EB-5 Program

30. Foreign nationals may become eligible for a green card in a number of ways, including by way of immigrant investments through the EB-5 Program.

31. The EB-5 program, created by Congress in 1990 through the Immigration Act of 1990, offers EB-5 visas to foreign individuals who invest at least $500,000 in a "new commercial enterprise" located in a rural area or an area of high unemployment. The purpose of the program was to stimulate the U.S. economy through job creation and capital investment by foreign investors. The EB-5 Program is administered by the USCIS.

32. Under the EB-5 Program, immigrant investors (and their spouses and minor children) can become U.S. citizens if they: (i) make the necessary investment in a new commercial enterprise in the United States; and (ii) plan to create or preserve ten permanent full-time jobs for qualified U.S. workers.

33. The "new commercial enterprise" is any for-profit activity formed for the ongoing conduct of lawful business. Here, Plaintiffs obtained membership interests in Defendant Bay Area Investment Fund as part of the EB-5 Program.

34. Business owners can apply to the U.S. Citizenship and Immigration Services to be designated as "regional centers" for the EB-5 Program. A regional center offers

investment opportunities in "new commercial enterprises." One of the benefits of investing through a regional center is that it manages the investment: it offers investors the ability to invest in any project located within the United States, without needing to manage the daily operations of the business. In this case, Defendant Golden State Regional Center was designated as such a "regional center" by USCIS on March 12, 2014. It is solely managed by Defendant Robinson.

35. Job creation is a critical element of the EB-5 Program. Where there are multiple investors in a commercial enterprise, each investor's investment of capital must help the commercial enterprise create ten full-time jobs for U.S. workers. In this case, Plaintiffs each paid Defendants Golden State Regional Center and Robinson $550,000 to obtain membership interests in Defendant Bay Area Investment Fund so that the collective funds could be submitted for a project aimed at satisfying the job creation criteria of the EB-5 Program.

36. In 2019, the USCIS notified the public, including Defendants, that it was finalizing significant changes in the existing EB-5 Program which would take effect on November 21, 2019. One change in the EB-5 Program that would take effect on November 21, 2019 was the minimum investment requirements. Specifically, the new law would raise the minimum investment amount from $500,000 to $900,000 for individual investors.

37. Given that Defendants are in the business of creating and managing EB-5 projects, Defendants knew or should have known about the raising of the minimum investment amount from $500,000 to $900,000 for individual investors.

38. Because Plaintiffs had invested with Defendants prior to November 21, 2019, their $550,000 investments still counted towards the EB-5 Program and, accordingly, Plaintiffs would have been on track for their green cards. However, that is no longer the case given the actions of Defendants as alleged herein.

39. In other words, even if Plaintiffs recover their money, they would now have to invest $900,000—not $500,000—to qualify for a green card under EB-5. Thus, not only have

Plaintiffs been financially harmed, but they also will not be able to obtain their green cards given the raised minimum requirement of EB-5.

40. The EB-5 investor program has been especially popular amongst immigrants from the People's Republic of China, where thousands of Chinese nationals have obtained U.S. permanent residency since the program's inception in 1990.

41. Unfortunately, there has also been a surge of fraud within the program. Most EB-5 investors are extremely susceptible to fraud, because English is almost always their second language. However, very often, all of the agreements pertaining to the investment offerings are in English, which can prevent potential foreign investors from being able to properly vet or understand a project. Even for those who invest through regional centers, because they entrust the management of their investment funds to fiduciaries, language and distance barriers frequently cause the investors to be taken advantage of.

Plaintiffs Invest with Defendants through Bay Area Investment Fund II

42. In or around 2015, Plaintiffs decided to seek green cards by participating in the EB-5 Program. In doing so, Plaintiffs each paid Defendants Robinson and Golden State Regional Center $550,000 to obtain membership interests in Defendant Bay Area Investment Fund, which Plaintiffs were told would be used to invest in a residential construction project pursuant to the EB-5 requirements. As a result, Plaintiffs, seeking to receive green cards, became members of Bay Area Investment Fund, under the management and administration of Defendants Robinson and Golden State Regional Center.

43. To obtain membership interests in Bay Area Investment Fund, Plaintiffs and Defendants Robinson and Golden State Regional Center each signed the Operating Agreement and Subscription Agreement.

44. Pursuant to the terms of the OA, Bay Area Investment Fund was formed "for the purpose of allowing each Member, who is not a permanent resident of the United States, to apply for a visa."

45. Bay Area Investment Fund raised a total of $12.5 million from Plaintiffs.[6]

Defendants Defraud Plaintiffs and Misappropriate Their Funds

46. Both the PPM and OA state Defendants Robinson and Golden State Regional Center will make distributions of cash flow each fiscal year, but leave the amounts and times of distribution to the manager's sole discretion.

47. Moreover, Plaintiffs were to be distributed profits after deducting "operating expenses," but no profits have been distributed. In addition, upon information and belief, Defendants are taking the profits for themselves and not using such profits for operating expenses, especially given that operating expenses are minimal.

48. Defendant Robinson, as the sole manager of Defendant Golden State Regional Center, and Defendant Golden California Regional Center as the sole manager of Bay Area Investment Fund, owe fiduciary duties towards each Plaintiff because each Plaintiff is a member of Bay Area Investment Fund.[7]

49. As fiduciaries, Defendants Robinson and Golden State Regional Center owe duties to communicate with Plaintiffs and provide them with accurate and up-to-date information regarding Plaintiffs' investment.[8]

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[6] In addition to making the required $500,000 investment into Bay Area Investment Fund, Plaintiffs also each paid an "administrative fee" of $50,000. This administrative fee, not required by the USCIS, was paid to Defendants Robinson and Golden State Regional Center "to cover the costs of administration, marketing, and operations costs related to this Offering, including reporting requirements to the USCIS." *See* Exhibit 2, page 12.

[7] The "Manager is accountable to the Company as a fiduciary and consequently must exercise good faith and integrity in handling the affairs of the Company." *See* Exhibit 2, page 21. Further, the "Manager is obligated to perform its managerial duties in good faith, in a manner it reasonably believes to be in the best interests of the Company and the Members, and with such case, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances." *Id*. *See also* Exhibit 1, Section 5.01(a).

[8] "The Manager shall endeavor to supply prospective investors and Members with the most accurate and up to date information regarding the Offering." *See* Exhibit 2, page 11.

50. However, Defendants Robinson and Golden State Regional Center failed to communicate with Plaintiffs upon request, and failed to provide accurate information to Plaintiffs. This included the failure to keep full and accurate books and records and failing to make such books and records available to Plaintiffs as members.[9]

51. For example, under the PPM and OA, Defendants Robinson and Golden State Regional Center directed Plaintiffs' inquiries be directed to Defendants' business address: 380 N. First Street, San Jose California, 95112.[10] However, Defendants Robinson and Golden State Regional Center were actually operating out of 160 Franklin Street, #200, Oakland California, 94607. Despite being obligated to do so, Defendants did not inform Plaintiffs of this change.[11]

52. In addition, pursuant to the PPM and OA, the members and manager of Bay Area Investment Fund must be represented by separate counsel.[12]

53. An attorney who represents both the members and manager of Bay Area Investment Fund would be engaging in a conflict of interest, which would result in a breach of the OA and breach of fiduciary duty.

54. However, Defendant Robinson engaged attorney Bruce B. Kelson, to conduct legal services for both Defendant Robinson in her capacity as manager, Defendant Golden State Regional Center in its capacity as manager, and for Bay Area Investment Fund.

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9 The Manager, at the address of the Manager, shall keep "full and accurate books and records" and make such books and records available to the Members. *See* Exhibit 1, Section 6.01(l).

10 *See* Exhibit 2, page 3.

11 "The Manager will take all reasonable steps to confirm that the information included in this PPM does not misstate or omit facts that would be considered material to an investor's investment decision. Thus, the Manager will notify prospective investors and Members of any material changes to the PPM." *See* Exhibit 2, page 11.

12 "The Manager and any Members of the Company will be represented by separate counsel. Counsel for the Company and the Manager in connection with this Offering and the organization of the Company do not represent the prospective investors or subscribers." *See* Exhibit 2, page 24-25. *See also*, Exhibit 1, page 5, Section 4.03(c), and Section 9.01.

55. Defendants Robinson and Golden State Regional Center used Plaintiffs' funds to pay attorney Kelson for these services. In using Plaintiff's money to pay attorney Kelson, Defendants breached the OA.[13] (When Plaintiffs contacted attorney Kelson to question the representation, they received no answers).

56. In addition, when Plaintiffs' capital contributions were transferred to Kawana Meadows, Kawana Meadows began paying interest to Defendant Bay Area Investment Fund at a rate of 5.5% per annum. That money was supposed to go to the Plaintiffs as interest upon their investments. However, Defendants failed to pay anything to Plaintiffs as part of a scheme to unjustly enrich themselves at Plaintiffs' expense.

Plaintiffs Withdraw Their Petitions, but Defendants Still Refuse to Return Plaintiffs' Funds

57. In 2016, Defendants Robinson and Golden State Regional Center represented to the investors that she had retained a security/immigration attorney and SEC-licensed professionals to review the I-924 applications to ensure they were done properly.

58. In late March 2019, Plaintiffs discovered their applications for permanent residency were being investigated by USCIS for visa fraud. Upon further investigation, Plaintiffs learned that Defendant Robinson wrongfully claimed she had not signed Plaintiffs' I-924 petitions. Plaintiffs' then discovered that Defendant Robinson further misrepresented to the FBI that she was either unaware she had signed either the OA or Subscription Agreement, or that the electronic signatures on the documents were not her own or not authorized by her.

59. After Plaintiffs learned that Defendant Robinson's fraudulent conduct had placed their permanent residency applications in jeopardy, Plaintiffs' withdrew their initial I-526 petitions from USCIS. However, after being notified that Plaintiffs had withdrawn their applications, and were no longer pursuing green cards, Defendants Robinson and Golden State Regional Center refused to refund Plaintiffs' investment funds.

[13] *See* Exhibit 1, page 5, Section 4.03(c), and Section 9.01.

60. Defendants first informed Plaintiffs that they were required to wait until the OA expired on August 9, 2020 in order to be refunded. However, once the OA expired, Defendants still refused to refund Plaintiffs' funds.

61. Then, when Kawana Meadows indicated that it would return the funds of any investors who were not proceeding with green cards, Defendant Robinson misrepresented to Kawana Meadows that there were no investors who wanted a return of funds. At the same time, Defendant Robinson misrepresented to the investors that it was Kawana Meadows who renewed the loan agreement and thus could not return the funds, not her. This was done in order to enable Defendant Robinson to convert the funds of Plaintiffs for her own gain.

62. Plaintiffs hold a 99% interest in Bay Area Investment Fund. Pursuant to the OA and PPM, Plaintiffs also have the right to petition the court to remove Defendant Bay Area Investment Fund's manager for breaching the OA, or engaging in gross negligence or willful misconduct.[14]

63. By fraudulently representing to the FBI that Defendant Robinson did not sign Plaintiffs' I-924 petitions, the OA or Subscription Agreement, Defendants Robinson and Golden State Investment Fund have engaged in willful misconduct, thus warranting Defendants' removal as manager. In addition, Defendants' removal is warranted by numerous fraudulent statements, breaches of fiduciary duties, and embezzlement of interest owed to Plaintiffs.

64. The PPM and OA require Plaintiffs to petition the court for Defendants' removal as manager.

Defendants Refuse to Amend the Agreements

65. Defendants further informed Plaintiffs that the agreements needed to be amended in order to return Plaintiffs' investment funds, which Defendants promised they would

[14] The "Majority-in-Interest of the members may elect to remove a Manager… if such removal is due to a judicial determination… of (i) a material breach of [the OA] by the Manager, or (ii) gross negligence or willful misconduct by the Manager." *See* Exhibit 1, Section 6.04.

do. However, Defendants have failed to amend either agreement, and have refused to provide Plaintiffs with any indication as to when the amendments can be expected, if at all.

66. Pursuant to the OA and PPM, Plaintiffs are entitled to request the OA be amended when the amendment would materially affect their rights or obligations.[15] Defendants continue to claim an amendment is required to facilitate a return of Plaintiff's funds. Plaintiffs have requested such an amendment be made numerous times, but have been provided with no such amendment.

67. Defendants Robinson and Golden State Regional Center are holding Plaintiffs' funds hostage.

FIRST CAUSE OF ACTION

Breach of Fiduciary Duty

(Brought Against Defendants Robinson and Golden State Regional Center)

68. Plaintiffs reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

69. Defendant Robinson, as the sole manager and of Defendant Golden State Regional Center, and Defendant Golden California Regional Center as the sole manager of Bay Area Investment Fund, owe fiduciary duties towards each Plaintiff pursuant to contract and because each Plaintiff is a member of Bay Area Investment Fund for which Defendants act as manager.

70. Defendant Robinson, as the sole manager of Defendant Golden State Regional Center, and Defendant Golden State Regional Center wrongfully and intentionally acted outside of the authority authorized in the OA and PPM, and breached their fiduciary duties in doing so.

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[15] Members have an approval right "to amend the Operating Agreement when the amendment materially affects rights or obligations of the Manager or Members." *See* Exhibit 2, page 22; *see also* Exhibit 1, Section 6.05(b).

71. Defendant Robinson breached her fiduciary duty when she falsely claimed she had not signed or authorized electronic signatures on the OA or Subscription Agreement, which caused Plaintiffs to be investigated for visa fraud by USCIS. This occurred after Defendants Robinson and Golden State Regional Center falsely represented to the investors that they had retained a security attorney and SEC-licensed professionals to review the I-924 applications to ensure they were done properly.

72. Defendants Robinson and Golden State Regional Center further breached their fiduciary duty by failing to communicate with Plaintiffs or provide accurate information to Plaintiffs, and by operating out of a different business address without informing Plaintiffs of this change. (The new address is the address of Defendant Robinson's significant other.)

73. Defendants Robinson and Golden State Regional Center further breached their fiduciary duty by failing to keep full and accurate books and records.

74. Defendants Robinson and Golden State Regional Center breached their fiduciary duties when they failed to timely respond to direct questions concerning the refund of the investment funds, requests to amend the applicable agreements and/or demands for a refund the funds paid by the members. Defendants are supposed to be working for the benefit of Plaintiffs—by refusing to take these actions (which were done in order to continue enriching themselves), Defendants have breached their fiduciary duties to Plaintiffs.

75. Upon information and belief, Defendants Robinson and Golden State Regional Center breached their fiduciary duties when they used Plaintiffs' money to pay their own attorney.

76. Defendants Robinson and Golden State Regional Center breached their fiduciary duties when they failed to distribute the interest received from Kawana Meadows each year to the investors, instead keeping such funds for themselves for their own benefit.

77. Upon information and belief, Defendants Robinson and Golden State Regional Center breached their fiduciary duties when, once Kawana Meadows indicated that it

would return the funds of any investors who were not proceeding with green cards and requested that Defendants provide it a list of investors who would not pursue green cards, Defendant Robinson misrepresented to Kawana Meadows that there were no investors who wanted a return of funds. At the same time, Defendant Robinson misrepresented to the investors that it was Kawana Meadows who refused to return the fund, not her. This was done in order to enable Defendant Robinson to convert the funds of Plaintiffs for her own gain.

78. As a direct and proximate cause of the breach of fiduciary duty alleged, Plaintiffs have suffered damages in an amount to be proven at trial.

79. As a direct and proximate cause of the breach of fiduciary duty alleged, Plaintiffs have suffered extreme emotional distress, including but not limited to stress, anxiety, sleeplessness, worry, anguish and nervousness.

80. In addition, even if Plaintiffs recover their money, they would now have to invest $900,000—not $500,000—to qualify for a green card under EB-5. Thus, not only have Plaintiffs been financially harmed, but they also will not be able to obtain their green cards given the raised minimum requirement of EB-5. And, Plaintiffs could have used their $550,000 for other investments instead of giving it to Defendants and receiving no gain over approximately five years.

81. Defendants' conduct constitutes oppressive, malicious and fraudulent conduct justifying an award of punitive damages. Defendants knew Plaintiffs and their families entrusted their savings with Defendants and placed their hopes for a green card and a better life in Defendants. Defendants induced Plaintiffs to trust them with false representations regarding the status of, and prospects for, Bay Area Investment Fund II. Upon discovering that Defendant Robinson had wrongfully claimed she had never signed the Agreements or authorize electronic signatures, Plaintiffs I-526 petitions were investigated for visa fraud, and Plaintiffs became distraught about the status of their green cards and Defendants' refusal to return their funds. Instead of reassuring Plaintiffs that their funds would be returned, Defendants claimed the

Agreements would need to be amended, but refused to do so or provide any timeline for when this could be accomplished.

SECOND CAUSE OF ACTION

Breach of Contract

(Brought Against Defendants Robinson and Golden State Regional Center)

82. Plaintiffs reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

83. Defendant Robinson, as the sole manager of Defendant Golden State Regional Center, and Defendant Golden State Regional Center as manager of Bay Area Investment Fund, entered into the OA, PPM, and Subscription Agreement with Plaintiffs.

84. Defendants Robinson and Golden State Regional Center breached and repudiated those agreements in numerous material respects, including, but without limitation, the following:

a. by failing to return their investment funds after receiving notice that Plaintiffs have withdrawn their I-526 petitions (as a result of Defendants' bad acts), and will no longer be pursuing green cards;

b. by indicating to Plaintiffs their investment funds will not be returned upon the expiration of the initial five-year term of the OA, which was August 9, 2020;

c. by failing to permit Plaintiffs' requests to amend the operating agreement, which in turn would require their investment to be refunded;

d. by failing to keep full and accurate books and records;

e. by being represented by the same counsel as Bay Area Investment Fund, and by using Plaintiffs' funds to pay attorneys' fees for Defendant Robinson's personal attorney; and

f. by failing to pay any distributions or profits to Plaintiffs over the entire period of the investment.

85. Plaintiffs performed all, or substantially all, of their legal obligations under the OA, including making payments in the amount of $550,000 to Defendants.

86. As a direct and proximate cause of these breaches, Plaintiffs have been harmed in an amount to be determined at trial and have been wrongfully denied access to information that would assist Plaintiffs in recovering some or all of their funds. Consequently, Plaintiffs have been forced to retain legal counsel to enforce their contractual and statutory rights to inspection and the return of their EB-5 investment funds.

87. In addition, even if Plaintiffs recover their money, they would now have to invest $900,000—not $500,000—to qualify for a green card under EB-5. Thus, not only have Plaintiffs been financially harmed, but they also will not be able to obtain their green cards given the raised minimum requirement of EB-5. And, Plaintiffs could have used their $550,000 for other investments instead of giving it to Defendants and receiving no gain over approximately five years.

THIRD CAUSE OF ACTION

Fraud

(Brought Against Defendants Robinson and Golden State Regional Center)

88. Plaintiffs reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

89. Defendant Robinson, as the sole manager of Defendant Golden State Regional Center, and Defendant Golden State Regional Center as the sole manager of Bay Area Investment Fund, owe a fiduciary duty and a general duty of care toward each Plaintiff because each Plaintiff is a member of Bay Area Investment Fund.

90. Defendant Robinson, as the sole manager of Defendant Golden State Regional Center, and Defendant Golden State Regional Center as the sole manager of Bay Area Investment Fund wrongfully and intentionally acted outside of the authority authorized in the OA.

91. Upon information and belief, Defendants Robinson and Golden State Regional Center made intentional and improper expenditures, deposits, withdrawals and transfers of the funds paid to them by Plaintiffs for the personal benefit of Defendant Robinson.

92. Defendants Robinson and Golden State Regional Center intentionally concealed their improper expenditures, deposits, withdrawals and transfers of the funds paid to them by Plaintiffs.

93. For example, upon information and belief, Defendants Robinson and Golden State Regional Center intentionally concealed the wrongful use of the money from Bay Area Investment Fund to pay attorneys' fees to Defendant Robinson's personal lawyer, Bruce Kelson.

94. In addition, Defendants Robinson and Golden State Regional Center intentionally concealed that they were keeping interest received from Kawana Meadows each year for themselves without paying Plaintiffs.

95. Upon information and belief, Defendants Robinson and Golden State Regional Center misrepresented to Kawana Meadows that there were no investors who wanted a return of funds after Kawana Meadows had indicated it would return the funds of investors who no longer sought green cards. At the same time, Defendant Robinson misrepresented to the investors that it was Kawana Meadows who refused to return the fund, not her. This was done in order to enable Defendant Robinson to convert the funds of Plaintiffs for her own gain.

96. Defendants Robinson and Golden State Regional Center intentionally and knowingly mislead the members, including Plaintiffs, by making false statements about the proper and legal management of Bay Area Investment Fund.

97. Defendants Robinson and Golden State Regional Center made intentional misrepresentations to, and purposefully misled, Plaintiffs by providing incomplete and incorrect information regarding the preparation of Plaintiffs' I-924 applications. In 2016, Defendants Robinson and Golden State Regional Center misrepresented to the investors that they had retained

a security attorney and SEC-licensed professionals to review the I-924 applications to ensure they were done properly and submitted accurately to USCIS. Defendant Robinson then falsely claimed to the FBI that she had not signed or authorized electronic signatures on the PPM or Subscription Agreement, which caused Plaintiffs to be investigated for visa fraud by USCIS. This was done to defraud Plaintiffs out of their funds and render it difficult for them to obtain a green card.

98. Defendants Robinson and Golden State Regional Center intentionally concealed their conduct from Plaintiffs, made intentional misrepresentations and purposefully omitted important information from Plaintiffs in order to prevent Plaintiffs from discovering the truth, to conceal their wrongdoing, to circumvent their legal obligations, to unjustly enrich themselves and to evade the law.

99. Had the truth about the status of the funds paid by Plaintiffs to Defendants been known, Plaintiffs would have taken steps to prevent the wrongdoing and would have promptly recovered their funds.

100. As a direct and proximate cause of the fraud alleged, Plaintiffs have financial damages in an amount to be proven at trial.

101. As a direct and proximate cause of the fraud alleged, Plaintiffs have suffered extreme emotional distress, including but not limited to stress, anxiety, sleeplessness, worry, anguish and nervousness.

102. In addition, even if Plaintiffs recover their money, they would now have to invest $900,000—not $500,000—to qualify for a green card under EB-5. Thus, not only have Plaintiffs been financially harmed, but they also will not be able to obtain their green cards given the raised minimum requirement of EB-5. And, Plaintiffs could have used their $550,000 for other investments instead of giving it to Defendants and receiving no gain over approximately five years.

103. As a direct and proximate cause of the fraud alleged, Plaintiffs have been investigated for EB-5 fraud by USCIS.

104. Defendants' conduct constitutes oppressive, malicious and fraudulent conduct justifying an award of punitive damages. Specifically, Defendants intentionally acted to conceal important and relevant information concerning Bay Area Investment Fund and Defendant Robinson's personal use of the proceeds of Bay Area Investment Fund for her individual benefit. Defendants knew Plaintiffs and their families entrusted their savings with Defendants and placed their hopes for a green card and a better life in Defendants. Defendants induced Plaintiffs to trust them with false representations regarding the status of, and prospects for, the Bay Area Investment Fund II. Upon discovering that Defendants had comingled Plaintiffs' funds for personal use, Plaintiffs were distraught about the status of their green cards. Instead of reassuring Plaintiffs by providing a historical accounting and response to requests for the refund of the funds, Defendants were evasive, secretive and misleading. Defendants concealed their wrongdoing from Plaintiffs intentionally in an attempt to perpetrate a fraud and to evade accountability for their misrepresentations to the detriment of Plaintiffs.

FOURTH CAUSE OF ACTION

Accounting

(Brought Against All Defendants)

Accounting of Payments to Defendant Robinson from Defendant Golden State Regional Center

105. Plaintiffs reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

106. Plaintiffs, as members of Bay Area Investment Fund, are entitled to an accounting of the books and records of Bay Area Investment Fund by law and by contract.

107. Defendant Robinson, as the sole manager of Defendant Golden State Regional Center, and Defendant State California Regional Center have mismanaged the investment funds and administrative fees entrusted to them by Plaintiffs and have prevented Plaintiffs from acquiring an accounting to evade accountability and liability.

108. The precise amount of money mismanaged by Defendants, and owed to Plaintiffs, is unknown and can only be ascertained by an accounting of the complete financial books and records of Bay Area Investment Fund.

Accounting of Payments to Attorney Bruce B. Nelson

109. Plaintiffs reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

110. Plaintiffs, as members of Bay Area Investment Fund, are entitled to an accounting of the books and records of Bay Area Investment Fund by law and contract.

111. Defendant Robinson, as sole manager of Defendant Golden State Regional Center, and Defendant Golden State Regional Center have mismanaged funds and administrative fees entrusted to them by Plaintiffs by using Plaintiffs' funds to pay attorneys' fees for Defendant Robinson's personal attorney, Bruce Kelson.

112. The precise amount of money mismanaged by Defendants, and owed to Plaintiffs, is unknown and can only be ascertained by an accounting of the complete financial books and records of Bay Area Investment Fund.

FIFTH CAUSE OF ACTION

Declaratory Relief

(Brought Against Defendants Golden State Regional Center and Bay Area Investment Fund)

113. Plaintiffs reallege and incorporate by reference all preceding paragraphs as though fully set forth herein.

114. An actual controversy has arisen and now exists relating to the legal rights and duties of Defendant Robinson, Defendant Golden State Regional Center, Defendant Bay Area Investment Fund, and each of them and Plaintiffs for which Plaintiffs desire a preferential declaration from the court.

115. Plaintiffs paid no less than $550,000 to Defendants to participate in Bay Area Investment Fund and the EB-5 program in order to obtain green cards.

116. To date, Plaintiffs have not received green cards.

117. To date, Plaintiffs' $550,000 paid to Defendants remains unaccounted.

118. Pursuant to the OA, Plaintiffs seek removal of Defendants Robinson and Golden State Regional Center as managers of Bay Area Investment Fund.

119. A judicial declaration regarding Plaintiffs' entitlement to remove Defendants Robinson and Golden State Regional Center as managers of Bay Area Investment Fund will provide immediate relief in the interests of judicial economy.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for a judgment against Defendants as follows:

1. For actual damages in an amount to be determined at trial, together with interest thereon at the rate of 10% per annum;

2. For general damages for emotional distress and mental anguish;

3. For special damages for the raised minimum investment requirement (from $500,000 to $900,000 under the November 21, 2019, EB-5 law;

4. For punitive and/or exemplary damages;

5. For an order of accounting;

6. For the appointment of a receiver to conduct accounting pertaining to funds paid by Plaintiffs to Defendants;

7. For a declaration that Defendants Robinson and Golden State Regional Center be removed as managers of Bay Area Investment Fund.

8. For an award of reasonable attorneys' fees;

9. For costs of suit incurred herein; and

10. For such other and further relief as the court may deem just and proper.

Dated: January 7, 2021

REITER GRUBER LLP

By _____
Charles D. Reiter

Attorneys for Plaintiffs

EXHIBIT 1

OPERATING AGREEMENT

OF

Bay Area Investment Fund II, LLC

A California Limited Liability Company

Dated as of August 10, 2015

THE SECURITIES REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, ANY STATE SECURITIES LAWS, OR THE SECURITIES LAWS OF ANY FOREIGN JURISDICTION. THE OFFERING OF THE MEMBERSHIP INTERESTS MADE HEREIN ARE MADE IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION REQUIREMENTS OF THE SECURITIES ACT FOR OFFERS AND SALES OF SECURITIES THAT DO NOT INVOLVE PUBLIC OFFERINGS, AND SIMILAR EXEMPTIONS UNDER STATE SECURITIES LAWS.

SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION ARE NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS AND CONDITIONS WHICH ARE SET FORTH HEREIN. MOREOVER, THE SECURITIES HEREIN CANNOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO "U.S. PERSONS" (AS SUCH TERM IS DEFINED IN REGULATION *S*, PROMULGATED UNDER THE SECURITIES ACT) UNLESS THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. TRANSFER OF ANY SECURITIES ACQUIRED PURSUANT TO REGULATION S IS PROHIBITED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

THE DELIVERY OF THIS OPERATING AGREEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY. FURTHERMORE, THE COMPANY SHALL NOT SOLICIT THE OFFERING OF THE MEMBERSHIP INTERESTS IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, OR SALE IS NOT AUTHORIZED OR TO ANY PERSON OR ENTITY TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH AN OFFER, SOLICITATION, OR SALE.

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OPERATING AGREEMENT OF
Bay Area Investment Fund II, LLC
a California Limited Liability Company

This Operating Agreement (this "***Agreement***"), dated and effective as of January 9, 2012 ("***Effective Date***"), is by and among the Manager, Golden State Regional Center, LLC, a California limited liability company (hereafter, the "***Manager***"), and each of the persons set forth in Exhibit A attached hereto under the designation "Member" (hereafter, individually, a "***Member***" and collectively, the "***Members***").

RECITALS

WHEREAS, the Members desire to join a limited liability company ("***Company***") pursuant to the California Revised Uniform Limited Liability Company Act;

WHEREAS, the Members desire to participate in the EB-5 Program, defined herein, through the Golden State Regional Center, LLC Regional Center, by investing in this Company;

WHEREAS, the Members further desire that the Company transact certain business and make certain investments, and that they all share in the risks, benefits, profits and losses of such business and investments under the terms and conditions set forth in this Agreement; and

WHEREAS, except as expressly provided herein, the Members desire this Agreement to grant to all Members those rights, powers, and duties of members under the California Revised Uniform Limited Liability Company Act.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I: DEFINED TERMS

Section 1.1 Definitions. Throughout this Agreement, all references to money or currency are in United States dollars, and the word or words listed below within quotation marks shall have the meanings which follow them. The following terms shall have the following meanings when used in this Agreement:

"Additional Member" means a Member admitted to the Company other than as an assignee or transferee of all or a portion of a previously admitted Member's Membership Interest in the Company.

"Additional Required Capital" has the meaning set forth in Section 4.01(f) of this Agreement.

"Administrative Expense Account" is the account in which Administrative Fees are deposited, as well as any interest accrued from the Investment Holding Account, for use by the Manager to pay for the expenses of the Company.

"Administrative Fee" refers to a fee of Fifty Thousand Dollars ($50,000) per each Unit acquired in connection with the Offering. Each Member shall pay the Administrative Fee as part of the Subscription Price of $550,000 paid by the Member, and the Members acknowledge that the Administrative Fee shall be separate from the Capital Contribution made by each Member to the Company and will be paid to the Administrative Expense Account upon acceptance as a Member of the Company. The purpose of the Administrative Fee is so that the Manager may meet the following expenses for which the Manager is responsible, including but not limited to: (a) the initial expenses associated with the formation of the Company and the Offering of the Units, including legal and promotional fees, and a "finders' fee", defined hereafter, (b) the legal fees to be incurred in connection with the preparation of Company-related documents that a Member and/or his or her independent legal counsel may reasonably request for submission of his or her applications for classification as an alien entrepreneur, and (c) any other expenses that the Manager deems fit in its sole discretion, as long as such use is not inconsistent with the EB-5 Program rules. Under no circumstances will the Company or Manager have the obligation to file any immigration petition or application on behalf of a Member, and each Member is responsible for retaining his or her independent legal counsel in connection with the filing of such Member's immigration petition and/or application. In no event will any portion of the Administrative Fee be used for legal fees of such independent counsel.

"Advisers Act" means the Investment Advisers Act of 1940, as amended from time to time.

"Affiliate" means, when used with reference to a Member, a Person who, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under

common control with, such Member, or any person who is related to the Member or a principal of the Member. The term "control" as used herein (including the terms "controlling" "controlled by" and "under common control with") refers to direct or indirect possession of the power to (i) vote 50% or more of the outstanding voting securities of a Member or such Person; or (ii) otherwise direct the management policies of a Member or such Person by contract or otherwise. The term **"Affiliated"** has a correlative meaning.

"Agreement" (or "Operating Agreement") means this Operating Agreement, as originally executed and as amended from time to time.

"Applicable California Law" means the laws of the State of California now or hereafter in effect, which shall be used to construe and govern this Agreement.

"Applicable Securities Laws" means the Securities Act, the Securities Exchange Act of 1934, as amended, applicable state securities laws, and applicable securities laws of foreign jurisdictions.

"Articles" means the Articles of Organization for formation of the Company.

"Authorized Representative" means a Member's director, employee, agent, advisor, consultant, representative, or any other such person responsible for matters related to the Company.

"Bankruptcy" means with respect to any Manager:

(i) filing a bankruptcy petition or for reorganization;
(ii) authorizing an assignment benefiting creditors;
(iii) consenting to the appointment of a receiver for all or a substantial part of its property;
(iv) being adjudicated bankrupt or insolvent;
(v) being the subject of a court order appointing a receiver or trustee for all or a substantial part of its property without its consent; or
(vi) being the subject of a court order ordering the assumption of custody or sequestration of all or substantially all of its property.

"Capital Account" means with respect to each Member an account on the books and records, which consists of the sum of (i) any money contributed by the Member to the Company, (ii) the fair market value of property contributed by the Member to the Company (net of liabilities secured by such contributed property that the Company is considered to take subject to under Section 752 of the Code), and (iii) allocations to the Member of Company income and gain (or item thereof), less (a) any money distributed to the Member by the Company, (b) the fair market value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that such Member is considered to take subject to under Section 752 or the Code), (c) all allocations to the Member of Company expenditures described in Section 705(a)(2)(B) of the Code, and (d) allocations of Company loss and deduction (or item thereof); subject to such other adjustments required by Treasury

Regulation 1.704-1(b)(4) (or any corresponding successor provision). The Company intends to maintain all Capital Accounts in accordance with the Section 704(b) of the Code and applicable Treasury Regulations promulgated thereunder, and provisions hereof that related to Capital Accounts shall be interpreted in a manner consistent therewith.

"Capital Contribution" means the money, including initial and any additional capital contributions, that a Member contributes to the Company, as reflected in the Company's book and records. Each Member shall contribute Five Hundred Thousand Dollars ($500,000), as established in Section 4.01(a) hereof.

"Cash Flow from Operating Profit" means, with respect to any fiscal year of the Company or other period, the sum of all cash receipts of the Company generated by the operating income of the Company (including interest earned from Company investments, but not including Capital Contributions, loans to the Company, and Cash Flow from Return of Investments), less (i) the sum of all cash expenditures, including, without limitation, the repayment of all third party obligations, any and all payments of fees and expenses, such as brokers, attorneys, and consultants, and the payment of Company debts (including debts to the Members and their Affiliates). Cash Flow from Operating Profit shall apply to each individual fiscal year and shall not be cumulative. From time to time, Cash Flow from Operating Profit may also be referred to as "Net Cash Flow."

"Cash Flow from Return of Investments" means the sum of all cash proceeds generated from (i) the repayment of any principal amount invested by the Company, including any principal payments with respect to any note or other obligation received by the Company in connection with any investment or the sale or other disposition of the Company's property, and (ii) the sale, exchange, liquidation, other disposition, or financing or refinancing of all or any portion of the Company's property (collectively, a ***"Sales or Refinancing Event"***), less (a) any costs and expenses related thereto; provided, however, that Cash Flow from Return of Investments shall not include any financing obtained in connection with the acquisition, development, and/or operation of real property for or on behalf of the Company.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute thereto.

"Company" means Bay Area Investment Fund II, LLC, a California limited liability company.

"EB-5 Jobs" refers to any full-time employee created by the Company, as defined at 8 CFR 204.6(e), either directly or indirectly, through investment in the new commercial enterprise.

"EB-5 Program" means the U.S. government program designed to allow non-U.S. citizens seeking to immigrate to and receive legal permanent residence in the United States to do so by making a qualifying investment through a "Regional Center", as defined at 8 CFR 204.6(e), approved under the United States Citizenship and Immigration Service (**"USCIS"**) Immigrant Investor Pilot Program.

"Effective Date" means the date on which the Articles were filed with the office of the California Secretary of State.

"Fiscal Year" means the applicable year that the Company utilizes for purposes of financial statements and federal income tax, which shall begin on January 1 and end on December 31 of each year, except for short taxable years during the Company's formation and termination and as otherwise required by the Code, unless the Manager determines another Fiscal Year that is permissible under the Code.

"Formation of Company" means the taking of all required actions and the submission of all necessary filings pursuant to the California Revised Uniform Limited Liability Company Act. For all purposes of this Agreement, and in particular for purposes of satisfying Immigration and Nationality Act section 203(b)(5), the date on which the Company shall be deemed to be "established" as an original business shall be the Effective Date.

"Investment Company Act" refers to the Investment Company Act of 1940, as amended from time to time.

"Investment Holding Account" refers to the account set up by the Company to hold a potential Member's Subscription Price before acceptance as a Member into the LLC. After acceptance as a Member, the Capital Contribution attributable to the Member will be credited as that Member's Capital Account.

"Majority-in-Interest" means Members who represent over 50% of the aggregate investment percentages ("Company Interest", defined below) of the Members, without regard to the number of such members holding such investment percentage.

"Manager" means Golden State Regional Center, LLC, and any substitute Manager that is a permitted assignee or transferee of the Manager.

"Members" means the Persons who are designated in Exhibit A as Members of the Company, or any Substitute or Additional Members admitted to the Company. Such term shall refer to two (2) or more Members if there is more than one (1) Member hereunder. It means all of the Members, where no distinction is required by the context in which the term is used herein.

"Membership Interest" means the entire ownership interest of a Member in the Company at any given time, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement, together with such Member's obligations and duties under this Agreement. The Members shall hold an aggregate Membership Interest of 100%. The proportion to each Member shall consist of the number of Units such Member owns divided by the aggregate number of Units owned by all Members, and multiplied by 100%.

"Offering" means the total number of Units that the Company offers.

"Operating Expenses" means all cash expenditures of every nature that the Company shall pay.

"California Revised Uniform Limited Liability Company Act" refers to the California Revised Uniform Limited Liability Company Act, as codified in California Corporations Code Title 2.6, Articles 1 through 13.

"Parties" means the Manager and all of the Members.

"Percentage Interest" means (i) with respect to the Manager, zero percent (0%), as set forth on Exhibit A attached hereto; and (ii) with respect to each Member, the number of Units such Member owns divided by the aggregate number of Units owned by all Members, multiplied by one hundred percent (100%). The Members shall hold an aggregate of one hundred percent (100%) of all of the Percentage Interests of the Company. Upon completion of the Offering, the initial Percentage Interest of each Member shall be set forth on Exhibit A attached hereto.

"Person" means any individual, partnership, corporation, trust, association, Limited Liability Company or other entity, whether domestic or foreign.

"Project Company" means Kawana Meadows Development Corporation, the entity receiving funds from the Company.

"Regional Center" means a special designation of the United States granted by USCIS (as defined under Section 610 of the Departments of Commerce, Justice and State, the Judiciary and Related Agencies Appropriations Act of 1993, as amended).

"Reserves" means the amounts used to pay or establish reserves for future Operating Expenses, including debt payments, repayment of loans to Members, capital improvements, replacements and contingencies, if any, all as the Manager shall reasonably determine. Under no circumstances shall the money held in reserves come from the initial capital contributions of the Members.

"Return" means distributions to the Members, as and when determined by the Manager in its sole discretion.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Subscription Agreement" means that certain Subscription Agreement, executed by each Member who acquired a Unit in connection with the Offering.

"Subscription Price" means the total price of Five Hundred Fifty Thousand Dollars ($550,000) paid by each Member to subscribe for one (1) Unit in connection with the Offering, the total price which consists of (i) the Unit price of Five Hundred Thousand Dollars ($500,000), which amount constitutes the initial Capital Contribution of the Member, and (ii) the Administrative Fee of Fifty Thousand Dollars ($50,000).

"Substitute Member" means a Member who is admitted to the Company in accordance with the terms of this Agreement and who received its Membership Interest in the Company as an assignee or transferee of an exiting Member.

"Treasury Regulations" means the federal income tax regulations promulgated by the United States Treasury Department under the Code, as such regulations may be amended from time to time. All references herein to a specific section of the Treasury Regulations shall be deemed also to refer to any corresponding provisions of succeeding Treasury Regulations.

"Unit" means a unit of Membership Interest of a Member in the Company acquired, in connection with the Offering, by each Member for his or her initial Capital Contribution of Five Hundred Thousand Dollars ($500,000). The Members acknowledge and agree that notwithstanding that each Member has paid the Subscription Price in order to subscribe for a Unit, only Five Hundred Thousand Dollars ($500,000) of the Subscription Price constitutes the initial Capital Contribution of the Member; the remaining Fifty Thousand Dollars ($50,000) of the Subscription Price constitutes payment of the Administrative Fee to the Manager.

"Unreturned Capital Contributions" means, with respect to a Member, an amount equal to the sum of (i) the total Capital Contributions contributed by a Member, less (ii) the distributions made to such Member pursuant to Section 5.03(b).

"USCIS" means the United States Citizenship and Immigration Services.

"Withholding Loan" has the meaning set forth in Section 5.05(c) of this Agreement.

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ARTICLE II: FORMATION OF COMPANY

Section 2.01 Name. The name of the Company shall be "Bay Area Investment Fund II, LLC" (hereafter, the "***Company***"). The Company may have such other name as the Manager may determine at any time, and no value is place upon the Company's name or any goodwill attached to it in determining the value of any Member's Capital Account.

Section 2.02 Principal Office. The principal office, mailing address, and place of business of the Company shall be at 380 N First Street, San Jose, CA 95112. The Company may have such other or additional offices as the Manager may determine. The Manager may change the registered office at any time in its sole discretion.

Section 2.03 Formation of Company. The Members hereby agree to join a limited liability company in the name of Bay Area Investment Fund II, LLC pursuant to the provisions of the California Revised Uniform Limited Liability Company Act and upon the terms and conditions set forth in this Agreement. The Manager has executed and caused to be filed Articles of Organization (hereafter, the "***Articles***") in the office of the California Secretary of State and any additional documents as may be necessary or appropriate to form a limited liability company pursuant to the laws of the State of California. To the extent that the rights or obligations of any Member under the California Revised Uniform Limited Liability Company Act are different by reason of any provision of this Agreement than they would be in the absence of such provision, this Agreement shall, to the extent permitted by the California Revised Uniform Limited Liability Company Act, control.

Section 2.04 Term. The term of the Company shall commence upon the filing of the Articles in the office of the California Secretary of State (hereafter, the ***"Effective Date"***) and shall continue for a period of ten (10) years from said date, or until the Company is dissolved, wound up, and terminated in accordance with the provisions of this Agreement; provided, however, that the Members agree that notwithstanding any contrary provision contained in this Agreement, and to the fullest extent permitted by the California Revised Uniform Limited Liability Company Act, the term of the Company shall not expire until all investments of the Company no longer remain outstanding and distribution of the proceeds thereof have been made in accordance with this Agreement.

Section 2.05 Taxation. The Company intends to be taxed as a partnership and not as an association taxable as a corporation for federal income tax purposes. The Members may not elect to treat the Company as other than a partnership for federal income tax purposes.

ARTICLE III: BUSINESS AND PURPOSE OF THE COMPANY

The Company is formed for the purpose of, and the nature of the business to be conducted and promoted by the Company is, to (i) invest, in the sole discretion of the Manager, in areas located within the Regional Center, in order to (a) generate revenue for the Company and (b) allow each Member, who is not a permanent resident of the United States, to apply for a visa pursuant to Section

203(b)(5) of the Immigration and Nationality Act and Section 204.6 of Title 8 of the Code of Federal Regulations, as amended by Section 610(c) of the Appropriations Act of 1993, as amended, and (ii) engage in any lawful act or activities necessary or incidental to the foregoing.

The Company business and purpose are to provide an investment totaling $12,500,000 to the Project Company, Kawana Meadows Development Corporation, which will use these funds and additional bank funds in the construction and development of commercial property. Such entity will utilize said capital to construct and operate a bed and breakfast inn that will collectively make way for new economic development within the Regional Center, thus generating new job creation. It is anticipated that the project will have a separate governing investment document such as a subscription agreement governing the terms of the investment.

The Company may not pursue additional diversified and reasonable investment strategies, as the Company's sole business and purpose is as described above.

ARTICLE IV: CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

Section 4.01 Capital Contributions.

(a) Capital Contributions of Members. The required minimum contribution of each Member to the capital of the Company is (i) the initial Capital Contribution of each Member, at Five Hundred Thousand Dollars ($500,000), and (ii) the Administrative Fee of Fifty Thousand Dollars ($50,000), paid by each Member, which does not constitute a Capital Contribution of the Member. Upon the completion of the Offering and the admission of the prospective investors in the Units as Members in accordance with this Agreement and the Subscription Agreement, Exhibit A, attached hereto, shall be revised to reflect each Member's initial Capital Contribution and initial Capital Account, the number of Units acquired by each Member, and the Percentage Interest. An investor's Subscription Price may only be considered a Capital Contribution upon release of the funds from the designated capital account, as described herein.

(b) Capital Contribution of Manager. The Manager is not required or obligated to make contributions to the capital of the Company, but has the right to make contributions to the capital of the Company. In furtherance of the Manager's duties on behalf of the Company, the Manager shall receive only the Administrative Fee from each of the Members, i.e. the $50,000 from each Member. Such Administrative Fee shall not be considered part of the capital contribution made by the Members and will be placed in the Administrative Expense Account upon acceptance of a Member.

(c) Investment Holding Account and Capital Account. The Members acknowledge and agree that the Subscription Price paid by each Member shall be, or has been, deposited into the Investment Holding Account, an account maintained by the Company in a commercial bank, as authorized by the Manager in its sole discretion. The initial Capital Contribution of Five Hundred Thousand Dollars ($500,000) paid by a Member and deposited into the Investment Holding Account

shall be promptly recorded by the Manager and credited to the Member's Capital Account upon: (a) the approval of the Investor's I-526 Petition, (b) the approval of the I-526 Exemplar Petition for the Company by the USCIS, (c) the approval of any one (1) or more I-526 petitions of Members of the Company, or (d) the Manager's acceptance of the Member into the LLC and the issuance of an LLC Membership Certificate to the Member. The Administrative Fee of Fifty Thousand Dollars ($50,000) together with any accrued interest (if any) from the Subscription Price paid by a Member and deposited into the Investment Holding Account shall be promptly released to the Administrative Expense Account upon: (a) the approval of the Member's I-526 Petition, (b) the approval of an I-526 Exemplar Petition for the project by the USCIS, (c) the approval of any one (1) or more I-526 petitions of Members of the Company, or (d) the Manager's acceptance of the Member into the LLC and the issuance of an LLC Membership Certificate to the Member.

(d) Withdrawal of Capital. No Member is entitled to receive any interest on his or her Capital Contribution or Capital Account, and no Member has the right to the return of any Capital Contributions, except as provided in this Agreement and pursuant to the California Revised Uniform Limited Liability Company Act. Except as provided in this Agreement, no Member shall have any right to withdraw or make a demand for the withdrawal of his or her Capital Contribution until the full and complete winding up and liquidation of the Company, and the entitlement to any such return shall be limited to the value of the Capital Account of such Member. In no event shall a Member have the right to terminate his or her Membership Interest upon a denial of his or her I-829 Petition by USCIS.

(e) Additional Capital Contributions. Except as otherwise provided in this Agreement, a Member shall not be required or obligated to make additional Capital Contributions to the Company other than his or her initial Capital Contribution. The Members shall not be required to lend any funds to the Company, nor shall any Member be liable for any debts, liabilities, contracts, or obligations of the Company beyond an amount equal to the Member's initial Capital Contribution.

(f) Additional Capital. If the Manager determines that there is a reasonable need of the Company to raise a certain amount of additional capital for the Company ("Additional Required Capital"), then the Manager shall take action in the order established below:

(i) Advise each of the Members of the need for Additional Required Capital. Each Member will have the option, but not the obligation, to invest additional equity capital in the Company, which in turn may have the effect of reducing each Member's Percentage and Membership Interest on a pro-rata basis;

(ii) Arrange for third party financing to the Company on commercially reasonable terms for the remaining amount of Additional Required Capital that is not contributed by the Members; and

(iii) The Manager may admit other Persons (which may include Affiliates of one of the Members, or any other Person as permitted by this Agreement) as

Additional Members in exchange for a cash Capital Contribution on such acceptable terms as determined by the Manager in its sole discretion, which in turn shall have the effect of reducing each Member's Percentage and Membership Interest on a pro-rata basis.

Section 4.02 Capital Accounts. An individual Capital Account shall be established and maintained on the Company's books and records for each Member in accordance with the Treasury Regulations promulgated under Section 704(b) of the Code. The provisions hereof relating to Capital Accounts shall be interpreted in a manner consistent with Section 704 of the Code and applicable Treasury Regulations promulgated thereunder. No Member is entitled to receive any interest on his or her Capital Contribution or Capital Account The Manager, in its sole discretion, may make appropriate amendments to the allocation of items pursuant to this Agreement to comply with Section 704 of the Code or applicable Treasury Regulations promulgated thereunder; provided, however, that no such amendment adversely affects the amounts distributable to any Member hereunder.

Section 4.03 Use of Funds Contributed by Members.

(a) Investments. The Company shall use its commercially reasonable efforts to satisfy the Company's business and purpose as set forth in Article III, above.

(b) Investment Risk. Upon the recording of the initial Capital Contribution made by a Member as set forth in Section 4.01(c) (or, in the case of a Member who acquires a Membership Interest other than through the Offering, upon the contribution of capital to the Company), the Capital Contribution of the Member shall be made fully available to the Company to conduct the business of the Company and shall be at risk of complete loss. Further, the Company intends that no portion of any Capital Contribution made to the Company by a Member will be held in reserves solely to exclude such Capital Contribution from at-risk investment, and the use of Capital Contributions shall not be contingent upon the occurrence or non-occurrence of other events not contemplated by this Agreement. The Manager shall not exercise its sole discretion in such a manner that would result in any Member's violation of the EB-5 Program rules and regulations.

(c) Use of Funds for Expenses. The Members acknowledge and agree that the Company will invest substantially all of its assets for the business and purpose described herein, other than those assets described in this paragraph (c) to pay expenses of the Company. None of the initial Capital Contribution made by a Member (i.e., $500,000) shall be used to pay expenses of the Company incurred in connection with (i) the initial expenses associated with the establishment of the Company and the Offering, including, without limitation, legal and promotional fees, including a "finder's fee", and (ii) the legal fees to be incurred in connection with the preparation of Company related documents that Members and/or their respective legal counsel may reasonably request for submission of their respective applications for classification as an alien entrepreneur. The Company intends to use the Capital Contributions exclusively for the investment purposes of the Company as described in this Agreement. The Administrative Fee, which shall be transferred to the Administrative Expense Account, shall be used by the Manager in its sole discretion to pay the expenses described in clauses (i) and (ii) of this paragraph and other related expenses incurred by the

Company. In no event will any portion of the Administrative Fee be used for legal fees incurred by a Member for services performed by such Member's separate legal counsel in connection with the Member's immigration or other matters.

ARTICLE V: ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS; CERTAIN TAX MATTERS

Section 5.01 Allocation of Profits and Losses.

(a) **Distributions Generally**. Subject to applicable provisions of Article V, the Manager shall make distributions of cash flow to Members at such times and in such amounts as the Manager determines in its sole discretion, and distributions shall be allocated among all members in proportion to their Percentage Interests. Notwithstanding the anticipated allocation of cash flow to Members, the Manager may cause the Company to retain all or such portion of the cash flow as it determines to be necessary or appropriate for the Company to meet its anticipated obligations, including but not limited to Company Expenses. In all circumstances, the Manager is required to act in the best interests of the Company and use good faith in performing its fiduciary duties to the Members. Notwithstanding any provision in this Agreement to the contrary, under no circumstances will distributions be made to a Member if the result would, in the reasonable judgment of the Manager, violate EB-5 Program rules and regulations or otherwise jeopardize such Member's visa process or breach any applicable anti-money laundering laws, rules, or regulations.

(b) **Net Profits.** Except as otherwise provided herein, the net profits, if any, of the Company for each fiscal year of the Company shall be allocated to the Members as follows:

(i) First, to the Manager for operating expenses of the Company, including legal fees, licensing fees, etc.

(ii) Second, to each Member until the cumulative profits allocated to such Member pursuant to this Section 5.01(b) is equal to the cumulative losses allocated to the Member pursuant to Section 5.01(c); and

(iii) Third, to the Members, pro rata in proportion to their respective Percentage Interests.

(c) **Net Losses.** Except as otherwise provided herein, the net losses, if any, of the Company for each fiscal year of the Company shall be allocated to the Members, as follows:

(i) First, to the Members, pro rata in proportion to their respective share of net profits being offset, until the cumulative losses allocated to such Members pursuant to this Section 5.01(c) is equal to the cumulative profits allocated to such Members pursuant to Section 5.01(b)(ii) for any prior period;

(ii) Second, if one or more Members has a positive balance in his or her Capital Account, to such Members in proportion to their respective positive Capital Account balances until such Members' positive Capital Account balances

have zero (0) balances; and

(iii) Third, any remaining loss shall be allocated among the Members pro rata in proportion to their respective Percentage Interests.

Section 5.02 Determination of Profits and Losses. The net profits and net losses of the Company shall be determined in accordance with the accounting methods utilized for federal income tax purposes and otherwise in accordance with generally accepted accounting principles (GAAP) promulgated by the Financial Accounting Standard Board. Each fiscal year, the Company shall perform an accounting to determine the Members' respective proportion of net profits or net losses. Each Member's Capital Account shall be credited with any applicable allocations of income, profit, or gain made to such Member, as well as debited by any applicable allocation of expense, deduction, or loss made to such Member.

Section 5.03 Distributions.

(a) **Cash Flow from Operating Profit.** Subject to Applicable California Law and any limitations contained elsewhere in this Agreement, the Manager may elect at such times and in such amounts, in its sole discretion, to distribute Cash Flow from Operating Profit to the Members pro rata in proportion to their respective Percentage Interests.

(b) **Cash Flow from Return of Investments.** Subject to Applicable California Law and any limitations contained elsewhere in this Agreement, the Manager may elect at such times and in such amounts, in its sole discretion, to distribute Cash Flow from Return of Investments to the Members, in accordance with the following priority:

(i) First, to the Members pro rata in proportion to their Unreturned Capital Contributions until such Unreturned Capital Contributions have been fully repaid; and

(ii) Second, to the Members pro rata in proportion to their respective Percentage Interests; and

(iii) notwithstanding the distributions pursuant to subsections (i) and (ii) above, additional distributions of Cash Flow from Return of Investments to the Members pursuant to subsection 4 below.

(c) **Annual Distributions.** Should the Manager decide to make a distribution then, subject to Applicable California Law and any limitations contained elsewhere in this Agreement, the Manager intends, but is not obligated, to distribute to the Members pro rata in proportion to their respective Membership Interests, on or about November 30th of each fiscal year, 100% of distributable Cash Flow from Operating Profit accrued by the Company during the prior fiscal year.

Section 5.04 Right to Distributions. No Member shall have the right to receive distributions from the Company, except as set forth in Sections 5.03 and Article X herein. No Member shall have

the right to receive a return of any or all of the Member's Capital Contribution. The Manager is not liable for the return of any such amounts.

Section 5.05 Withholding.

(a) Compliance with Withholding Obligations. The Manager shall take such action as may be necessary for the Company to comply with withholding obligations imposed on the Company under the Code and under any other applicable foreign, state, or local law.

(b) Withholding on Distributions. If the Company determines that a withholding is required in making a distribution to a Member, the Company retains the right to withhold from the distributable amount to such Member the amount necessary to be withheld. The Company shall remit such amount to the Internal Revenue Service or the foreign, state or local tax authorities. Any amount withheld from a distribution and remitted to the proper authorities are treated as though such amounts were realized by the Company and distributed to such Member.

(c) Withholding Where No Distribution Occurs. If the Company must withhold in a situation where no distribution has been or will be made or where the amount of the distribution is insufficient to meet the withholding obligation, the Company shall remit the required amount, and the amount shall be treated as a withholding loan ("Withholding Loan") by the Company to such Member. A Withholding Loan shall (i) be payable by a Member on fifteen (15) days' notice from the Company, (ii) shall be interest free until the date of expiration of the notice, (iii) bear interest at 10% per annum or the highest rate allowed by law, whichever shall be the higher, from the date of expiration of the notice, and (iv) be secured by such Member's Interest in the Company. The Company may retain any amount otherwise distributable to a Member with an outstanding Withholding Loan balance and offset against amounts owed pursuant to the Withholding Loan.

(d) Funding Shortfall. If the Company is unable to meet a withholding obligation with respect to a Member, the Manager shall immediately notify such Member of the expected shortfall, and upon receipt of such notice such Member shall immediately transfer funds to the Company sufficient to permit the Company to remit the required amount to the appropriate tax authority.

(e) Manager Not Liable for Excessive Withholding. The Manager alone shall determine (i) the amounts (if any) required by law to be withheld (absent an exemption) with respect to the tax obligations of any Member, and (ii) the sufficiency of any Member's claim to an exemption from such withholding. The Members acknowledge that the Company may be required to withhold with respect to a Member if (a) such Member has not claimed an exemption from withholding, (b) such Member has not complied with all requirements for claiming an exemption from withholding, or (c) the applicable law has changed with respect to any claimed exemption from withholding. So long as the Manager acts in good faith in making such determinations for withholding, neither the Company nor the Manager shall be liable to any Member for any amounts withheld and paid over as taxes to any government or political subdivision thereof without regard to whether such amounts are actually owed as taxes by the Member. In making such determinations, the Manager may engage accountants, lawyers, and other consultants, and have their reasonable expenses paid by the Company, subject when practicable to prior consultation with the Member. The Manager will provide to the Member such information as is required by law concerning amounts withheld and shall otherwise cooperate with the Member in any efforts made by the Member to obtain credit for or a refund of any tax withheld with respect to the Member.

Section 5.06 Overriding Allocations. The allocations of items of net income and net losses

provided for in this Section 5.06 shall override all other provisions of this Agreement.

(a) Qualified Income Offset. If net losses, allocated pursuant to the provisions of Section 5.01, would create deficit balances in the Capital Accounts of class of Members (i.e., Manager or Members), such losses shall instead be allocated, pro rata to the class of Members which has positive Capital Account balances to the extent of such positive Capital Account balances. If deficit balances do occur in the Capital Accounts of a class or all classes of Members, then all gains shall be first allocated (pro rata between classes based on such deficit balances) so as to eliminate such deficit balances as quickly as possible. This provision shall be deemed to constitute a Qualified Income Offset for purposes of the Treasury Regulations under Section 704(b) of the Code.

(b) Non-Recourse Debt. Losses attributable to non-recourse debt shall be allocated among the Members in proportion to their respective positive Capital Account balances, if any, to the extent such allocations would otherwise cause their aggregate negative Capital Accounts to exceed the Minimum Gain (as defined in the Treasury Regulations under section 704(b) of the Code) determined at the end of the taxable year to which such allocations relate.

ARTICLE VI: RIGHTS, POWERS, AND DUTIES OF MANAGER

Section 6.01 Rights, Powers, and Responsibilities of the Manager. Subject to the provisions of this Agreement, and to the maximum extent permitted by Applicable California Law, the Manager shall have complete and exclusive power and responsibility (i) for all investment and investment management decisions to be undertaken on behalf of the Company, and (ii) to manage and administer the business and affairs of the Company in good faith, including, without limitation, all such affairs which the Manager deems necessary or desirable in the conduct of the business and affairs of the Company, such as, but not limited to, the rights, powers, and responsibilities:

(a) to execute, deliver, and perform such contracts, agreements, and other undertakings on behalf of the Company, without the consent or approval of any other Member;

(b) to receive and invest Capital Contributions and receipts of the Company and to incur obligations and liabilities on behalf of the Company in furtherance of the Company's business and purpose;

(c) to delegate responsibilities to Affiliates and personnel and enter into such management agreements as it shall deem desirable or advisable for the conduct of Company activities, including the hiring of permanent, temporary, shared, or part-time employees and outside contractors, accountants, attorneys, and consultants, and to determine their compensation and other terms of employment; provided, however, that the Manager must remain responsible for making decisions with respect to the Company investments, and no delegation of responsibilities may allow for the modification of the Manager's obligations or liabilities as Manager of the Company under the California Revised Uniform Limited Liability Company Act and this Agreement;

(d) to use commercially reasonable efforts to meet the objectives of the Company,

including investment by the Company in the Regional Center to create employment for a minimum of ten (10) full-time employees for each Member within two (2) years of the date that each Member receives conditional permanent residency in the United States;

(e) for purposes of meeting the immigration objectives of the Company as set forth in Article III, to allocate the jobs created by the Company's investments, if any, to the Members based on the "deposited-first" priority allocation method, whereby the priority of Members is determined by the capital account deposit date of the Members;

(f) to take action and to execute and deliver such documents as may be required in connection with any lease, loan, investment, bond, indemnity, security agreement, or bank letter of credit, or other related action;

(g) to issue a certification of admission of Members into the Company;

(h) to enter into, perform, and carry out contracts of any kind, including, without limitation, contracts with Affiliates, necessary to, in connection with, or incidental to the fulfillment of Company business and objectives;

(i) to cause the Company to incur indebtedness or enter into similar leveraging transactions from any Person for any purpose of the Company including, without limitation, to cover Company Expenses, and to pledge or secure assets of the Company as collateral for any such borrowing (including withholding from any distributions of Cash Flow from Operating Profit, as necessary to repay such borrowings); provided, however, that the Manager must cause the Company to repay any borrowings made as promptly as practicable after funds for such repayment become available to the Company;

(j) to purchase, at the expense of the Company, liability and other insurance to protect Company assets, as the Manager deems judicious in its sole discretion;

(k) to use commercially reasonable efforts to operate the Company in such a manner to as not to require the Company to register as an investment company under the Investment Company Act, and to take actions in good faith that the Manager deems necessary or desirable in order for the Company not to be in violation of the Investment Company Act or the Manager not to be in violation of the Advisers Act;

(l) to keep or cause to be kept at the address of the Manager full and accurate books and records of the Company, which shall be made available, upon reasonable notice to the Manager, for inspection by any Member at reasonable times during business hours for a purpose reasonably related to such Member's Interest in the Company;

(m) to make decisions with respect to (i) any merger with or acquisition of another corporation, partnership, or entity, however effected, (ii) any liquidation, dissolution, or winding up of the Company (except as otherwise provided in Article X), or (iii) any agreement, undertaking or commitment of or by the Company with, or any transaction between the Company and, any Member, or any Affiliate, manager, officer, director, member, partner or stockholder of any of the foregoing.

Section 6.02 Additional Rights, Powers and Duties of the Manager. Without limiting any rights, power, or authority of the Manager, the Manager is hereby authorized, to the maximum extent permitted by Applicable California Law, with additional rights, as follows, which is not limited to the list below:

(a) to execute the Subscription Agreement with each Member;

(b) to enter into and perform any Subscription Agreements with potential Members and any Other Agreements, as determined by the Manager in its sole discretion, without any further act, vote, or approval of any other Member;

(c) to not be liable for any debts, liabilities, contracts, or obligations of the Company;

(d) to comply with all federal and state income tax withholding requirements, including withholding requirements applicable to non U.S. residents, in accordance with Section 5.05;

(e) to pay, on behalf of the Company (and subject to reimbursement if paid by the Manager), all Company expenses and any and all special expenses incurred in accordance with Article IX;

(f) to maintain a list of all Members and to act as a liaison between the Members and the Company, in accordance with Section 12.03; and

(g) to deposit Capital Contributions of the Company in interest-earning, short-term, liquid accounts as is prudent from time to time, in the Manager's sole discretion.

Section 6.03 Withdrawal of the Manager. The Manager may not resign, retire, or voluntarily withdraw from the Company unless (i) another Manager is substituted and (ii) such resignation, retirement or voluntary withdrawal from the Company will not cause the Company (a) to be dissolved under Applicable California Law, (b) to be classified other than as a limited liability company for federal income tax purposes, or (c) to be terminated. A Manager who resigns, retires, or withdraws from the Company in violation of this Agreement will be and remain liable to the Company and the Members thereof for damages resulting from the Manager's breach of this Agreement. Without limitation of remedies, the Company may offset such damages against the amounts otherwise distributable to the resigning, retiring, or withdrawing Manager.

Section 6.04 Removal of the Manager.

(a) **Grounds for Removal**. To the extent permitted under the California Revised Uniform Limited Liability Company Act, the Majority-in-Interest of the Members may elect to remove a Manager and admit a new Manager to the Company if such removal is due to a judicial determination in a court having jurisdiction of such matter of (i) a material breach of this Agreement

by the Manager, or (ii) gross negligence or willful misconduct by the Manager. If a Manager is properly removed under this Section 6.04(a), the Majority-in-Interest of the Members may elect (a) to dissolve the Company in accordance with Article X, or (b) appoint and admit a substitute Manager. If the Members fail to elect one of the foregoing options within ninety (90) days following the final judicial determination that the Manager is properly removed under this Section 6.04(a), then the Members shall be deemed to have elected to dissolve the Company in accordance with Article X. Any distributions or fees owed to a removed Manager shall be held by the Company for a period of not more than ninety (90) days and may be used to offset any amounts owed by such Manager to the Company.

Section 6.05 Amendments to Operating Agreement.

(a) Amendments without Consent of Members. The Manager may, at any time without the consent of the other Members, amend this Agreement (i) to satisfy any requirements, conditions, or guidelines contained in any opinion, directive, order, or regulation of the Code or any federal or state agency, or in any federal or state statute, whereby compliance is deemed to be in the best interest of the Company and Members, including, without limitation, in connection with the EB-5 Program and/or the Visa Process, provided, however, that such amendments do not violate applicable laws or covenants or materially affect rights or obligations of the Manager or Members; (ii) to comply with any Treasury Regulations regarding Company allocations; (iii) to cure any ambiguity or correct any conflicting provisions of this Agreement, or make any changes to this Agreement, which, in the Manager's reasonable opinion, do not have a material adverse effect upon the rights or interests of the Members; or (iv) to reflect a change in the identity of the Manager following a transfer of a Manager's Membership Interest in accordance with the terms of this Agreement. Additionally, the Manager shall have the right to amend Exhibit A without consent of the Members to reflect the admission of Additional or Substitute Members. Notwithstanding the foregoing, no amendment by the Manager may affect the voting or economic rights of any Member without such Member's express consent. In the event the Company is required to inform Members of changes or amends to the Operating Agreement, fax, e-mail, or written communication is deemed sufficient to meet the requirements.

(b) Amendments Requiring Express Consent from Majority-in-Interest. Except as otherwise provided in this Section 6.05(a), this Agreement may be amended, or provisions hereof waived, only by a written instrument signed by the Manager with express approval of a Majority-in-Interest. Notwithstanding this Section 6.05(b), no amendment of this Agreement may be made that (i) amends this Section 6.05(b) without the approval of all Members; (ii) without the approval of each affected Member (A) increased a Member's liability beyond the liability of such Member expressly set forth in this Agreement or modifies the limited liability of such Member in any way; (B) decreases a Member's Membership Interest (other than as provided in this Agreement); (C) changes any Member's investment percentage (other than as provided in this Agreement); (D) changes the method of distributions or allocations made under Article V of this Agreement; or (E) reduces the Capital Account of any Member other than as contemplated in this Agreement.

Section 6.06 Performance of Duties; Liability of Manager. The Manager shall perform its duties in good faith as it reasonably believes to be in the best interests of the Company and its Members, and with such care as an ordinarily prudent person in a similar position would use under similar circumstances. To the fullest extent permitted under Applicable California Law, the Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage resulted from the Manager's material breach of this Agreement, gross negligence, or willful misconduct. The Manager does not guarantee the return any Member's Capital Contribution or any profit from Company operations, and the Manager shall not be responsible if any Member loses all or part of his or her investment in the Company. Furthermore, the Manager does not guarantee that a Member will obtain permanent resident in the United States as a result of such Member's investment in the Company, and the Manager shall not be responsible if such Member is unable to obtain such permanent residency.

Section 6.07 Responsibilities Regarding Company Expenses. In accordance with Article IX of this Agreement, the Company is responsible for all "***Company Expenses***," defined herein at Section 9.02. The Manager has the discretion to pay such Company Expenses from the Administrative Expense Account or any other Company funds that the Manager determines, in its sole discretion, to be available for such purposed; provided, however, that the Manager shall act in a manner consistent with the EB-5 Program rules. Under no circumstances will the Capital Contributions of Members be used to pay Company Expenses. Notwithstanding the foregoing, the Manager shall not be responsible for expenses incurred outside of the ordinary course of business of the Company, including, without limitation, legal fees (including legal fees incurred by Members for immigration matters), litigation costs, audits by outside agencies, audits conducted pursuant to Section 12.01 herein, natural disasters, economic disruption, theft or fraud by third parties, and any extraordinary expenses incurred outside the normal course of business.

ARTICLE VII: RIGHTS AND OBLIGATIONS OF MEMBERS

Section 7.01 Rights, Powers and Duties of Members. To the fullest extent permitted under the California Revised Uniform Limited Liability Company Act, the Members shall only have the rights expressly set forth in this Agreement and required under the California Revised Uniform Limited Liability Company Act. Notwithstanding any contrary provision contained in this Agreement, no Member shall take part in the day-to-day management of the business of, or transact any business for, the Company, or perform or exercise any right, power or duty which would deprive such Member of limited liability company status or limited liability under the Applicable California Law, including the California Revised Uniform Limited Liability Company Act, and no Member shall have the power to sign for or bind the Company in any manner whatsoever. No Member is obligated to make any Capital Contribution beyond his or her initial Capital Contribution, and no Member shall be personally liable for the debts and obligations of the Company. No salary shall be paid to any Member, nor shall any Member have a drawing account. No Member shall perform any act which is detrimental to the best interests of the Company or which would make it impossible to carry on the ordinary business of the Company. Each Member shall provide their Social Security

Number (SSN) or a Taxpayer Identification Number (TIN) or proof of application for SSN or TIN to the Manager upon request. Each Member recognizes that a SSN or TIN is required by the United States Government to ensure proper crediting of the withholding tax when reporting income for each Member to the Internal Revenue Service. Failure to properly provide this information may result in a withholding of the issuance of a Certificate of Membership to a Member not complying with this provision or the withholding of an annual interest distribution until such information has been provided to the Manager in the event that a Member has ultimately been accepted as a Member of the Company.

Section 7.02 Approval Rights of the Members. Notwithstanding anything in Article VI, the Members shall have the right to vote on those matters set forth below in this Section 7.02. The approval of the Majority-in-Interest of the Members shall be required for the following:

(a) any change in the policy or nature of the Company's business as stated in Article III; and

(b) the liquidation, dissolution, or termination of the Company, as set forth in Article X hereof.

(c) the sale, lease, exchange, or disposing of all, or substantially all, of the Company's property, with or without the goodwill, outside the ordinary course of the Company's activities.

(d) removal of a Manager and appointment of a new Manager for the Company.

(e) amending the Articles of Organization of the Company.

Each Member agrees that, except as otherwise specifically provided in this Agreement and to the extent permitted by Applicable California Law, for purposes of granting the approval of the Members with respect to any proposed action of the Company, the written approval of a Majority-in-Interest binds the Company and each Member, and it has the same legal effect as the written approval of each Member.

Section 7.03 Annual Meetings and Advice of Members. Although not required by this Agreement, the Company may hold annual meetings at the place and time selected by the Manager. Members may participate in any meeting, and will be deemed to be present in person at the meeting, through the use of any means of conference telephones, web conferencing, or similar communications equipment, as long as all Members participating can hear one another. At such meetings, the Members may consult with and advise the Manager with respect to the financial matters and operation of the business of the Company.

In addition to the foregoing, a meeting of the Members may be called by the Manager or by Members holding more than fifty percent (50%) of the Membership Interests held by the Members for any matters on which the Members may vote under this Agreement or to consult with and advise

the Manager with respect to the financial matters and operation of the business of the Company.

Furthermore, as provided in Article XII, the Manager shall provide reports to the Members regarding the business and investment of the Company to the extent required under the California Revised Uniform Limited Liability Company Act.

Section 7.04 EB-5 Jobs. EB-5 Program rules require creation of not less than ten (10) full-time jobs per EB-5 investor. These jobs created by the Company, as a result of the Term Loan, will be allocated to each Member based on a "deposited-first" priority allocation method. The priority of Members is determined by the date and time on which the Member deposits the Subscription Amount into the capital account ("capital account deposit date"). Each Member will be allocated EB-5 Jobs based on his or her capital account deposit date relative to the capital account deposit dates of other Members. The Member with the earliest capital account deposit date will be the first to be allocated ten EB-5 Jobs. This process continues until all EB-5 Jobs have been allocated. There is no assurance that the Term Loan will generate enough EB-5 Jobs for all Members. In order to confirm the capital account deposit date, the Subscriber must deposit the full Subscription Amount into the designated capital account.

ARTICLE VIII: TRANSFERABILITY OF COMPANY INTERESTS

Section 8.01 Assignment of Membership Interests.

(a) **Transfer of Interest.** Subject to Sections 8.01(c), 8.01(d), 8.02 and 8.09 of this Agreement, a Member may sell, transfer, or otherwise assign its Membership Interest as a Member by a duly executed written instrument of assignment, provided that the terms of such instrument are first approved by the Manager, which approval may be withheld in the Manager's sole discretion, and are not in contravention of any of the provisions of this Agreement or any EB-5 Program rules and regulations. Any assignee of a Membership Interest (whether or not such assignee becomes a Substitute Member) who desires to make further assignments of such Membership Interest shall be subject to all of the restrictions on the transferability of such Membership Interest contained herein. Unless an assignee becomes a Substitute Member pursuant to Section 8.02 hereof, it shall not be entitled to any of the rights granted to a Member hereunder other than the right, unless prohibited by Section 8.01(b), to receive all or part of the share of profits, gains, losses, and distributions to which its assignor would otherwise be entitled.

(b) **Rights of Assignee.** An assignee of record shall be entitled to receive distributions of Cash Flow from Operations, distributions of Cash Flow from Return of Investments, distributions on liquidation of the Company, and allocations of profits and losses attributable to the Membership Interest acquired by reason of such assignment from and after the effective date of the assignment of such Membership Interest to it. However, anything herein to the contrary notwithstanding, the Company and the Manager shall be entitled to treat the assignor of such Membership Interest as the absolute owner thereof in all respects, and shall incur no liability for allocations of profit, loss, or distributions which are made in good faith to such assignor, until such time as the conditions set forth in Section 8.01(c) have been met and the duly executed written instrument of assignment has been delivered and approved as set forth in Section 8.01(a). Provided the Company has actual notice

of an assignment of the Membership Interest, the effective date of such assignment on which the assignee shall be deemed an assignee of record shall be the last day of the month of receipt and approval of the written instrument of assignment by the Company, unless the Manager agrees to accept some other effective date.

(c) **Restrictions on Transfer.** No sale, transfer, assignment, pledge or other disposition of all or any part of a Membership Interest in the Company (whether voluntary, involuntary or by operation of law) may be made unless all of the following conditions have been satisfied:

(i) no such sale, transfer, assignment, pledge, or other disposition shall be made without the prior written consent of the Manager, which may be withheld in the Manager's sole discretion or granted on such terms as the Manager determines in its sole discretion;

(ii) no such sale, transfer, assignment, pledge or other disposition shall be made which, in the opinion of counsel to the Company, may result in the termination of the Company for the purposes of Section 708 of the Code;

(iii) no such sale, transfer, assignment, pledge or other disposition shall be made where the assignor and assignee agree in connection therewith that the assignor shall exercise any residual powers remaining in it as a Member in favor of or in the interest or at the direction of the assignee;

(iv) no such sale, transfer, assignment, pledge or other disposition shall be made to a minor or incompetent;

(v) no such sale, transfer, assignment, pledge or other disposition shall be made unless is complies with the applicable provisions of the Applicable Securities Laws and if, in the opinion of counsel to the Company, such assignment may not be effected without registration under the Applicable Securities Laws;

(vi) no such sale, transfer, assignment, pledge or other disposition of any Member's Membership Interest shall be made until after the removal of the condition on the Member's permanent residence status or that would violate any EB-5 Program rules or regulations;

(vii) the assignee, if requested by the Manager, presents an opinion of counsel, acceptable to counsel to the Company, that such assignment will not adversely affect the status of the Company as a partnership for federal income tax purpose; and

(viii) in the case of a purchase by the Company of a Member's Membership Interest, the purchase price may not exceed the fair market value of the Membership Interest, as determined by an impartial appraisal, and shall not be predetermined prior to the time of such purchase.

(d) **Prohibited Transfer.** Any assignment, sale, exchange, transfer, or other disposition in contravention of any of the provisions of this Section 8.01 or any other applicable laws, rules, regulations, orders, or policies under any governmental agency not mentioned herein, including, but

not limited to, federal or state securities laws, the EB-5 Program, or the Code, shall be void and ineffectual, and shall not bind or be recognized by the Company.

Section 8.02 Absolute Discretion of Manager as to Substitution of Member. No Member shall have the right to substitute an assignee as a Member in its place without the written consent of the Manager, which consent may be withheld in the Manager's sole discretion. Additionally, in no event shall an assignee become a Substitute Member in place of his or her assignor unless all of the following conditions are first satisfied:

(a) the assignor and assignee shall have executed and acknowledged a written instrument of assignment, in a form reasonably satisfactory to the Manager, and shall have filed such instrument with the Company, which instrument shall specify, among other things, the Membership Interest being assigned, and confirmation of such Substitute Member to be bound by all the terms and conditions of this Agreement with respect to the Membership Interest acquired by such Substitute Member;

(b) the assignor and assignee have represented that such transfer was made in accordance with all applicable laws and regulations;

(c) all necessary governmental consents have been obtained in respect of such transfer;

(d) the assignor and assignee shall have executed and acknowledged such other instruments as the Manager may deem necessary or desirable to effect such substitution including the written acceptance and adoption by the assignee of the provisions of this Agreement; and

(e) the provisions of Sections 8.01(c), 8.03 and 8.04 of this Agreement are satisfied.

Section 8.03 Payment of Costs and Expenses; Indemnification. All costs and expenses incurred by the Company in connection with the assignment of a Membership Interest, and/or the substitution of an assignee as a Substitute Member, including attorneys' fees and expenses, any filing fees, and publishing costs, shall be pre-paid by the assigning Member, or if not paid by it, then by the assignee. In addition, the transferring Member and such transferee must indemnify the Company and Manager in a manner satisfactory to the Manager against any losses, claims, damages, or liabilities that the Company or Manager may become subject to based on any false representation or warranty made by, or breach or failure to comply with, any agreement of such transferring Member or such transferee in connection with such transfer.

Section 8.04 Substitute Members Bound. Each person who becomes a Member in the Company by becoming a Substitute Member shall, and does hereby agree to, be bound by the provisions of this Agreement and does hereby ratify and agree to be bound by all prior action taken by the Company.

Section 8.05 No Buy or Sell Options. The Members do not have a sell or buy option concerning the transfer of a Membership Interest.

Section 8.06 Prohibition of Redemption. The Company is not obligated to redeem or purchase a Member's Membership Interest at any time, under any circumstances, or based on any particular price.

Section 8.07 Admission of Members Acquiring Units. Each Member subscribing to a Unit in connection with the Offering shall be admitted upon (i) the approval of the Member's I-526 Petition (if applicable) and W-8BEN IRS Form and Individual Taxpayer Identification Number (ITIN), or the approval of an I-526 Exemplar Petition for the project by the USCIS, or when any one (1) or more I-526 petitions have been approved by USCIS, or the written approval of the Manager authorizing the admission of the Member to the Company, and (ii) the funding of the Company's Subscription Price.

Section 8.08 Limited Right of Withdrawal by a Member. Except as provided below, a Member may not withdraw from the Company prior to its termination:

(a) In the event that a Member has not filed their I-526 petition such that the delay may cause the Member and/or the Company harm, the Manager reserves the right to remove the Member and refund their capital contribution ($500,000) and administrative fee ($50,000), minus a $5,000 deduction, or

(b) Upon written notification that a Member's I-526 Petition has been denied by USCIS, the Company shall use its best efforts to find a replacement Investor. If and only if a replacement investor is found the following will occur: The initial Capital Contribution of $500,000 shall be returned to the Investor by the Company. The Administrative Fee of $50,000 shall be returned to the Investor by the Manager, minus a $5,000 deduction. If Manager determines that the I-526 Petition was denied due to intentional misrepresentation or fraud on account of the Investor, then the entire Administrative Fee shall be deducted from Investor's refund to cover legal fees and other expenses in connection with the denied I-526 Petition. If a replacement investor is not found, then the Investor is irrevocably in the Company under the terms of the Operating Agreement, and Investor's Subscription Amount will not be returned, or

(c) Upon the death or incompetency of an individual Member, such Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of such Member's rights for the purpose of settling such Member's estate or administering such Member's property.

Section 8.09 Refusal of Registration. The Company shall refuse to register any transfer of a Membership Interest unless the transfer is made in accordance with the Agreement, Regulation S as promulgated by the Securities Exchange Commission, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration. Substitute Members may be admitted to the Company subject to the provisions of this Section 8.09, pursuant to the provisions of Article VIII hereof.

Section 8.10 Transfers During a Fiscal Year. If any transfer of a Membership Interest

occurs at any time other than the end of the Company's Fiscal Year, then the distributive shares of the various items of Company income, gain, loss, and expenses as computed for tax purposes and the related cash distributions shall be allocated between the transferor and transferee on a basis consistent with applicable requirements under the Code.

ARTICLE IX: EXPENSES, REIMBURSEMENTS, AND FEES

Section 9.01 Formation and Offering Expenses. In accordance with Section 4.03 hereof, the Administrative Fee shall be transferred to the Administrative Expense Account and shall be used by the Manager to pay for (i) the expenses incurred in connection with the formation of the Company and the Offering of the Units, including but not limited to legal and promotional fees, including a "finders' fee", and (ii) the legal fees to be incurred in connection with the preparation of Company related documents that Members and/or their respective legal counsel may reasonably request for submission of their respective applications for classification as an alien entrepreneur with the USCIS. The Members agree that in no event will any portion of the Administrative Fee be used for legal fees incurred by a Member for services performed by such Member's separate counsel for immigration or other matters. In addition, no portion of any Member's initial Capital Contribution shall be used to pay for the expenses described in this Section 9.01.

Section 9.02 Company Expenses. The Members acknowledge and agree that beyond the initial formation and Offering expenses set forth in Section 9.01 hereof, the Company anticipates incurring day-to-day expenses to operate the business of the Company ("***Operating Expenses***" or "***Company Expenses***"). Such expenses include, but are not limited to the following:

(a) Out-of-pocket costs of the administration of the Company, including accounting, audit, tax return preparation and legal expenses, costs of holding any Company meetings, costs of any liability insurance obtained on behalf of the Company and/or the Manager with respect to any indemnified party, costs associated with the maintenance of books and records of the Company, and costs associated with the preparation and distribution to the Members of checks, financial reports, and other Company-related information;

(b) Expenses incurred in connection with the registration, qualification, or exemption of the Company under any applicable laws;

(c) Expenses incurred in connection with the preparation of modifications to this Agreement or the Articles;

(d) Expenses incurred in monitoring the Company;

(e) Subject to any applicable provisions of this Agreement, expenses incurred in connection with any litigation involving the Company and the amount of any judgment or settlement paid in connection therewith;

(f) Expenses associated with brokerage commissions and other investment costs incurred by or on behalf of the Company and paid to third parties

(g) Expenses incurred in connection with the dissolution and liquidation of the Company;

(h) Expenses incurred on account of taxes, fees, or other governmental charges of the Company

(i) All other expenses of the Company that are not normally recurring operating expenses.

In accordance with Section 6.07, such day-to-day expenses incurred in the ordinary course of business of the Company shall be paid by the Manager from the Administrative Expense Account or any other funds or assets of the Company determined by the Manager in its sole discretion to be available for such purposes; provided, however, that under no circumstances shall the expenses described in Sections 9.02 and 9.03 hereof be paid by the Manager. In addition, under no circumstances may Capital Contributions by Members be used to pay Company Expenses. To the extent that the Manager or its affiliates on behalf of the Company pay any Company Expenses from their own finances, they are entitled to reimbursement from the Company.

Section 9.03 Extraordinary Expenses. Notwithstanding any contrary provision, the Company shall be responsible for expenses of the Company incurred outside of the ordinary course of business of the Company, including, but not limited to, legal fees, litigation costs, audits by outside agencies, audits conducted pursuant to Section 12.01 herein, natural disasters, economic disruption, theft or fraud by third parties, costs incurred to recover any investment funds due and owing the Company, and other extraordinary expenses incurred outside the ordinary course of business. Such foregoing expenses shall be paid directly by the Company and the Company shall not look to the Manager to pay such expenses.

Section 9.04 Manager Expenses. The Manager is responsible for and must pay all Manager expenses, which include all administrative and overhead expenses associated with the operation of the Manager for the services provided by the Manager to the Company. Manager expenses are not accounted for as contributions to or income of the Company and do not affect any Member's Capital Account. Such payments do not constitute Capital Contributions for purposes of this Agreement.

Section 9.05 Management Fee. The Members agree that any remaining amounts from the Administrative Expense Account not used for any of the above expenses shall be given to the Manager as a Management Fee for compensation of Manager's services after winding up of the Company.

ARTICLE X: DURATION AND DISSOLUTION OF THE COMPANY

Section 10.01 Dissolution. The death, legal incompetence, liquidation, dissolution, bankruptcy, or withdrawal of any Member shall not dissolve the Company. The Company shall be dissolved upon the earlier of (i) the expiration of the term of the Company as provided in Section 2.04 or (ii) the occurrence of any of the following:

(a) the sale or disposition of all or substantially all of the Company assets, or all investments made by the Company, no longer remain outstanding and the Members seek to vote to dissolve the Company. Notwithstanding the consent of the Manager to dissolve the Company, approval by the Manager as to any dissolution of the Company will be withheld absent approval in the manner provided above by all Members and the distribution of the proceeds thereof to the Members so long as the dissolution occurs after a period of the full term of each investment from the Effective Date and is approved by the Manager;

(b) the consent of the Manager and the affirmative vote of the Majority-in-Interest of the Members; provided, however, that the Members agree that the Manager shall not vote or consent to a dissolution if such dissolution would be inconsistent with the business and objectives of the Company as set forth in Article III hereof;

(c) the death, legal incompetence, resignation, withdrawal, liquidation, dissolution, or bankruptcy of a Manager, unless the Company is continued in accordance with Section 10.02 hereof;

(d) the removal of the Manager and the election of the Members to dissolve the Company in accordance with Section 6.04 hereof;

(e) upon an event which makes it unlawful for the Company to continue to conduct its business; or

(f) the entry of a decree of judicial dissolution in accordance with the California Revised Uniform Limited Liability Company Act.

Notwithstanding any contrary provision, dissolution of the Company shall not be effectuated as long as the Company maintains public or private sector investments within the Regional Center.

Section 10.02 Election to Continue. Upon the occurrence of any event that results in the Manager ceasing to be Manager of the Company (a "***Governing Occurrence***"), the Company shall be dissolved unless a Majority-in-Interest of the Members elects to continue the business of the Company in accordance with the terms of this Agreement upon the selection, effective as of the date of the Governing Occurrence, by a Majority-in-Interest of the Members, of a new Manager within ninety (90) days of the Governing Occurrence. In the event of a Manager's death, legal incompetence, resignation, withdrawal, liquidation, dissolution, or bankruptcy and the Company is continued pursuant to this Section 10.02, the Manager's Membership Interest shall be purchased by the Company for the purchase price set forth in, and otherwise in accordance with, Section 6.05(b) hereof.

Section 10.03 Winding Up. Upon dissolution under Section 10.01, the Company shall not conduct any further business except taking such action as shall be necessary for the winding up of the affairs of the Company and the distribution of its assets to the Members pursuant to the provisions hereof; provided, however, that if the dissolution is caused by removal, death, legal incompetence, resignation, withdrawal, liquidation, dissolution, or bankruptcy of the Manager (and no Manager is substituted), such Person or Persons as the Majority-in-Interest of Members shall designate as a liquidator (hereinafter, in the event, referred to as the "***Liquidator***"), who shall act as liquidating trustee and immediately proceed to wind up and terminate the business and affairs of the Company. During the winding up and liquidation of the Company, the Company shall bear all Company Expenses, and the Liquidator or Manager is entitled to reimbursement from the Company for any such costs and expenses paid by it of its affiliates on behalf of the Company.

Section 10.04 Sale of Company Assets. Upon dissolution, the Manager or Liquidator, as the case may be, shall sell such of the Company assets as it deems necessary or appropriate. In lieu of the sale of any or all of the Company property, the Manager or Liquidator, as the case may be, may convey and assign all or any part of the Company property to the Members in undivided interests as tenants in common or such other form of similar ownership as shall be applicable to the jurisdiction where the property is located. A full accounting shall be made of the accounts of the Company and each Member thereof and of the Company's assets, liabilities, and income, from the date of the last accounting to the date of such dissolution. The net profits and net losses of the Company shall be determined to the date of dissolution and allocated, as provided in Article V, to the respective Capital Accounts of the Members. In accounting for distributions of Company property, such property shall be valued within 5% of the fair market value at the date of dissolution as determined by the most recent Real Estate Market Report and in the Manager's sole discretion, secured by the Manager or Liquidator, as the case may be, except that no value shall be placed upon the firm name or goodwill of the Company. Any difference between the valuation of the Company property and its book value shall be considered as though it represented net profit or net loss, and shall be allocated to the Capital Accounts of the Members as though it represented net profit or net loss, in accordance with Article V. Any gain or loss on disposition of Company property shall be credited or charged to the Capital Accounts of the Members in the same manner as the difference between the valuation of Company property and its book value.

Section 10.05 Distribution of Assets. The Manager or Liquidator, as the case may be, shall apply the remaining Company assets, in the following order of priority:

(a) First, to pay any Management Fee due the Manager after accounting for all expenses and fees related to the Company, including expenses related to the winding down of the company.

(b) Second, to the payment and discharge of, or reservation for, all of the Company's debts and liabilities to third parties and to the Manager but not any of the Members, and the expenses of dissolution and winding up, in the order or priority as provided by law;

(c) Third, to the payment to a fund for contingent liabilities to the extent deemed reasonable by the Manager or Liquidator, as the case may be;

(d) Fourth, the payment and discharge of any loans made by the Members to the Company, including all interest thereon; and

(e) Fifth, to the Members to the extent of and in proportion to their respective remaining positive Capital Accounts after taking into account the allocations of net profit or net loss, and prior distributions of cash or property pursuant to Article V, until the Capital Accounts are reduced to zero (0).

(f) Sixth, 50% to the Members pro rata in proportion to their respective Percentage Interests, and 50% to the Manager.

Section 10.06 Return of Capital Contributions. The Members shall look solely to the assets of the Company for the return of their Capital Contributions, and if the Company property remaining after the payment or discharge of the debts, obligations, and liabilities of the Company is insufficient to return the Capital Contributions made by the Members, the Members shall have no recourse therefore against the Manager or Liquidator, as the case may be. The entitlement to any such return at such time is limited to the value of the Capital Account of the Member, and the Manager is not liable for the return of any such amounts. Furthermore, Members will not have recourse against the Company, the Manager, the Project Company or any of their respective affiliates in the event that the Project Company defaults on the Term Loan. Only the Manager, acting on behalf of the Company, may pursue remedies against the Project Company for any default by the Project Company under the Term Loan Agreement.

ARTICLE XI: ACCOUNTING PROVISIONS

Section 11.01 Fiscal Year. The fiscal year of the Company shall begin on the date of filing of the Articles of Organization of the Company and end on December 31 of the calendar year in which such filing occurs and each subsequent period beginning on January 1 of each calendar year during the existence of the Company and ending on the earlier of December 31 of each such calendar year or the date on which the Company is deemed to have been dissolved pursuant to the provisions of Article X of this Agreement.

Section 11.02 Company Elections. In the case of a distribution of property made in the manner provided in Section 734 of the Code, or in the case of a transfer of a Membership Interest permitted by this Agreement made in the manner provided in Section 743 of the Code, the Manager, on behalf of the Company, shall file an election under Section 754 of the Code in accordance with the procedures set forth in the applicable Treasury Regulations.

ARTICLE XII: REPORTS TO MEMBERS

Section 12.01 Reports. All financial reports provided to Members pursuant to this Article XII shall be prepared in accordance with U.S. generally accepted accounting principles. Any Member shall have the right to private audit of the Company's books or accounting, provided that such audit is made at the expense of the Member desiring as such and after due and reasonable written notice to the Manager. All Company tax returns, Member's schedules, and other reports shall be at the expense of the Company, and the Manager may elect to provide such reports via electronic mail, posting on a secure website, or other electronic means; provided that, upon any Member's written request, the Manager shall mail a hard copy of any report to such Member.

Section 12.02 Employment Verification. The Company shall make commercially reasonable efforts to provide copies of employment records and employment data for the geographic area covered by the Regional Center to Members for use in the Member's immigration application. The Company may provide documents as required using reasonable methodologies to prove job growth caused by the Company's activities and/or investments.

Section 12.03 Company List. The Manager shall maintain a list of the names and addresses of all Members at the office of the Manager. Such list shall be made available for the review of any Member or its Authorized Representative at any reasonable time upon adequate written notice.

Section 12.04 Access. The Members and/or their Authorized Representative shall be permitted access to all records of the Company after adequate written notice, at any reasonable time. Such access shall also extend to a website, not yet created but contemplated to be composed of pictures of construction developments at the Project's site. By a separate agreement, the Project Company has agreed to provide view-only access to the account containing the invested funds. Such view-only access shall only provide the Company with a statement of a current balance and any credits or debits made to the Project Company's account. Further, by the same separate agreement, the Project Company shall provide a monthly expenditure report reflecting that the General Contractor has only withdrawn 5% of Project Company's account per month.

Section 12.05 Audited Reports. The Manager, in its sole discretion, may cause the books of account and records of the Company to be audited as of the end of any Fiscal Year by the Company's independent certified public accountants.

Section 12.06 Annual Financial Statements. Within ninety (90) days following the end of each Fiscal Year, the Manager shall provide: (a) unaudited, consolidated financial statements for the Company, and (b) a performance assessment of the Company's investment(s).

Section 12.07 Schedule K-1. The Manager must use commercially reasonable means to prepare or cause to be prepared and transmit, as soon as practicable after the end of each Fiscal Year, a United States federal income tax For K-1 for each Member. The Manager must provide such materials to (a) each Member and (b) each former Member who may require such information in preparing its Federal income tax return.

Section 12.08 Company Tax Returns. The Manager must cause to be prepared and timely

filed all tax returns required to be filed for the Company. The Manager may, in its sole discretion, make, or refrain from making, any income or other tax elections for the Company that it deems necessary or advisable, including any election pursuant to Section 754 of the Code, and must take such action and make any election as may be required to ensure that the Company is classified as a partnership for Federal income tax purposes.

ARTICLE XIII: INDEPENDENT ACTIVITIES; TRANSACTIONS WITH AFFILIATES

Section 13.01 Devotion of Time. The Manager is not obligated to devote all of its time or business efforts to the affairs of the Company. The Manager shall devote whatever time, effort, and skill as it deems appropriate, in its sole discretion, for the operation of the Company; provided, however, that in no event will this Section 13.01 excuse the Manager from performing its express obligations under this Agreement.

Section 13.02 Competing Activities. The Manager and its members, managers, officers, employees, Affiliates, and each of the entities in which any of them hold an interest, may engage or invest in any business activity of any type or description, including, without limitation, those that might be the same as or similar to the Company's business and that might be in direct or indirect competition with the Company. Neither the Company nor any Member shall have any right in or to such other activities or to the income or proceeds derived there from. Neither the Manager nor its members, managers, officers, employees, Affiliates and each of the entities in which any of them hold an interest, shall be obligated to present any investment opportunity or prospective economic advantage to the Company, even if the opportunity is of the character that, if presented to the Company, could be invested in by the Company. The Manager and its members, managers, officers, employees, Affiliates, and each of the entities in which any of them hold an interest, shall have the right to hold any investment opportunity or prospective economic advantage for their own account or to recommend such opportunity to Persons other than the Company. The Members acknowledge that the Manager and each of its members, managers, officers, employees, and Affiliates own and/or manage or may own and/or manage other businesses, including businesses that may compete with the Company and for the Manager's time. The Members hereby waive any and all rights and claims which they may otherwise have against the Manager and its members, managers, officers, employees, Affiliates and the entities in which any of them hold an interest, as a result of any such competitive activities.

ARTICLE XIV: EXCULPATION AND INDEMNIFICATION OF THE MANAGER AND OTHERS

Section 14.01 Liability of Manager. To the fullest extent permitted under the Act, the Manager (and its members, managers, officers, employees, attorneys, and other representatives) shall not be liable to the Company or to the Members for any act or omission performed in good faith and within what was believed to be the scope of Company business, unless such Manager (or its members, managers, officers, employees, attorneys or other representatives) shall have committed a

material violation of the provisions of this Agreement, gross negligence, or willful misconduct.

Section 14.02 Indemnification. To the fullest extent permitted under the California Revised Uniform Limited Liability Company Act, the Company shall indemnify, hold harmless, and defend the Manager (and its members, managers, officers, employees, attorneys, and other representatives) against any and all claims, actions, demands, costs, expenses (including attorneys' fees), damages, and losses as a result of any allegation, claim, or legal proceeding relating to any act performed or omission made concerning the activities of the Company, including, without limitation, any act or omission concerning the immigration laws, federal income tax laws, and security laws as they relate to the Company and its activities, unless the person or party against whom any such allegation or claim is made, or legal proceeding directed, committed a material violation of the provisions of this Agreement, fraud, gross negligence, or willful misconduct. The indemnification of the Manager (and its members, managers, officers, employees and other representatives), shall be limited to and recoverable only out of the assets of the Company. Members will not be individually obligated with respect to such indemnification beyond their respective Capital Contributions. The Manager may cause the Company to purchase, at the Company's expense, insurance to cover the Manager or any other indemnified party against liability for any breach or alleged breach of their fiduciary or similar responsibilities.

ARTICLE XV: ASSURANCES

Section 15.01 Execution of Documents by Members. Each Member agrees to execute all such certificates and other documents conforming hereto and to do all such filing, recording, publishing and other acts as they may be deemed by the Manager to be appropriate to comply with the requirements of applicable law for the formation and operation of a limited liability company and any amendment or cancellation of any certificate thereof in all jurisdictions where the Company shall conduct business.

Section 15.02 Filing of Documents by the Manager. The Manager shall promptly execute, acknowledge, file with the proper offices and publish in each jurisdiction in which the Company conducts business, such notices, articles, statements or other instruments as may be necessary or appropriate to comply with the requirements for the formation and operation of a limited liability company under the laws of the State of California and all other jurisdictions in which the Company may conduct business.

ARTICLE XVI: AMENDMENTS

Except as provided in Section 6.06, this Agreement shall not be amended except by the affirmative vote of a Majority-in-Interest of Members; provided, however, that any provisions affecting a Member's obligation to make Capital Contributions, its Capital Account, or its Unreturned Capital Contribution shall not be amended without such Member's written consent. If this Agreement is amended, each Member agrees to promptly execute or cause to be executed one or more amendments to this Agreement and such certificates to reflect the adoption by the Company of any such amendment of this Agreement as may be required by the laws of the jurisdictions in which

the Company does business at such time and amendments can be in the form of fax, e-mail or written communication.

ARTICLE XVII: POWER OF ATTORNEY

Section 17.01 Appointment of Manager. Each Member does hereby constitute and appoint the Manager, and any successor thereto, with full power of substitution, as its true and lawful attorney and agent, with full power and authority in its name, place and stead to execute, swear to, acknowledge, deliver, file, publish and record on its behalf (i) one or more certificates of limited liability company as may be required under applicable law; (ii) all instruments (including, without limitation, amended certificates and amendments to this Agreement) which the Manager deems appropriate or necessary to reflect any amendment, change or modification of the Company in accordance with the terms of this Agreement, or as required by applicable law; (iii) certificates of fictitious or assumed name; (iv) all certificates and other instruments and all amendments thereto which the Manager deems necessary to qualify, or continue the qualification of, the Company as a limited liability company wherein the Members have limited liability in the jurisdiction in which the Company may conduct business; (v) all conveyances and other instruments or documents which the Manager deems necessary to reflect the acquisition, disposition or exchange of any assets of the Company, or dissolution and termination of the Company pursuant to the terms of this Agreement; and (vi) any amendments to this Agreement or Exhibit A, amended Articles of Organization and other documents which relate to the transfer of Membership Interests or the admission of Substituted or Additional Members, or the withdrawal of Members pursuant to the terms of this Agreement.

Section 17.02 Survival of Power of Attorney. The foregoing Power of Attorney is hereby declared to be irrevocable and a power coupled with an interest, and (to the extent permitted by Applicable Law) it shall survive the incapacity of a Member or, if such Member is a corporation, partnership, trust, or association, the dissolution or termination thereof. The foregoing Power of Attorney may be exercised by the Manager by reference to any list, including Exhibit A, of the Members with the single signature of such attorney-in-fact acting as attorney-in-fact for all of them. It shall survive the delivery of any assignment by a Member of its interest until the assignee is approved for admission as a Substituted Member. Each Member hereby agrees to be bound by any representations made by the Manager and any successor thereto, acting in good faith pursuant to such Power of Attorney, and each Member hereby waives any and all defenses which may be available to contest, negate, or disaffirm the actions of the Manager, and any successor thereto taken in good faith under such Power of Attorney.

ARTICLE XVIII: MISCELLANEOUS

Section 18.01 Notices. All notices, requests, and other communications to any party hereunder must be in writing and must be given to such party at its address or contact details provided in the applicable Subscription Documents or such other address or contact details as such party may hereafter specify. Each such notice, request, or other communications shall be considered as properly given or made if hand delivered or mailed from within the United States by first class

mail, postage prepaid, and addressed to a Member or its authorized legal agent at the address of the Member indicated in this Agreement, as changed from time to time by giving such notice to all Members. Commencing on the tenth (10^{th}) day after the giving of such notice such newly designated address shall be such Member's address for the purpose of all notices or other communications required or permitted to be given pursuant to this Agreement. Notices to the Company shall be deemed made if given to the Manager. Time periods shall commence on the date of hand delivery or mailing of a notice or any other communication. Any notice which is required to be given within a stated period of time shall be considered timely if postmarked before midnight of the last day of such period.

Section 18.02 Headings and Construction. The headings herein are inserted only as a matter of convenience and reference and in no way define, limit or describe the scope of this Agreement, or the intent of the provisions thereof. In the event an ambiguity or question of intent arises, the Members intend that this Agreement be construed as if drafted jointly by the Members and that no presumption arise favoring or disfavoring any Member by virtue of the authorship of any of the provisions herein. Any reference to any federal, state, local, or foreign law is deemed to also refer to all rules and regulations promulgated thereunder, unless the context suggests otherwise. The word "includes" means includes without limitation.

Section 18.03 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns, except as otherwise expressly provided herein.

Section 18.04 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument.

Section 18.05 Interest Held for Investment. Each Member does hereby represent and warrant by the execution of this Agreement that (A) its Membership Interest was obtained for investment purposes only and not for resale of distribution, (B) it is qualified by its personal experience to analyze the merits and risks of a contribution to the Company, and (C) it has not relied on the advice of the Manager, or its legal counsel in making its decision to contribute to the Company and become a Member herein.

Section 18.06 Securities Laws Restrictions. The Membership Interests described in this Agreement have not been registered under the Applicable Securities Laws. Consequently, the Membership interests may not be sold, transferred, assigned, or otherwise disposed of, except in accordance with the provisions of the Applicable Securities Laws and this Agreement.

Section 18.07 Waiver of Partition. Each Member (and its representatives, successors and assigns) hereby irrevocably waives any and all right to maintain any actions for partition or to compel any sale with respect to any assets or properties of the Company.

Section 18.08 Entire Agreement. This Agreement contains a complete statement of all arrangements among the Parties with respect to the Company and cannot be changed or terminated

orally or in any manner other then as provided in Section 6.05 or Article XVI. Except as set forth in the Subscription Agreement, there are no representations, agreements, arrangements or understandings (including, but not limited to, any payments to any Member hereto), oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed in this Agreement.

Section 18.09 Governing Law. This Agreement and its interpretation are governed by the laws of the State of California.

Section 18.10 Confidentiality. Each Member agrees to keep confidential and not disclose to any person, any information or matter relating to the Company and its affairs, other than disclosure to such Member's Authorized Representatives responsible for matters relating to the Company or to any other person approved in writing by the Manager; provided, however, that such Member and its Authorized Representative may make such disclosure to the extent that the information to be disclosed is publicly known at the time of proposed disclosure, the information otherwise is or becomes legally known to such Member other than through disclosure by the Company or Manager, or such Member is required by law or in response to any governmental agency request to provide the information. Each Member will be allowed, after written notice to the Manager, to correct any false or misleading information about the Member and its relationship to the Company or Manager that becomes public. A Member or its Authorized Representative may also disclose to any and all persons, the tax treatment and tax structure of an investment in the Company and all material of any kind, including tax opinions that are provided to the Member relating to such tax treatment and tax structure. Prior to making any disclosure required by law, the Member or Authorized Representative must use its best efforts to notify the Manager of such disclosure.

[The Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Manager, on its own behalf and on behalf of the Members, executed this Agreement as of the Effective Date, and the Members hereby agree to all of the foregoing.

MANAGER:

Golden State Regional Center, LLC, a California limited liability company

By: _____

Ms. Kai Robinson,
Manager

Appointed Attorney and Agent of Members

Golden State Regional Center, LLC, a California limited liability company

By: _____

Ms. Kai Robinson,
Manager

INVESTOR:

Gangjian Li

Type or print name of Investor

_____

Signature of Investor

12. 8. 2018

Date

EXHIBIT A

MEMBERS' NAMES, ADDRESSES, INITIAL CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS AND COMPANY AND PERCENTAGE INTERESTS

Bay Area Investment Fund II, LLC

	Name and Address	Capital Units	Initial Contribution	Initial Capital Account	Member Interest	Percentage Interest
Manager	Golden State Regional Center, LLC 380 N First Street, San Jose, CA 95112	0	$0.00	$0.00	0%	0%
Members	1)					

EXHIBIT 2

Private Offering Memorandum No. _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Bay Area Investment Fund II, LLC

a California limited liability company

Offering of Membership Interests

Minimum Total Offering: US$500,000 (1 Unit)

Maximum Total Offering: US$12,500,000

(Up to 25 Units of Membership Interest at US$500,000 per Unit)

US$500,000 per Unit

Maximum Number of Investors: 25

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE, ANY UNIT BY OR TO ANY PERSON IN ANY JURISDICTION WHERE SUCH OFFER TO SOLICITATION WOULD BE UNLAWFUL.

August 10, 2015

This Confidential Private Placement Memorandum (this "**Memorandum**") describes the confidential private placement of the securities of **BAY AREA INVESTMENT FUND II, LLC**, a California limited liability company (the "**Company**"). The Company is offering certain qualified persons the opportunity to purchase membership interests in the Company (the "**Membership Interests**") as set forth in this Memorandum.

This Memorandum and any related materials are submitted on a confidential basis for use solely in connection with the offering by the Company of Membership Interests. The acceptance of this Memorandum constitutes agreement on the part of the recipient hereof and its representatives to maintain the confidentiality of the information contained herein. This Memorandum may not be reproduced in whole or in part, and its use for any purpose other than an investment in the Units described herein is not authorized and is prohibited. All dollar amounts contained herein are in currency of the United States.

This Memorandum is being delivered by the Company to assist you in deciding whether to proceed with a subscription for a unit of the Membership Interest being offered. ("**Membership Unit**"). Those persons not purchasing a Membership Unit must immediately return to the Company this Memorandum and any materials provided to Subscribers by the Company in connection with this Memorandum. Except as authorized by the Company or this Memorandum, any distribution of this Memorandum by any person other than the Company, in whole or in part, or the divulgence of any of its contents, is unauthorized and strictly prohibited.

The Company was established to provide a vehicle for foreign investors to invest in the Company while participating in the EB-5 "Immigrant Investor" visa pilot program (the "**EB-5 Program**"). Golden State Regional Center, LLC, a California limited liability company, will be the sole Manager of the Company. The Company will Loan (defined herein) all Capital Contributions (defined herein) to Kawana Meadows Development Corporation (the "**Developer**"). The Loan to the Developer, along with additional bank loans, will facilitate the development, construction, and operation of the Santa Rosa Project (the "**Project**") located at 2800 Petaluma Hill Road, Santa Rosa, CA 95404. The Project consists of construction and operation of residential lots of single and multi-family homes. More specifically, the development will occur on assessor's parcel numbers 044-460-001 to 044-460-071. Through this Job Creating Activity, the Company intends to instill economic growth and job opportunities for the local area.

The private offering covered by this Memorandum (the "**Offering**") is for a maximum offering of US$12,500,000. The Offering covered by this Memorandum, consisting of up to 25 Units of Membership Interest in the Company (the "**Units**"), will be available at the subscription rate of US $500,000 per Unit (without any fractional interest), subject to the Minimum Investment Requirement (as defined in the section "**Minimum Investment Requirement**"), for each Subscriber, and consummated only with persons who have delivered, by the Offering Termination Date (as defined in the section "**Offering Termination Date**"): (a) a fully executed Subscription Agreement (the "**Subscription Agreement**") along with the Subscription Payment; (b) a fully executed signature page to the Operating Agreement (the "**Operating Agreement**"); and (c) a fully completed and signed Investor Questionnaire and Acknowledgment form ("**Investor Questionnaire**").

Upon satisfaction of the conditions described in the section "**Conditions to Release of Funds**", a Subscriber accepted by the Company will be admitted as a Member pursuant to the terms of the Operating Agreement. The terms of the Offering and the rights and obligations of the Units have been designed specifically for investors seeking permanent resident status in the United States based on an investment in the Company under the EB-5 Program.

The Offering will terminate on the earliest of the date the Company determines that (i) all Membership Units have been subscribed to in the manner acceptable to the Company, (ii) decides to accept subscriptions for less than all Membership Units, or (iii) twelve months from the date of the first Subscription, unless extended at the sole and absolute discretion of the Company (See "**Offering Termination Date**"). The Company may accept any amount of subscriptions up to the maximum offering amount.

Subscriber's funds, as received by the Company, will be deposited with Wells Fargo Bank at 1705 N 1st St, San Jose, CA 95112, in an Investment Holding Account, without interest. On closing and approval of each Subscriber's I-526 petition for an Immigrant Investor, approval of an I-526 Exemplar Petition for the Company, or the Manager's acceptance of the Subscriber into the Company, the funds held on account of such Subscriber will be claimed by the Company. Alternatively, if the Offering is terminated without acceptance of any subscriptions, then amounts deposited into the account will be refunded to all Subscribers without interest or deduction.

In the event that a Member has not filed their I-526 petition such that the delay may cause the Member and/or the Company harm, the Manager reserves the right to remove the Member and refund their Capital Contribution ($500,000) and Administrative Fee ($50,000), minus a $5,000 deduction. Upon written notification that a Member's I-526 Petition has been denied by USCIS, the Company shall use its best efforts to find a replacement Investor. If and only if a replacement investor is found the following will occur: The initial Capital Contribution of $500,000 shall be returned to the Investor by the Company. The

Administrative Fee of $50,000 shall be returned to the Investor by the Manager, minus a $5,000 deduction. If Manager determines that the I-526 Petition was denied due to intentional misrepresentation or fraud on account of the Investor, then the entire Administrative Fee shall be deducted from Investor's refund to cover legal fees and other expenses in connection with the denied I-526 Petition. If a replacement investor is not found, then the Investor is irrevocably in the Company under the terms of the Operating Agreement, and Investor's Subscription Amount will not be returned.

The Company may accept or reject any subscription, may cancel the Offering (with respect to those subscriptions that have not closed), or may close the Offering with less than all Membership Interests sold, all in the Company's sole and absolute discretion. The Company reserves the right to elect not to proceed with the Offering without giving you prior notice. There is no guarantee that any of the Units will be sold. The Company will have no legal commitment or obligation to any party reviewing this Memorandum unless the Company agrees in writing.

All initially capitalized terms not defined herein are used as defined in **OPERATING AGREEMENT**.

Please direct any inquiries relating to this Memorandum or the Offering to:

The Company:

Bay Area Investment Fund II, LLC
Attention: Ms. Kai Robinson
380 North First Street
San Jose, CA 95112
Tel: 415-217-9892
Fax: 408-288-6681

THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES. THE SECURITIES OFFERED HEREBY ARE BEING OFFERED AND SOLD PURSUANT TO AN EXEMPTION FROM THE CALIFORNIA CORPORATE SECURITIES LAW OF 1968, AS AMENDED, AND THE SECURITIES HAVE NOT BEEN QUALIFIED WITH THE CALIFORNIA CORPORATIONS COMMISSIONER, PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE CALIFORNIA CORPORATIONS CODE.

THE SECURITIES OFFERED HEREBY ARE BEING OFFERED AND SOLD ONLY TO A LIMITED NUMBER OF QUALIFIED INVESTORS PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SEC REQUIREMENTS AS PROVIDED WITHIN REGULATION S. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH OR APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") OR ANY STATE SECURITIES COMMISSION. FURTHER, NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE COMPLETENESS, ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY OF THE SECURITIES OFFERED HEREBY TO ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION TO SUCH PERSON.

EACH PURCHASER OF SECURITIES OFFERED HEREBY MUST BE A NON-U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR OTHERWISE SATISFY THE ELIGIBILITY CRITERIA OF THE OFFERING. EACH PURCHASER OF THE SECURITIES OFFERED HEREBY WILL BE REQUIRED TO ENTER INTO A SUBSCRIPTION AGREEMENT WITH THE COMPANY TO EFFECT THE SUBJECT INVESTMENT. IN THE EVENT THAT ANY OF THE TERMS, CONDITIONS OR OTHER PROVISIONS OF SUCH SUBSCRIPTION AGREEMENT ARE INCONSISTENT WITH OR CONTRARY TO THE SUMMARY OF OFFERING TERMS SET FORTH IN THIS MEMORANDUM, SUCH AGREEMENT WILL CONTROL.

THIS OFFERING IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND SIMILAR PROVISIONS UNDER STATE SECURITIES LAWS FOR AN OFFER AND SALE OF SECURITIES THAT DOES NOT INVOLVE A PUBLIC OFFERING TO U.S. PERSONS. THE SECURITIES MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AS MORE PARTICULARLY DESCRIBED BELOW.

INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK AS WELL AS SPECIAL CONSIDERATIONS, AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. EACH INVESTOR MUST HAVE SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT SUCH INVESTOR IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF THIS INVESTMENT AND MUST BE ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT. PROSPECTIVE SUBSCRIBERS MUST RELY ON THEIR OWN ANALYSIS OF THE INVESTMENT AND ASSESSMENT OF THE RISKS INVOLVED.

ANY PROJECTIONS INCLUDED IN OR ATTACHED TO THE MEMORANDUM ARE BASED UPON CERTAIN ASSUMPTIONS AND RELATE TO FUTURE EVENTS. THERE IS NO ASSURANCE THAT SUCH ASSUMPTIONS ARE ACCURATE, THAT SUCH EVENTS WILL TAKE PLACE, OR THAT ACTUAL RESULTS EXPERIENCED BY THE COMPANY OR THE SUBSCRIBERS WILL BE SIMILAR.

TRANSFERABILITY OF THE UNITS IS HIGHLY LIMITED AND NO TRADING MARKET EXISTS FOR THE UNITS. IN VIEW OF THE SIGNIFICANT RISK FACTORS AND RESTRICTIONS ON TRANSFER DISCLOSED HEREIN, THE ACQUISITION OF THE SECURITIES OFFERED HEREBY SHOULD BE CONSIDERED ONLY BY INVESTORS WHO CAN BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND CAN AFFORD A TOTAL LOSS OF THEIR INVESTMENT. PROSPECTIVE SUBSCRIBERS SHOULD CAREFULLY REVIEW THE INFORMATION SET FORTH IN THIS MEMORANDUM CONCERNING THE RISK OF INVESTING IN THE UNITS INCLUDING, WITHOUT LIMITATION, THE SECTIONS ENTITLED "RISK FACTORS" AND "CONFLICTS OF INTEREST," BEFORE MAKING ANY SUCH INVESTMENT.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL OR BUSINESS ADVICE. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE INTENDED OR SHOULD BE INFERRED WITH RESPECT TO THE ECONOMIC

RETURN OR THE TAX CONSEQUENCES FROM AN INVESTMENT IN THE COMPANY. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OR HER OWN ATTORNEY AND IMMIGRATION AND BUSINESS ADVISORS AS TO ANY LEGAL, IMMIGRATION, BUSINESS AND RELATED MATTERS CONCERNING HIS OR HER INVESTMENT. PROSPECTIVE INVESTORS ARE URGED TO REQUEST ANY ADDITIONAL INFORMATION THEY MAY CONSIDER NECESSARY IN MAKING AN INFORMED INVESTMENT DECISION.

EXCEPT AS DESCRIBED HEREIN, NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION OR GIVE ANY INFORMATION WITH RESPECT TO THE SECURITIES OFFERED HEREBY, OTHER THAN THE INFORMATION CONTAINED HEREIN, IN ANY SUPPLEMENT TO THIS MEMORANDUM PROVIDED BY THE COMPANY OR THE SUBSCRIPTION AGREEMENT. PROSPECTIVE INVESTORS SHOULD NOT RELY ON INFORMATION OTHER THAN THAT CONTAINED IN THIS MEMORANDUM, ANY SUPPLEMENT TO THIS MEMORANDUM OR THE SUBSCRIPTION AGREEMENT. NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME NOR ANY SALE MADE HEREUNDER WILL, UNDER ANY CIRCUMSTANCES, IMPLY THAT INFORMATION CONTAINED HEREIN IS CORRECT AT ANY DATE SUBSEQUENT TO THE DATE HEREOF.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PROSPECTIVE INVESTORS INTERESTED IN THE PRIVATE PLACEMENT OF THE SECURITIES DESCRIBED HEREIN. ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ITS CONTENTS, IS PROHIBITED.

THIS MEMORANDUM CONTAINS SUMMARIES, BELIEVED TO BE ACCURATE, OF THE MEMBERSHIP INTERESTS AND OF CERTAIN DOCUMENTS RELATING TO THIS OFFERING. REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF THE PARTIES THERETO. ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THIS REFERENCE. FOR THE EXACT TERMS OF ANY SUCH DOCUMENT, PROSPECTIVE SUBSCRIBERS SHOULD EXAMINE THE CORRESPONDING DOCUMENT ATTACHED AS AN APPENDIX TO THIS MEMORANDUM IF SUCH DOCUMENT IS ATTACHED AS AN APPENDIX HERETO, AND MAY, UPON REQUEST TO THE COMPANY, EXAMINE A COPY OF ANY SUCH DOCUMENT THAT IS NOT ATTACHED AS AN APPENDIX TO THIS MEMORANDUM. PROSPECTIVE SUBSCRIBERS MAY OBTAIN ADDITIONAL INFORMATION AND ACCESS TO PERTINENT DOCUMENTATION AS THE COMPANY MAY HAVE OR MAY OBTAIN WITHOUT UNREASONABLE EFFORT OR EXPENSE.

NEITHER THE COMPANY NOR ANY OF ITS REPRESENTATIVES IS MAKING ANY REPRESENTATION TO AN OFFEREE OR PURCHASER OF THE SECURITIES REGARDING THE LEGALITY OF AN INVESTMENT HEREIN BY SUCH OFFEREE OR PURCHASER UNDER APPROPRIATE LEGAL INVESTMENTS LAWS OR SIMILAR LAWS. EACH INVESTOR SHOULD CONSULT WITH HIS OR HER OWN ADVISORS AS TO THE LEGAL, TAX, BUSINESS, FINANCIAL, IMMIGRATION AND RELATED ASPECTS OF A PURCHASE OF THE SECURITIES.

ALL OF THE SECURITIES ARE OFFERED SUBJECT TO PRIOR SALE, SUBJECT TO THE RIGHT OF THE COMPANY TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, FOR ANY REASON AND SUBJECT TO CERTAIN OTHER CONDITIONS SET FORTH HEREIN AND IN THE SUBSCRIPTION AGREEMENT. AT ANY TIME PRIOR TO THE OFFERING TERMINATION DATE, THE COMPANY MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, TERMINATE THE OFFERING (WITH RESPECT TO THOSE SUBSCRIPTIONS THAT HAVE NOT CLOSED) UPON

GIVING WRITTEN NOTICE THERETO TO ALL REMAINING SUBSCRIBERS WHOSE SUBSCRIPTIONS HAVE NOT CLOSED AND RETURNING TO EACH SUCH SUBSCRIBER THE FULL AMOUNT PAID BY SUCH SUBSCRIBER (INCLUDING THE ADMINISTRATIVE FEE) WITHOUT INTEREST. IF THE TOTAL AMOUNT OF ALL SUBSCRIPTIONS SUBMITTED IN RESPONSE TO THE OFFERING AND ACCEPTABLE TO THE COMPANY IS LESS THAN THE TOTAL AMOUNT OF THE OFFERING, THE COMPANY MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, COMPLETE THE OFFERING FOR SUCH LESSER AMOUNT.

EACH PROSPECTIVE INVESTOR IS HEREBY OFFERED THE OPPORTUNITY, PRIOR TO PURCHASING ANY SECURITIES OFFERED HEREBY, TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING AND TO OBTAIN ADDITIONAL RELEVANT INFORMATION, TO THE EXTENT THE COMPANY POSSESSES THE SAME OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE. EACH PROSPECTIVE INVESTOR SHOULD NOT PROCEED WITH SUBSCRIBING FOR THE MEMBERSHIP INTERESTS PRIOR TO OBTAINING ALL INFORMATION THAT WOULD ENABLE THE PROSPECTIVE INVESTOR TO EVALUATE THE FULL MERITS AND RISKS ASSOCIATED WITH MAKING THE INVESTMENT. INQUIRIES CONCERNING SUCH ADDITIONAL INFORMATION SHOULD BE DIRECTED TO THE MANAGER OF THE COMPANY, BY CONTACTING KAI ROBINSON, C/O GOLDEN STATE REGIONAL CENTER, LLC, AT (415) 217-9892.

THE COMPANY MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND CONCERNING WHETHER AN INVESTMENT IN THE COMPANY WILL MEET THE REQUIREMENTS OF THE EB-5 PILOT PROGRAM OR OTHER U.S. IMMIGRATION REQUIREMENTS, AND NO ASSURANCES CAN BE GIVEN THAT AN INVESTMENT IN THE COMPANY WILL RESULT IN AN EB-5 VISA OR CONDITIONAL OR PERMANENT RESIDENT STATUS. MOREOVER, NO ASSURANCE CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY TO THE COMPANY OR THE MEMBERS.

THE PROCEEDS OF THE OFFERING WILL BE RECEIVED AND RECORDED AS A CAPITAL ACCOUNT FOR THE BENEFIT OF SUBSCRIBERS. SUCH PROCEEDS WILL BE USED SOLELY FOR THE PURPOSES SET FORTH UNDER "**SOURCES AND USES OF FUNDS**."

CERTAIN STATEMENTS CONTAINED IN THIS MEMORANDUM ARE "FORWARD-LOOKING STATEMENTS." THESE FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, STATEMENTS ABOUT THE COMPANY'S PLANS AND OBJECTIVES FOR FUTURE OPERATIONS AND USE OF THE PROCEEDS FROM THE SALE OF MEMBERSHIP UNITS AND THE ASSUMPTIONS UNDERLYING THESE STATEMENTS, WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT. THESE FORWARD-LOOKING STATEMENTS ALSO INCLUDE STATEMENTS CONCERNING EXPECTATIONS, INTENTIONS AND ASSUMPTIONS, AND OTHER STATEMENTS THAT ARE NOT HISTORICAL FACTS, WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT. THESE FORWARD- LOOKING STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT MAY CAUSE THE COMPANY'S RESULTS, LEVELS OF ACTIVITY OR PERFORMANCE TO BE MATERIALLY DIFFERENT FROM THOSE EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. WHEN USED IN THIS MEMORANDUM, THE WORDS "MAY," "WILL," "EXPECT," "ANTICIPATE," "INTEND," "PLAN," "BELIEVE," "SEEK," "POTENTIAL," "CONTINUE," "ESTIMATE," OR THE NEGATIVES OF THESE WORDS OR OTHER SIMILAR WORDS OR EXPRESSIONS ARE GENERALLY INTENDED TO IDENTIFY FORWARD-

LOOKING STATEMENTS. BECAUSE THESE FORWARD LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES, ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE PHRASES DO NOT CONSTITUTE WARRANTIES OR GUARANTEES OF ANY KINDS, EXPRESS OR IMPLIED, BUT MERELY REPRESENT THE OPINION OF THE COMPANY BASED UPON THE KNOWN INFORMATION. NEITHER THE COMPANY NOR THE PROJECT INTENDS TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

I. EXECUTIVE SUMMARY

A. The Company

The Company Bay Area Investment Fund II, LLC was organized on January 9, 2012, as a California limited liability company for the objectives described in Section I.B below. The Company's principal place of business is located at 380 N First Street, San Jose, CA 95112. The Manager of the Company is Golden State Regional Center, LLC, a California limited liability company. The Manager's principal place of business is located at 380 N First Street, San Jose, CA 95112.

B. Investment Objectives

The Company was organized as a California limited liability company and seeks to raise capital from foreign investors pursuing lawful conditional and permanent resident status ("**Green Card**") in the United States through the EB-5 Immigrant Investor visa program ("**EB-5 Program**") of the U.S. Citizenship and Immigration Services ("**USCIS**"). Upon raising the capital, the Company will Loan (defined below) all Capital Contributions (defined below) to Kawana Meadows Development Corporation, a California corporation ("**Developer**" or "**Borrower**"). The Loan, along with additional bank loans and the sale of 43 single houses after phase 1, will facilitate the construction and development of the Project.

C. Description of the Property

The Property is located in Santa Rosa, California (Sonoma County). The existing site is comprised of an approximately 31.46 acre parcel. The site is fully entitled and is currently planned for 143 residential units. The property is easily accessible and has high visibility from Petaluma Hill Road.

D. Description of the Project

The Project will be developed into 69 single houses and 74 multi-family houses. Located in the city of Santa Rosa, California, this project will provide much needed residential housing for the surrounding Bay Area. The nature of the proposed project appeals to mostly middle class working professionals.

E. The Developer

The Project will be developed by Kawana Meadows Development Corporation. The principal of the Developer is the Manager, Will Oswald. The construction company is Argonaut Constructors.

Mr. Oswald is an experienced manager with a strong background in project management and development. He began his career as a construction company business manager in 1992 and has worked in the construction industry ever since, accumulating nearly 25 years of experience. Mr. Oswald has been

involved in constructing many buildings throughout the San Francisco Bay Area. Through his endeavors, Oswald decided to develop an efficient back office solution for owners and contractors of all trades. This state of the art system allows contractors and tradesmen to focus on their work, while a team of professionals is managing their business. Thus, he provides an economical solution to the construction industry by offering services that reduce the need for administrative overhead and provide a systematic solution to running administrative and accounting infrastructures. Mr. Oswald has successfully managed dozens of Bay Area construction companies as well as providing high level owner's representation services on projects throughout the US.

Argonaut Constructors is the construction company. For half a century, they have built a sterling reputation as one of Northern California's leading general engineering contractors. Throughout the North Bay, major commercial, industrial, and residential developers as well as City, County, State, and Federal agencies count on Argonaut to handle their most critical infrastructure projects.

Since 1957, Argonaut has performed with distinction on a broad variety of construction projects, ranging from grading and paving to underground pipelines to project management and coordination. They continue to earn the respect of their customers through careful attention to every detail. The consistent, diligent effort ensures that every project gets done on time, and done right the first time.

In 50 years, Argonaut has completed every job contracted. This unblemished track record is a testament to their team of over 200 skilled, hard-working professionals, and their commitment to excellence.

This Offering pertains to partial financing of the Project, including planning, development, construction, and operations costs. As of the date of this Offering, no construction work has commenced on the Project. However, prior to the date of this Offering, certain expenditures have been made and work already completed by the Developer directly and/or through its agents, predecessors, beneficiary owners and/or affiliates, including, among other things, costs associated with acquisition and pre-development planning of the property. These expenditures, however, have not been included in the calculation of job creation resulting from the overall expenditures made on the Project. Thus, the Company believes that the entirety of the EB-5 financing to be obtained from the Investors will qualify for EB-5 job creation purposes.

F. Financing of the Project

The Company anticipates that it will loan all of the Capital Contributions it receives from foreign investor funding to the Developer (the "**Loan**") pursuant to the terms of a Loan Agreement, along with additional bank loans and Developer equity, and the sale of 43 single houses at the end of phase 1, to fund the necessary costs related to the Project. While there is no requirement that the specific funds raised from Investors actually be used to fund the Project, the Developer has committed to expend the Loan it receives from the Company on the EB-5 Project in material compliance with the Project-related EB-5 Business Plan.

II. ELIGIBILITY FOR SUBSCRIPTION TO THE OFFERING

This Offering is limited exclusively to qualified investors who meet certain suitability requirements as set forth in this section. Prospective investors will be required to make representations regarding their income, net worth, knowledge and experience in financial and business matters and certain other matters, including their ability to withstand the loss of the entire investment, in an Investor Questionnaire.

The Units shall be offered and sold only to an individual and/or an entity that is not a "**U.S.**

person," as defined in Rule 902(k) of Regulation S of the Securities Act of 1933 ("**Non-U.S. Person**"). Pursuant to an exemption set forth in Regulation S, the Offering of the Units is not being registered under the 1933 Act. A "**Non-U.S. Person**" shall mean a person who is not any one or more of the following:

a) Any natural person resident in the United States;
b) Any partnership or corporation organized or incorporated under the laws of the United States;
c) Any estate of which any executor or administrator is a U.S. person;
d) Any trust of which any trustee is a U.S. person;
e) Any agency or branch of a foreign entity located in the United States;
f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States;
h) Any partnership or corporation if:
    i. Organized or incorporated under the laws of any foreign jurisdiction; and
    ii. Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.
i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
j) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
    i. An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
    ii. The estate is governed by foreign law;
k) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
l) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
m) Any agency or branch of a U.S. person located outside the United States if:
    i. The agency or branch operates for valid business reasons; and
    ii. The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
n) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

In addition to the above standards, the Company requires that a Subscriber must also be an "Accredited Investor."

An "**Accredited Investor**" shall mean any one or more of the following:

a) a bank, insurance company, registered investment company, business development company, or small business investment company;
b) an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million;
c) a charitable organization, corporation, or partnership with assets exceeding $5 million;
d) a director, executive officer, or general partner of the company selling the securities;
e) a business in which all the equity owners are accredited investors;
f) a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds $1 million at the time of the purchase, excluding the value of the primary residence of such person (for these purposes, the term "net worth" means the excess of total assets over total liabilities");
g) a natural person with income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year; or
h) a trust with assets in excess of $5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

III. TERMS OF THE OFFERING

A. General

The Offering, which consists of up to Twenty Five (5) Membership Units at a per Unit price of US$500,000 ("**Capital Contribution**"), for an aggregate investment of up to US$12,500,000), and which is subject to the Minimum Investment Requirement (defined below), is being offered on a private placement basis to Non-U.S. Persons. The gross proceeds of the Offering of the Membership Units up to the full amount of US$12,500,000 will be used to make the Loan.

Each Subscriber will make a capital contribution at a different time up to the aggregate total maximum Capital Contribution of Twelve Million Five Hundred Thousand Dollars (US$12,500,000). As each Member's Capital Contribution is made, the Percentage Interest of each Member will be recomputed based upon the ratio that the amount of the Capital Contribution of each Member bears to all Capital Contributions made by all Members. The Manager has the right to admit new Members to the Company upon receipt of each new Capital Contribution up to a maximum of 25 Members, without the necessity of receiving the vote of the Members. The Percentage Interests of the Members will be diluted as each new Capital Contribution is made.

The Company will not accept subscriptions for fractional interests of Membership Units, investments in an amount less than US$500,000 per Membership Unit, or investments that do not satisfy the Minimum Investment Requirement. The Company may accept or reject any Subscription. Offers are made only by the Company's delivery of this Memorandum and in a manner which meets the requirements for a non-public offering of securities under Section 4(2) of the Securities Act and the applicable rules and regulations promulgated thereunder and applicable securities laws and regulations of the applicable U.S. state or country.

This Offering is available and sold exclusively outside of the United States to individuals who are

Non-U.S. Persons. Investment in the Membership Units is suitable only for individuals of substantial means who have no need for liquidity with regard to this investment. Investment in the Company involves significant risks and no assurance can be given that the Company will realize its financial objectives or that the Subscriber will obtain a Green Card. Each prospective investor is urged to consult his or her own business and tax advisors before investing in the Company.

The Manager shall endeavor to supply prospective investors and Members with the most accurate and up to date information regarding the Offering. The Manager will take all reasonable steps to confirm that the information included in this PPM does not misstate or omit facts that would be considered material to an investor's investment decision. Thus, the Manager will notify prospective investors and Members of any material changes to the PPM. However, the Manager is not be required to send notice of any change to the PPM that is not material. Information is "material" if a reasonable investor would consider the information important in making an investment decision.

B. Transferability

Transfer of the Membership Units is subject to U.S. federal and state securities laws and the securities laws of any applicable country, the requirements of prior approval of the Manager in accordance with the terms of the Operating Agreement, and other substantial restrictions on transfer set forth in the Subscription Agreement. If a Subscriber is a resident of a country other than the U.S., the transfer of Membership Units also may be subject to the securities laws of the Subscriber's country of residence. Thus, each Investor must also represent and agree that he or she is not acquiring the Units for the account or benefit of any such U.S. person and accepts and acknowledges to be bound by the restrictions on transfer.

C. Plan of Offering

In order to subscribe for a Unit, each prospective Subscriber must deliver to the Company the following documents and payments (collectively, "**Subscription Documents**"):

1. A fully executed Subscription Agreement for the Purchase of Membership Unit(s);
2. Subscription Payment in the full amount of the Membership Units for which he or she is subscribing and the Administrative Fee;
3. Fully executed Signature Page to Operating Agreement;
4. Investor Questionnaire and Acknowledgment Form.

D. Minimum Investment Requirement

Each Subscriber shall be required to purchase a sufficient number of Units to satisfy the minimum investment requirement under the EB-5 Program (the "**Minimum Investment Requirement**"). The amount required to be invested under the EB-5 Program is contingent upon whether the area in which the Project is located is deemed a "**high unemployment area**" by the Governor's Office of Business and Economic Development of California at the time the Form I-526 Immigrant Petition by Alien Entrepreneur ("**Form I-526 Petition**") is filed by a Subscriber. In order to be deemed a "**high unemployment area,**" the area must have an unemployment rate that is at least 150% of the national average unemployment rate at the time the investment is made.

The Project is currently located in a census tract, which, as of August 2015, has been deemed a "**high unemployment area**." Provided that Census Tract Area continues to be considered a "**high unemployment area,**" each Subscriber will be required to purchase a minimum of One (1) Unit for a total

minimum investment of US$500,000.

E. Administrative Fees

In addition to the minimum Capital Contribution required to purchase a Membership Unit, each Investor will be required to pay an Administrative Fee of Fifty Thousand Dollars (US$50,000), which will be transferred to an Administrative Expense Account to cover the costs of administration, marketing, and operations costs related to this Offering, including reporting requirements to the USCIS.

The Administrative Fee shall be separate from and in addition to the Capital Contribution under the terms of the Operating Agreement. The Administrative Fee shall not be classified as a Capital Contribution under the terms of the Operating Agreement. The attorneys' fees incurred in the processing of an Investor's I-526 Petition shall be paid separately and borne by the Alien Investor.

F. Subscriber Funds

The subscription price of US$500,000 per Unit (subject to the Minimum Investment Requirement) is to be paid by wire transfer to a bank account designated by the Company ("**Investment Holding Account**") at Wells Fargo Bank at 1705 N 1st St, San Jose, CA 95112 without interest. The Administrative Fee price of US$50,000 is to be paid by wire transfer to a bank account designated by the Company ("**Administrative Expense Account**") at Wells Fargo Bank at 1705 N 1st St, San Jose, CA 95112 without interest.

All USCIS filing fees associated with the filing of the I-526 Petition and I-829 Petition with the USCIS, as well as application fees associated with filing I-485 Application to Adjust Status with the USCIS or Immigrant Visa Application at a U.S. Consulate abroad, shall be separate and paid by the Investor.

G. Acceptance of Subscription

The Company will review the subscription documents for completeness, due execution, and investor suitability. The Company has the sole and absolute right to reject, prior to the Offering Termination Date, any subscription that is tendered but has not closed or to waive any defect in any subscription document. If the Company rejects a subscription, the subscription documents and the subscription price and the Administrative Fee will be returned without interest. However, in the event that the Company rejects a subscription because the EB-5 alien investor fails to meet the requirements for the EB-5 Program (e.g. inability to provide proof of lawful source of funds), of the $50,000 that was paid as an Administrative Fee, $5,000 will be deducted to compensate the Company for the costs of replacing the Subscriber, and the remaining amount will be refunded to the Investor. Notwithstanding the foregoing, acceptance of any subscription of a Subscriber by the Company is contingent on Manager approval in their sole discretion.

H. Revocation of Subscription

Once the Company has accepted a subscription, the Subscriber may not cancel, terminate, or revoke the subscription.

I. Conditions to Release of Funds

The release of a Subscriber's funds to the Company is conditioned upon (a) the approval of the Investor's I-526 Petition by the USCIS; or (b) USCIS approval of an I-526 Exemplar Petition for the

Company; or (c) USCIS approval of any one (1) or more I-526 petitions for the Company; or (d) the Manager's acceptance of the Member into the Company and the issuance of an LLC Membership Certificate to the Member.

J. Immigration-Related Expenses

Subscribers are solely responsible for paying any expenses related to their attempt to immigrate to the U.S. on the basis of their investment in the Company (See "**Administrative Fees**" in **Section III.E** above). Subscribers will be solely responsible for retaining and paying the fees and expenses of a competent and duly licensed immigration counsel reasonably approved by the Company to assist them with the filing of the I-526 Petition, I-485 Application or Immigrant Visa Application, and Form I-829 Petition by Entrepreneur to Remove Conditions ("**Form I-829 Petition**"), and any other matters related to their immigration to the U.S. Neither the Capital Contribution nor the Administrative Fee can be used for payment of a Subscriber's immigration fees and expenses.

K. Finder's Fee

The term "Finder's Fee" as used in the **Operating Agreement** is hereby defined as such amounts that shall be paid by the Manager from a Subscriber's Administrative Fee to any foreign person who introduces a Subscriber to the Company. Notwithstanding the payment of any amount, such a foreign person is not an agent or representative of the Company, and the Company is not bound by any statements, agreement, or representations made by such finder.

L. Offering Termination Date

The Offering will terminate on the earliest of the date the Company determines that (i) all Membership Units have been subscribed to in the manner acceptable to the Company or decides to accept subscriptions for less than all Membership Units, or (ii) twelve (12) months from the date of the first Subscription, unless extended at the sole and absolute discretion of the Company (collectively the "**Offering Termination Date**").

M. Right to Terminate Offering or Stop Accepting Further

At any time prior to the Offering Termination Date, the Company, in its sole and absolute discretion, may do one of the following:

1. Cancel the offering (with respect to those subscriptions that have not closed) upon giving written notice to the Subscriber(s) and returning to the Subscriber(s) the full amount paid by such subscriber(s) and returning to the Subscriber(s) the full amount paid by such Subscriber(s) (including the Administrative Fee) without interest, or;

2. If the total amount of all subscriptions submitted in response to the Offering and acceptable to the Company is less than the total amount of the Offering, the Company may, in its sole and absolute discretion, complete the offering for such lesser amount.

IV. INVESTMENT STRATEGY AND OBJECTIVES

The Company was organized as a California limited liability company and seeks to raise capital from foreign investors (i.e., Non-U.S. Persons) pursuing a Green Card in the United States through the EB-

5 Program. Upon raising the capital, the Company will Loan (defined below) all Capital Contributions (defined below) to the Developer. The Loan, along with additional bank loans and Developer equity, and the sale of 43 single family houses at the end of phase 1, will facilitate the construction, development, and operations of the Project.

A. Sources and Uses of Funds

The Company expects to raise Twelve Million Five Hundred Thousand Dollars (US $12,500,000) through the Offering and, using this capital, intends to loan the proceeds from the Offering to the Developer pursuant to the Loan Agreement. The Developer proposes to use the proceeds from the Loan, along with other sources, to (i) fund the costs related to the development and construction of the Project, including reimbursement for costs already incurred, and (ii) to pay for any Project-related operational expenses.

In addition to the EB-5 loan, the Developer has invested roughly Nine Million One Hundred Thousand Dollars (US $9,100,000) in acquisition costs including land for the project site. This equity investment will be part of the total capital for the development of the Project.

The Developer will also secure an additional Thirteen Million Five Hundred Thousand Dollars (US $13,500,000) in bank loans to fund the development and construction of the Project. The sum total of the capital, combining the EB-5 Loan, Developer equity, and bank loans, will be Thirty Five Million One Hundred Thousand Dollars (US $35,100,000).

B. Structure and Terms of Loan to the Developer

The following outlines the agreement that the Company and the Developer have reached concerning the structure and terms of the Loan.

1. Terms of Loan Agreement

The Company intends to contribute the EB-5 Loan, derived from the Capital Contributions of this Offering, as a loan to the Borrower, which will utilize the proceeds, along with additional loans, and the sale of 43 houses, to finance the Project as described herein. The Loan will be fully due and payable five (5) years from the Closing Date that the Loan is made to the Borrower, August 10, 2015. The per annum interest rate for the Loan is five point five percent (5.5%) on a non-compounded, accrual basis. The Loan will be secured using the entire property as collateral. See "**LOAN AGREEMENT**".

V. THE PROPERTY AND THE PROJECT

A. Description of the Property

The Property is located in Santa Rosa, California (Sonoma County). The Property consists of vacant land. The Property is approximately 31.46 acres.

B. Description of the Project

The Project will include the construction of 143 residential units on the Property consisting of the following:

- 69 single family units

- 74 duplex and condo multi-family units
- 269,918 square feet of site space.

Currently, the Project is already in its architectural and engineering planning stages. Soon, the detailed plans will be submitted to the City Building and Planning Departments, and by the fall of 2015, the required permits will be obtained. The site is 31.46 acres with 71 undeveloped lots. Construction is planned to begin sometime during October 2015. The Project is planned to be completed in two construction phases. Phase 1 will involve building 43 of the single-family houses. These 43 houses will be sold off in order to generate capital to fund the completion of Phase 2, when the rest of the Project's houses are built. The City's requirement to construct roads nearby the site will be completed in the first phase. Based on the current estimates, the entire project will be completed by January 2018, unless unforeseen conditions exist.

The actual timing and sequence of the development of each component, including the overall scope of the Project, will depend significantly on the Developer's ability to obtain the necessary funding to commence work on the Project as well as on market conditions.

C. Cost of the Project

It is anticipated that the total cost of the Project will be approximately $58,000,000, as shown in the following:

FINANCIAL SUMMARY	
Developer Acquisition Cost (including land)	9,100,000
Soft Costs	
Permit, City Fees	2,419,530
Architect and Engineers	254,800
Insurance	1,500,000
Real Estate Agent	1,786,062
Financial cost	2,112,500
Inspection	414,000
Total Estimated Acquisition & Soft Costs	17,586,892
Construction Costs	
Site preparation	5,232,673
Foundation	1,822,259
Shell construction	13,214,093
Sepcial Spaces	2,864,347
Interior	3,183,712
Plumbing	2,677,704

HVAC/Air conditioning	1,868,374
Electrical	1,143,555
Appliances	1,257,542
General Condition	4,603,125
Landscape	1,100,000
Contingency	1,560,788
TOTAL COST OF DEVELOPMENT	**58,115,064**

VI. THE EB-5 PROGRAM

A. General

In 1990, Congress created the **EB-5 Program**, which is administered by the USCIS. The purpose of the EB-5 Program is to stimulate the U.S. economy through job creation and capital investment by foreign investors. In 1992, the Immigrant Investor Pilot Program ("**Pilot Program**") was created and has regularly been reauthorized since. Under the Pilot Program, certain EB-5 visas also are set aside for investors in Regional Centers designated by USCIS based on proposals for promoting economic growth.

B. Requirements

1. New Commercial Enterprise

All EB-5 investors must invest in a "**new commercial enterprise**." A new commercial enterprise is defined as a commercial enterprise that was established after Nov. 29, 1990, or established on or before Nov. 29, 1990, that is purchased and the existing business is restructured or reorganized in such a way that a new commercial enterprise results, or expanded through the investment so that a 40-percent increase in the net worth or number of employees occurs.

A commercial enterprise means any for-profit activity formed for the ongoing conduct of lawful business including, but not limited to, a sole proprietorship, partnership (whether limited or general), holding company, joint venture, corporation, business trust or other entity, which may be publicly or privately owned

2. Job Creation

Each EB-5 investor must demonstrate that his or her capital investment will create/preserve at least ten (10) full-time jobs for qualifying U.S. workers within two years (or under certain circumstances, within a reasonable time after the two-year period) of the immigrant investor's admission to the United States as a Conditional Permanent Resident. Such jobs can be either (a) direct jobs, which are actual identifiable jobs for qualified employees located within the commercial enterprise into which the EB-5 investor has directly invested his or her capital; or (b) indirect jobs, which are jobs shown to have been created collaterally or as a result of capital invested in a commercial enterprise affiliated with a regional center by an EB-5 investor.

Note that a foreign investor may only use the indirect job calculation if affiliated with a regional center. A job-sharing arrangement whereby two or more qualifying employees share a full-time position

will count as full-time employment provided the hourly requirement per week is met. This definition does not include combinations of part-time positions or full-time equivalents even if, when combined, the positions meet the hourly requirement per week. The position must be permanent, full-time and constant. The two qualified employees sharing the job must be permanent and share the associated benefits normally related to any permanent, full-time position, including payment of both workman's compensation and unemployment premiums for the position by the employer.

For the purposes of this section, the following terms shall have the following meanings:

A "**qualified U.S. worker**" is a U.S. citizen, permanent resident or other immigrant authorized to work in the United States. The individual may be a conditional resident, an asylee, a refugee, or a person residing in the United States under suspension of deportation. This definition does not include the immigrant investor; his or her spouse, sons, or daughters; or any foreign national in any nonimmigrant status (such as an H-1B visa holder) or who is not authorized to work in the United States.

"**Full-time employment**" means employment of a qualifying employee by the new commercial enterprise in a position that requires a minimum of 35 working hours per week. In the case of the Immigrant Investor Pilot Program, "full-time employment" also means employment of a qualifying employee in a position that has been created indirectly from investments associated with the Pilot Program.

Golden State Regional Center, LLC has obtained approval from the USCIS to operate a qualified EB-5 Regional Center for Alameda, Contra Costa, Santa Clara, San Francisco, and San Mateo counties in the state of California. The Company will provide Golden State Regional Center, LLC all the necessary information and data that it needs to satisfy the reporting requirements of the Regional Center to the USCIS as well as qualify as an approved project under the EB-5 Program. An economic report has determined that the Project will result in the creation of a total of approximately 498.7 jobs for qualified U.S. workers, though the Project prefers to discard the direct jobs for Construction, reducing the number of jobs down to 267.6. This is still sufficient for all 25 EB-5 Investors.

3. Capital Investment Requirements

The minimum qualifying capital investment made in a Targeted Employment Area ("**TEA**") is Five Hundred Thousand Dollars (US$500,000). A **TEA** is an area that at the time of investment, is a rural area or an area experiencing unemployment of at least 150 percent of the national average rate. A "**rural area**" is defined as any area outside a metropolitan statistical area (as designated by the Office of Management and Budget) or outside the boundary of any city or town having a population of 20,000 or more according to the decennial census.

"**Capital**" means cash, equipment, inventory, other tangible property, cash equivalents and indebtedness secured by assets owned by the alien entrepreneur, provided that the alien entrepreneur is personally and primarily liable and that the assets of the new commercial enterprise upon which the petition is based are not used to secure any of the indebtedness. All capital shall be valued at fair-market value in United States Dollars. Assets acquired, directly or indirectly, by unlawful means (such as criminal activities) shall not be considered capital for the purposes of section 203(b)(5) of the Act.

4. Source of Funding Requirements

Federal regulations require that the investor substantiate that the invested capital was "**obtained through lawful means**." To prove that the capital investment was obtained through lawful means, the

applicant may prepare documents to trace the origin of the funds being used for the EB-5 investment. Merely submitting bank letters or statements documenting the deposit of funds is not sufficient to establish the lawful source of funds. Without documentation of the path of the funds from the source to the actual investment in the new commercial enterprise, the EB-5 Investor cannot meet his burden of establishing that the funds are his own funds. The EB-5 investor must obtain and provide supporting documentary evidence to meet the burden of proof.

5. Application Process

a. I-526 Petition

In order to obtain U.S. legal permanent resident status through the Regional Center Pilot Program, the alien investor must first file and obtain an approval of an I-526 Immigrant Petition by Alien Entrepreneur from the USCIS. Once the I-526 Petition is approved, the alien investor will be able to apply for Conditional Legal Permanent Resident Status.

To facilitate the filing of the I-526 petition, the Company will provide the alien investor's designated immigration attorney with the necessary documents and information to prepare the I-526 petition. The immigration attorney will work directly with the alien investor or the alien investor's agent(s) to obtain all other necessary information and documents for the I-526 petition. Current processing times of the USCIS estimate approximately five to six (5-6) months for a decision to be rendered on the I-526 Petition.

b. Application for Permanent Resident Status

The application to obtain Conditional Legal Permanent resident Status will vary depending on the location of the alien investor. If the Alien is present in the United States in a valid nonimmigrant status, the alien investor will apply to adjust status to that of a Conditional Legal Resident Status by filing Form I-485, Application to Adjust Status to Permanent Resident, with the USCIS. The conditional resident status will be for a period of two (2) years upon the approval of the I-485 application. Alternatively, if the alien investor is located outside of the United States, the Investor will apply for an Immigrant Visa through consular processing at a U.S. Consulate located in the alien investor's home country. Upon approval of the I-526 Petition, the USCIS will forward notice of the approval to the National Visa Center of the U.S. State Department. The National Visa Center will then forward the relevant information to the appropriate Embassy or Consulate abroad. The National Visa Center will notify the alien investor when a visa number is available and when to begin consular processing. The alien investor will work with his or her designated immigration attorney to complete the application process, including scheduling of the visa interview. As a general matter, the processing time between the USCIS approval of the I-526 Petition and immigrant visa issuance is between six (6) and twelve (12) months, but may be longer.

Upon approval of the Immigrant Visa from the U.S. Consulate, the alien investor must enter the U.S. within one hundred and eighty (180) days. Upon entry into the United States, the alien investor will be admitted as a Conditional Legal Permanent Resident and will thereafter be mailed a conditional green card, valid for a period of two (2) years.

c. Beneficiary Family Members

Each investor may also apply for Conditional Permanent Resident Status for his or her "**Immediate Family Members**," which includes the spouse and unmarried dependent children under the age of twenty

one (21) at the time the Investor's I-526 Petition is filed.

d. Removal of Conditional Resident Status

Within ninety (90) days of the two (2) year anniversary of the alien investor's conditional resident status, the alien investor must file Form I-829, "Petition by Entrepreneur to Remove Conditions". If the I-829 petition is approved, the conditions to permanent residence status will be removed and the Investor will become a permanent resident of the United States. The alien investor should work with his or her immigration attorney to file the necessary I-829 petition with the USCIS. The Company will provide the designated immigration attorney with all of the necessary documents regarding the alien investor's investment in the Company and the jobs that were created by the investment, in support of the I-829 petition. Adjudication of the I-829 generally takes six (6) months, but may take longer. Success of the I-829 petition will include a review of, among other things, whether the alien investor actually invested the requisite capital in the Company, maintained the investment, and whether Company created the requisite number of direct and/or indirect jobs.

VII. THE COMPANY

A. Overview

The Company, Bay Area Investment Fund II, LLC, was organized on January 9, 2012 as a California limited liability company. Golden State Regional Center, LLC will serve as the sole Manager of the Company. The Company was formed as a private, for-profit entity and should be accepted as a new commercial enterprise by the USCIS.

B. Summary of the Operating Agreement

1. General

The rights and obligations of the Members, as well as the rights and obligations of the Manager and the officers of the Company, will be governed by the Operating Agreement and applicable law. The following summary of certain provisions of the Operating Agreement is intended only for quick reference and is not intended to be complete. The Operating Agreement describes in detail numerous aspects of the Offering, which are material to the Members including those summarized below, and the Operating Agreement should be read in its entirety by prospective Subscribers. Those material aspects include, among other things: organizational matters; capital contributions, management and control of the company, rights and obligations of the members, manager and the company's officers, allocation and distribution of profits and losses to the members, transfer and assignment of Membership Interests; accounting and reporting, and dissolution and winding up of the company.

2. Purposes

The purpose of the Company is to engage in any lawful activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act, including, without limitation, making one or more loans to the Developer, guaranteeing the obligations of the Developer under any loan acquired by the Developer, and engaging in such other activities related to or incidental to any of the foregoing purposes, or as may be necessary, advisable or appropriate, in the opinion of the Manager to further any of the foregoing purposes.

3. Term

The term of the Company commenced on January 9, 2012, the date on which the Articles of Organization were filed with the California Secretary of State, and is perpetual. The Company shall continue until terminated earlier pursuant to the terms of the Operating Agreement or by operation of law.

4. Capital Contributions

The Company expects to receive up to US$12,500,000 in capital contributions through the sale of its Membership Units pursuant to the Offering. Upon the satisfaction of the conditions described in "**Conditions to Release of Funds**", each Member will have contributed to the Loan fund of the Company the amount that such Member has paid to the Company for one or more Membership Units purchased by such Member.

No Member will be required to make any additional Capital Contribution. To the extent and on the terms approved by the Manager and permitted by applicable U.S. federal and state securities laws and applicable non-U.S. securities laws, the Members may be permitted (but do not have any right) to make additional Capital Contributions. Such additional contributions by Members and other persons will dilute any non-participating Member's Membership Interest in the Company.

5. Distributions and Allocations

Distributions

The Manager may make distributions of net cash flow, defined in the Operating Agreement as the difference between net profits and net losses of the Company, at such times and in such amounts as it determines in its sole discretion. The Manager will, first and foremost, use interest derived from the Loan to pay for company expenses. The Manager may elect at such time and in such amounts, in its sole discretion, to distributions of Cash Flow from Operating Profit among all Members in proportion to their Percentage Interests, defined in the Operating Agreement. The Manager may also elect, at such time and in such amounts, in its sole discretion, to distribute Cash Flow from Return of Investments to the Members, in accordance with the following priority:

(i) first, to the Members pro rata in proportion to their Unreturned Capital Contributions until such Unreturned Capital Contributions have been fully repaid; and

(ii) second, to the Members pro rata in proportion to their respective Percentage Interests; and

(iii) notwithstanding the distributions pursuant to subsections (i) and (ii) above, additional distributions of Cash Flow from Return of Investments to the Members pursuant to Section 5.04 of the Operating Agreement.

Notwithstanding the foregoing, in no event will distributions be made to a Member if the result would cause a violation of EB-5 Program rules or otherwise jeopardize the Visa Process, or otherwise violate applicable limited liability company laws in the State of California.

Allocations of Profits and Losses

The net profits and net losses of the Company shall be determined in accordance with the accounting methods utilized for federal income tax purposes and otherwise in accordance with generally accepted accounting principles (GAAP) promulgated by the Financial Accounting Standard Board.

Net Profits and Losses

The net profits and net losses of the Company shall, subject to certain limits, be allocated to the Members pro rata in proportion to their respective interests in the Company in the manner as provided in the Operating Agreement.

6. Administrative Fee Payable to Golden State Regional Center, LLC

The Manager (Golden State Regional Center, LLC) has access to the Administrative Fee (in the Administrative Expense Account) which the Company receives from Investors when subscribing to the Company. The Administrative Fee payable to the Manager shall cover costs related to administration and marketing costs as well as other administrative costs for services supplied to the Company in connection with providing support for the Alien Investors' I-526 and I-829 Petitions.

7. Fiduciary Responsibility and Limited Liability of Manager

The Company's Manager is Golden State Regional Center, LLC. Generally, the Manager has the exclusive right and duty to manage and control the business of the Company and to exercise all powers to accomplish the company's purposes, including but not limited to, the identification, facilitation and monitoring of the investment of the Company's capital in investment vehicles which satisfy the minimum investment and job creation criteria under the EB-5 Program. The Manager is accountable to the Company as a fiduciary and consequently must exercise good faith and integrity in handling the affairs of the Company. In general, the Manager is obligated to perform its managerial duties in good faith, in a manner it reasonably believes to be in the best interests of the Company and the Members, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

a. Exculpation

The Operating Agreement provides that the Manager shall not be liable to Members for any loss or liability incurred in connection with Company affairs, so long as such loss or liability did not result from willful misconduct or gross negligence of the Manager. As such, Members may have a more limited right of action against the Manager than they would have had absent these provisions in the Operating Agreement.

b. Indemnification

The Company is obligated to indemnify a Member, Manager, or officer who was or is a party or is threatened to be made a party to any loss, damage, or claim incurred by such person by reason of any act or omission performed or omitted by such person in good faith on behalf of, or in connection with the business and affairs of, the Company and in a manner reasonably believed to be within the scope of authority conferred on such person by this Agreement, subject to certain limitations.

8. Limited Liability of Members

Members will not be bound by, or be personally liable for, the expenses, liabilities or obligations of the Company, subject to certain risks as to the return of distributions made by the Company as provided by law. The Company will indemnify the Manager and each of its officers, Members and their agents against liabilities that may arise by reason their status and activities on behalf of the Company (other than liabilities

arising from willful misconduct of a culpable nature), and has agreed to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified.

9. Participation of Members in Decision Making

Member investors shall have all rights afforded to members as set forth in the Operating Agreement and under the California Revised Uniform Limited Liability Company Act.

Members have approval rights to:

1) Amend the Operating Agreement when the amendment materially affects rights or obligations of the Manager or Members.
2) Change the policy or nature of the Company's business.
3) The liquidation, dissolution, or termination of the Company.
4) Sell, lease, exchange, or dispose of all, or substantially all, of the Company's property, with or without the goodwill, outside the ordinary course of the Company's activities.
5) Remove the Manager and choose a new Manager for the Company.
6) Amend the Articles of Organization of the Company.
7) Call for a meeting for any matters on which the Members may vote, or to consult with and advise the Manager with respect to the financial matters and operation of the business of the Company.

The EB-5 Program requires an Investor to hold a policymaking or management position in the Company, and while the Manager believes that each Member is provided with the powers and duties under the California Revised Uniform Limited Liability Company Act sufficient to comply with USCIS requirements that an Investor is actively engaged in the policymaking or management of a new commercial enterprise, there is no guarantee that USCIS will follow such determination.

All decisions with respect to the business and affairs of the Company will be made by the Manager to the maximum extent permitted by law, including, without limitation, all decisions concerning the day-to-day management and conduct of the Company and the selection of investment opportunities. To assure that the Members will not become personally liable under any applicable laws, none of the Members will have any right to participate in the management or conduct of the Company, to the maximum extent permitted by law; provided, however, that each Member will have the right to participate in meetings of the Members during which the Members will provide advice and recommendations to the Manager concerning the business of the Company. Moreover, the Members will have no right to remove the Manager except as allowed under applicable law and expressed in the Operating Agreement.

Members will collectively own 100% of the Percentage Interests in the Company. A Member's Percentage Interest in the Company will be equal to a fraction, expressed as a percentage, the numerator of which will be the number of Units owned by such Member and the denominator of which will be the total number of Units owned by all of the Members, multiplied by 100%. The percentage interest of a Member will be subject to adjustment based on the total Units sold. Further, although the Manager anticipates that a total of up to 25 Units will be issued in connection with the Offering, the Manager has the discretion to increase or decrease the Units offered. Accordingly, if the total Units of the Company is increased, the percentage interests of the Members will be diluted. For example, in the event the Manager elects to raise additional capital by admitting additional Members, such action may result in the dilution of the Membership Interests held by the Members. The Manager shall also have the discretion to change the loan terms of the Loan Agreement, as long as such changes are not material. A change is "material" if a

reasonable investor would consider the change important in making an investment decision.

10. Restrictions on Transferability of Membership Interests

The Operating Agreement contains substantial restrictions on the right of a Member to transfer, encumber or otherwise dispose of any part of such Member's Membership Interest. No Member shall be entitled to Transfer all or any portion of such Member's Membership Interest or Economic Interest until the Member's I-829 Petition has been approved and the conditions on the Member's Legal Permanent Residence Status have been removed. Members shall have the right to assign all or any portion of such Member's Economic Interest in the Company subject to the satisfaction of all requirements set forth in the Operating Agreement. These requirements for an approved assignment of a Membership Interest include, but are not limited to the following: (a) any assignment must be completed pursuant to an exemption from registration under the Securities Act, and in full compliance with all applicable United States Federal and State securities laws; (b) the assignee must be a non U.S. Person and must acknowledge all representations and warranties required of each Member as set forth in Article 7 of the Operating Agreement; (c) unless waived by the Manager, the assignment shall not result in the Company being deemed to have terminated within the meaning of Section 708 of the Internal Revenue Code; (d) the assignment shall not result in the Company being deemed to constitute a "publicly traded partnership" within the meaning of Section 7704 of the Internal Revenue Code and the Regulations promulgated thereunder, or any other applicable administrative or judicial authorities; (e) the transferring Member shall have fully complied with the provisions of Article 8 of the Operating Agreement; (f) the assignment must have the approval of the Manager; and (g) the Company shall have received such legal opinions from counsel it deems appropriate and necessary confirming compliance with the requirements of the Operating Agreement.

11. Term and Termination of the Company

The term of the Company commenced on January 9, 2012, the date its Articles of Organization were filed in the office of the California Secretary of State, and the Company shall continue until terminated earlier pursuant to the terms of the Operating Agreement or by operation of law. It will be dissolved and terminated upon the earliest to occur of the following: (a) the sale or disposition of all or substantially all of the Company assets, or all investments made by the Company, no longer remain outstanding and the Members seek to vote to dissolve the Company. Notwithstanding the consent of the Manager to dissolve the Company, approval by the Manager as to any dissolution of the Company will be withheld absent approval in the manner provided above by all Members and the distribution of the proceeds thereof to the Members so long as the dissolution occurs after a period of the full term of each investment from the Effective Date and is approved by the Manager; (b) the consent of the Manager and the affirmative vote of the Majority-in-Interest of the Members; provided, however, that the Members agree that the Manager shall not vote or consent to a dissolution if such dissolution would be inconsistent with the business and objectives of the Company; (c) the death, legal incompetence, resignation, withdrawal, liquidation, dissolution, or bankruptcy of a Manager; (d) the removal of the Manager and the election of the Members to dissolve the Company; (e) upon an event which makes it unlawful for the Company to continue to conduct its business; or (f) the entry of a decree of judicial dissolution in accordance with the California Revised Uniform Limited Liability Company Act.

12. Amendment of the Operating Agreement

The Manager has the authority to amend the Operating Agreement (i) to satisfy any requirements of the Code or any federal or state agency when deemed in the best interest of the Company and Members, including, without limitation, in connection with the EB-5 Program and/or the Visa Process, provided,

however, that such amendments do not violate applicable laws or covenants or materially affect rights or obligations of the Manager or Members; (ii) to comply with any Treasury Regulations regarding Company allocations; (iii) to cure any ambiguity or correct any conflicting provisions of this Agreement, or make any changes to this Agreement, which, in the Manager's reasonable opinion, do not have a material adverse effect upon the rights or interests of the Members; or (iv) to reflect a change in the identity of the Manager following a transfer of a Manager's Membership Interest in accordance with the terms of this Agreement. Additionally, the Manager shall have the right to amend the Operating Agreement's Exhibit A without consent of the Members to reflect the admission of Additional or Substitute Members. Notwithstanding the foregoing, no amendment by the Manager may affect the voting or economic rights of any Member without such Member's express consent. In the event the Company is required to inform Members of changes or amendments to the Operating Agreement, fax, e-mail, or written communication is deemed sufficient to meet the requirements.

An amendment of the Operating Agreement requires the approval of all Members if the amendment (A) increases a Member's liability beyond the liability of such Member expressly set forth in the Agreement or modifies the limited liability of such Member in any way; (B) decreases a Member's Membership Interest (other than as provided in the Agreement); (C) changes any Member's investment percentage (other than as provided in the Agreement); (D) changes the method of distributions or allocations made under Article V of the Agreement; or (E) reduces the Capital Account of any Member other than as contemplated in the Agreement.

13. Meetings

No annual or other scheduled periodic meetings are called for under the Operating Agreement. However, meetings of the Members may be called by the Manager or by a Member or Members owning more than fifty percent (50%) Membership Interest in the Company. The procedures for calling and holding meetings are set forth in the Operating Agreement.

14. Access to Information

Each Member, at his or her sole expense, has the right to request, for purposes reasonably related to the interest of that Person as a Member, a copy or physically inspect the Company's books and records during normal business hours.

15. Fiscal Year

The fiscal year of the Company will end on December 31st of each year.

16. Tax Information to Members

The Manager will compile and distribute to the Members within ninety (90) days after the expiration of each fiscal year, such information as is necessary to complete United States Federal and State income or information returns, together with a copy of the Company's Federal, State and local income tax or information returns for that year.

17. Separate Representation

The Manager and any Members of the Company will be represented by separate counsel. Counsel for the Company and the Manager in connection with this Offering and the organization of the Company do

not represent the prospective investors or subscribers. Should a dispute arise, however, between the Company and the Manager, the Manager, if and when determined to be appropriate, will cause the Company to retain separate legal counsel to represent the Company in connection with such a dispute.

The offering documents have been drafted and reviewed by the Law Offices of Jean D. Chen. The Law Offices of Jean D. Chen previously drafted the corporate formation documents for the Developer Kawana Meadows Development Corporation but currently is not representing it in any legal or financial matters.

VIII. MANAGER

The Manager of the Company is Golden State Regional Center, LLC. The Manager of Golden State Regional Center, LLC is Kai Robinson.

Kai Robinson is a financial analyst with broad experience and knowledge of corporate finance, investment banking, risk management, portfolio management, equity, fixed income, derivatives, and alternative investments. Ms. Robinson's focus and expertise lies in identifying investment opportunities and performing due diligence activities: creating financial projection models, designing capital structures, conducting risk management, developing marketing materials, and supporting project strategy and implementation. She is credentialed as a Chartered Financial Analyst, and has worked as a senior investment analyst at such establishments as Preservation Trust Advisors LLC, CSK Auto, and Synergy Capital Intl Limited. Ms. Robinson graduated with an MBA from the University of Durham, England UK and is fluent in Chinese, Japanese, and Cantonese.

Currently, Golden State Regional Center, LLC is also managing another EB-5 project in Fremont, CA. This Fremont project is not anticipated to impact the Santa Rosa project in any way.

XI. CONFLICTS OF INTEREST

The Manager and its Affiliates (as defined in the Operating Agreement) will be subject to various conflicts of interest in their relationships with the Company. Such conflicts of interest include, but are not limited to, the conflicts of interest described below.

A. Allocation of Manager's Time

The Company will not have independent management and will rely on the Manager and its Affiliates and/or Agents for the management and administration of the Company and its assets. The Manager believes that its affiliates/agents have or can attract sufficient personnel to discharge all of their responsibilities to the Company. The Manager may have conflicts of interest in allocating management time, services and functions between the Company and any business ventures in which the Manager may now or in the future be involved. Currently, the Manager is also involved in a separate EB-5 project in Fremont, CA. The Manager will devote such time and resources to the Company as it determines appropriate for the reasonably proper, adequate and responsible operation of the Company in its sole and absolute discretion, exercised in good faith and in compliance with the Operating Agreement and its fiduciary obligations.

B. Developer's Transactions with Related Parties

The Developer may, from time to time, enter into agreements with (1) Golden State Regional

Center, LLC, (2) its members/shareholders, (3) its employees, or (4) affiliates, members/shareholders, or employees of Golden State Regional Center, LLC. For example, the Developer may retain a property management company that is owned, controlled, and managed by the principals/members of Golden State Regional Center, LLC, who also own, control and/or manage, directly or indirectly, the Regional Center and the Developer. Notwithstanding that it may constitute a conflict of interest, the principals/members of Golden State Regional Center, LLC may, or may cause its affiliates, to engage in any transaction (including, without limitation, the purchase, sale, lease, or exchange of any property or the rendering of any service, or the establishment of any salary, other compensation, or other terms of employment) with the Developer, subject to the fiduciary responsibilities owed by the Manager to the Company.

X. LEGAL PROCEEDINGS

There are no pending material legal proceedings known to the Manager affecting the Company or its assets. The Company has been informed by its managers/officers that no such person has been convicted or pled nolo contendere to a felony or a crime involving fraud, deceit or acts of moral turpitude and no such person has been and is currently a party to any pending or threatened litigation involving any felony or such crimes. In addition, the Company is informed that each manager/officer of the Manager has not been sanctioned, nor has been or currently is a party to pending or threatened action, by the Securities and Exchange Commission or any other governmental authority for any violations of the securities laws.

XI. RISK FACTORS

A. In General

IN EVALUATING THE COMPANY AND ITS INVESTMENT IN THE DEVELOPER, PROSPECTIVE SUBSCRIBERS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS IN ADDITION TO THE OTHER INFORMATION CONTAINED IN THIS MEMORANDUM BEFORE PURCHASING ANY UNITS. INVESTING IN THE COMPANY BY PURCHASING THE UNITS INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF FINANCIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN SUCH INVESTMENTS AND WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT.

AS INDICATED IN THE INTRODUCTION TO THIS MEMORANDUM, THIS MEMORANDUM CONTAINS FORWARD LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. THE COMPANY'S ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD LOOKING STATEMENTS AS A RESULT OF CERTAIN FACTORS, INCLUDING THOSE SET FORTH IN THE FOLLOWING RISK FACTORS AND ELSEWHERE IN THIS MEMORANDUM. POTENTIAL SUBSCRIBERS SHOULD CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS TO CONSIDER CAREFULLY THE FOLLOWING RISK FACTORS AND OTHER MATTERS DISCUSSED IN THIS MEMORANDUM.

SUBSCRIBERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON ANY OF THESE FORWARD-LOOKING STATEMENTS, WHICH REFLECT THE COMPANY'S EXPECTATIONS AS OF THE DATE OF THIS MEMORANDUM. THESE FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, STATEMENTS ABOUT THE COMPANY'S AND THE DEVELOPER'S PLANS, OBJECTIVES, EXPECTATIONS, INTENTIONS AND ASSUMPTIONS AND OTHER STATEMENTS THAT ARE NOT HISTORICAL FACTS. WHEN USED IN THIS MEMORANDUM, THE WORDS "EXPECT," "ANTICIPATE," "INTEND," "PLAN," "BELIEVE," "SEEK," "ESTIMATE," AND SIMILAR EXPRESSIONS ARE GENERALLY INTENDED

TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND ARE SUBJECT TO CERTAIN RISKS, UNCERTAINTIES AND ASSUMPTIONS THAT ARE DIFFICULT TO PREDICT.

FACTORS THAT COULD AFFECT THE COMPANY'S AND THE DEVELOPER'S ACTUAL RESULTS INCLUDE, WITHOUT LIMITATION, GENERAL ECONOMIC CONDITIONS, INTEREST RATES, DISCRETIONARY GOVERNMENTAL LAND USE APPROVALS, THE AVAILABILITY OF CREDIT, CONSTRUCTION DELAYS, CONSTRUCTION COST OVERRUNS AND LEVELS OF SUPPLY AND DEMAND FOR RETAIL SPACE, OFFICE SPACE, AND RESIDENTIAL PROPERTIES IN FREMONT AND THE SURROUNDING AREAS. THE COMPANY AND THE DEVELOPER UNDERTAKES NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENTS TO REFLECT NEW INFORMATION, EVENTS OR CIRCUMSTANCES OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

THE COMPANY WILL PROVIDE YOU WITH ANY INFORMATION YOU MAY WISH TO CONSIDER IN MAKING YOUR DECISION WHETHER OR NOT TO INVEST, TO THE EXTENT THE COMPANY POSSESSES THE SAME OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, AND THE COMPANY IS AVAILABLE TO DISCUSS WITH YOU ALL CONCERNS YOU HAVE ABOUT THIS PROSPECTIVE INVESTMENT.

INVESTORS IN THIS OFFERING WHO SUBSCRIBE FOR UNITS WITH THE INTENTION OF APPLYING FOR PERMANENT RESIDENCY IN THE UNITED STATES THROUGH THE PILOT PROGRAM ARE ENCOURAGED, ALONG WITH HIS/HER ADVISORS, TO MAKE HIS/HER OWN INDEPENDENT REVIEW OF THE PILOT PROGRAM AND THE VARIOUS IMMIGRATION RISK FACTORS RELATING TO THE PROCESS OF OBTAINING CONDITIONAL AND PERMANENT RESIDENT STATUS TO DETERMINE IF AN INVESTMENT IN THE UNITS IS A SUITABLE APPROACH FOR HIM OR HER.

B. General Risks Relating to the EB-5 Program

THE COMPANY MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND CONCERNING WHETHER AN INVESTMENT IN THE COMPANY WILL MEET THE REQUIREMENTS OF AN EB-5 VISA OR OTHER U.S. IMMIGRATION REQUIREMENTS. NO ASSURANCES CAN BE GIVEN THAT AN INVESTMENT IN THE COMPANY WILL RESULT IN THE USCIS GRANTING ANY MEMBER AN EB-5 VISA OR CONDITIONAL PERMANENT RESIDENT STATUS, OR WILL RESULT IN THE REMOVAL OF ANY CONDITIONS TO PERMANENT RESIDENT STATUS. DEVELOPER IS UNDER NO OBLIGATION TO DEVELOP THE PROJECT AS CURRENTLY PROPOSED, DEVELOP THE PROJECT AT ALL, TO CONTINUE OWNING THE PROPERTY OR THE COMPLETED PROJECT FOR ANY PERIOD OF TIME, OR TO UNDERTAKE ANY OTHER ACTION THAT MAY BE NECESSARY FOR A MEMBER TO OBTAIN AN EB-5 VISA OR CONDITIONAL PERMANENT RESIDENT STATUS OR TO SATISFY ANY REQUIREMENTS FOR THE REMOVAL OF CONDITIONS TO PERMANENT RESIDENT STATUS. IN THE EVENT THE DEVELOPER ELECTS NOT TO PROCEED WITH THE PROJECT OR SELLS THE PROPERTY OR THE COMPLETED PROJECT PRIOR TO THE EXPIRATION OF ANY MINIMUM INVESTMENT PERIOD REQUIRED UNDER THE EB-5 PROGRAM AND DISTRIBUTES THE PROCEEDS TO ITS MEMBERS FOR ANY REASON, THE COMPANY WILL USE REASONABLE EFFORTS TO INVEST ITS CAPITAL IN ANOTHER PROJECT OF THE REGIONAL CENTER. THERE IS NO ASSURANCE, HOWEVER, THAT A REINVESTMENT OF THE MEMBERS' FUNDS IN ANOTHER PROJECT OF THE REGIONAL CENTER WILL SATISFY THE

REQUIREMENTS OF THE USCIS FOR THE REMOVAL OF THE CONDITIONS TO PERMANENT RESIDENT STATUS.

PURCHASE OF A UNIT DOES NOT GUARANTEE CONDITIONAL OR UNCONDITIONAL PERMANENT RESIDENCY IN THE UNITED STATES UNDER THE EB-5 PROGRAM. THE USCIS HAS SOLE AND ABSOLUTE DISCRETION WITH RESPECT TO THE APPROVAL OF CONDITIONAL PERMANENT RESIDENCY IN THE UNITED STATES AND THE REMOVAL OF ANY CONDITIONS TO PERMANENT RESIDENCY, AND THE LOCAL U.S. CONSULATE OFFICE HAS SOLE AND ABSOLUTE DISCRETION WITH RESPECT TO THE GRANTING OF AN IMMIGRANT VISA. FURTHERMORE, THE CONDITIONS FOR THE ISSUANCE OF CONDITIONAL PERMANENT RESIDENT STATUS IN THE UNITED STATES UNDER THE EB-5 PROGRAM INVOLVE SEVERAL FACTORS AND CIRCUMSTANCES WHICH ARE NOT WITHIN THE CONTROL OF THE COMPANY. THESE INCLUDE, WITHOUT LIMITATION, A MEMBER'S PAST HISTORY, THE SOURCE OF A MEMBER'S FUNDS, QUOTAS ESTABLISHED BY THE U.S. GOVERNMENT LIMITING THE NUMBER OF IMMIGRANT VISAS AVAILABLE TO QUALIFIED INDIVIDUALS SEEKING PERMANENT RESIDENT STATUS UNDER THE EB-5 PILOT PROGRAM, AND CERTAIN OTHER RISK FACTORS DESCRIBED IN THIS MEMORANDUM. IN ADDITION, THE U.S. CONGRESS AND/OR USCIS MAY CHANGE THE LAWS, REGULATIONS, OR INTERPRETATIONS OF THE LAWS APPLICABLE TO THE EB-5 PROGRAM OR THE PILOT PROGRAM WITHOUT NOTICE AND IN A MANNER THAT MAY BE DETRIMENTAL TO A MEMBER OR THE COMPANY. ACCORDINGLY, NO ASSURANCE CAN BE GIVEN THAT ANY MEMBER WILL OBTAIN APPROVAL OF HIS OR HER PARTICULAR IMMIGRANT PETITION FOR CONDITIONAL OR UNCONDITIONAL PERMANENT RESIDENT STATUS BY PURCHASING THE UNITS.

PROSPECTIVE SUBSCRIBERS SHOULD BE AWARE OF CERTAIN RISK FACTORS INVOLVING THE PILOT PROGRAM AND ITS ADMINISTRATION. A DESCRIPTION OF THE RISKS BELOW ARE BASED ON INFORMATION OBTAINED BY THE COMPANY FROM THIRD PARTIES WHO THE COMPANY BELIEVES ARE RELIABLE. HOWEVER, THERE CAN BE NO ASSURANCE THAT SUCH INFORMATION IS ACCURATE OR CURRENT OR THAT IT INCLUDES ALL OF THE RISKS RELATING TO THE PILOT PROGRAM FOR SUCH INVESTORS.

C. Risks Relating to the EB5 Regional Center Pilot Program

1. Background

In 1992, the U.S. Congress enacted the EB-5 Regional Center Pilot Program to stimulate interest in the EB-5 program. The Pilot Program allows public and private entities to apply to USCIS for regional center designation for the purpose of developing qualifying investments for foreign investors under the Pilot Program. A regional center provides a structure for focusing foreign investment in a specific U.S. geographic area and for promoting economic growth in such area through increased export sales improved productivity, creation of new jobs, and increased domestic capital investment. Immigrant investors can qualify under the Pilot Program by making a qualifying investment in a project sponsored by a USCIS-approved regional center.

2. Expiration Date of the Pilot Program

The Expiration date for legislation authorizing the Pilot Program, including the Regional Center sponsoring the Project, is currently September 30, 2015. It is generally expected that the U.S. Congress will

extend the Pilot Program; however, there can be no assurance that this will occur or that Investor Petitions or Applications Submitted before the Pilot Program's current termination date will be adjudicated by the USCIS.

3. Job Creation

At the time of filing of an Investor's I-526 Petition, each Investor must demonstrate that he/she has made a qualifying investment into a new commercial enterprise that will create full-time employment for ten (10) or more U.S. workers. USCIS also requires proof of direct and indirect employment creation before it can remove the conditions to permanent resident status. USCIS currently requires an investor to submit evidence that demonstrates that such jobs will be created within the two-year period of conditional residence. For purposes of adjudication of the I-829 Petition, USCIS deems the two-year period to commence six (6) months after the approval of the I-526 Petition. Therefore, the Company must adequately demonstrate that the requisite number of jobs will be in place approximately 2.5 years from the date of approval of an Investor's I-526 Petition. Evidence of timely job creation consists primarily of the comprehensive business plan prepared by the Company for filing with each Investor's I-526 Petition and the preliminary economic analysis of Evans, Carroll and Associates, evidencing the number of indirect and induced jobs resulting from the Project. The Company's business plan is available for review upon request.

There is no assurance that the actual number of direct and indirect jobs created by the Project will be the same as the number predicted in the economist's report obtained by the Company or the Regional Center. Additionally, the Developer may not proceed with or modify the Project due to the risk factors described in this Memorandum or for other reasons. In the event that the actual number of direct and indirect jobs created by the Project is less than the number predicted in the economist's report or if the Developer elects not to proceed with or substantially reduces the scope of the Project, the USCIS may not remove the conditions to permanent residency. In the event that the Developer does not proceed with the Project, the Company will use reasonable efforts to invest its capital into another project of the Regional Center.

The Company is offering Units to a maximum number of 25 investors. This will require evidence of creation of at least 250 jobs. The **Economic Analysis Report** demonstrates that the Project will create 267.6 jobs. This Economic Analysis is based upon the Developer's proposed activity, the amount of capital that has been and will be spent in the local economy, and general assumptions regarding the national economy, the regional economy of the Sonoma County area, and other circumstances of the Project. There is no assurance that the Economic Analysis or the assumptions upon which it is based are accurate or that actual job creation will be close to the number predicted in such analysis. Depending upon the disparity there may be insufficient employment to remove the conditions on permanent residency, resulting in a delay or denial of removal of conditions for any Investor.

4. TEA Determinations

Under the Pilot Program, an immigrant investor must invest One Million Dollars (US$1,000,000) in a new commercial enterprise that will benefit the U.S. economy and create full time employment for ten (10) or more U.S. workers. This One Million Dollar (US$1,000,000) amount is reduced to Five Hundred Thousand Dollars (US$500,000) if the new commercial enterprise is principally doing business in a TEA. A TEA is an area with unemployment of at least 150% of the national average or a rural area. A rural area is not within a Metropolitan Statistical Area and has a population of less than 20,000.

Regional Center designation proposals set forth the TEAs within the proposed Regional Center

Geographic Area. However, under current USCIS guidelines, TEA determinations are made by USCIS at the time of filing of each I-526 Petition. If an immigrant investor's investment is made prior to filing his or her I-526 Petition, the area must qualify as a TEA at the time of such investment. If such investment is not yet irrevocably committed to a qualifying investment at the time the I-526 Petition is filed, then the area must qualify as a TEA at the time of the filing of the I-526 Petition.

The Project site is located in Santa Rosa in Sonoma County, and currently qualifies as a TEA.

5. Job Allocation

The Regional Center determines, in its sole discretion, how jobs are allocated among Investors. The Regional Center expects to allocate jobs to Investors in the order of deposit date of each Investor's respective capital account deposit. The allocation of jobs by the Regional Center could negatively affect an Investor's ability to prove the requisite job creation required in connection with his or her I-829 Petition, and affect the Investor's ability to remove the conditions to his or her permanent residence in the United States.

6. Decision-Making Position

The EB-5 Program requires an immigrant investor to hold a policymaking or management position within the Company. The Company believes that each Member, as a limited liability company member, is provided with the powers and duties under the Operating Agreement sufficient to meet USCIS's required that an immigrant investor is actively participating in policymaking or management of a new commercial enterprise. The USCIS will ultimately make the decision regarding whether each Member, as a limited liability company member, will satisfy the requirement of holding a policymaking or management position.

7. At-Risk Investment

The investment must be at risk to qualify for the EB-5 Program. As part of the Form I-526 Petition, 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. The Company believes that an investment in the Units will place an Investor's investment in the Company at risk because there is no assurance that the business of the Borrower will generate sufficient revenue to repay the Loan and allow for the return of any Investor's investment in the Units.

8. Lawful Source of Funds

As part of the Form I-526 Petition, an immigrant investor must present to the USCIS clear documentary evidence of the source of funds invested and that the funds belong to such immigrant investor. Generally, this source of funds requirement can be satisfied by submitting documents showing that the immigrant investor 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 and other documentation to satisfy the source of funds requirement. For immigrant investors who do not have such tax records, there may be other records that can be provided to the USCIS by an immigrant investor to demonstrate that the investment funds came from legal sources. Failure to provide proof of lawful source of funds may result in the denial of the Investor's I-526 petition. Any decision of the Company regarding the source of a Subscriber's funds is not submitted to and is not binding upon the USCIS. The USCIS has sole and absolute discretion to determine whether investment funds were lawfully obtained for purposes of the EB-5 Program. All such matters regarding the immigrant investor's petition should be discussed with immigration

counsel.

9. Visa Availability

It is impossible to predict visa-processing times. Immigrant investors should not physically move to the United States until their visa has been issued. Members who obtain conditional permanent residence status in the United States must intend to make the United States their primary residence. Conditional permanent residents who continue to live abroad risk revocation of their conditional permanent residence status.

There are approximately 10,000 visas available each year in the fifth employment-based preference (EB-5) immigrant visa category. The U.S. Department of State ("**DOS**") has not received a demand exceeding the visa availability in any year since the EB-5 category's creation in 1990. However, the EB-5 Program and the Pilot Program have recently experienced an increase in usage. While EB-5 visa numbers are now current, it is possible that the 10,000 visas may be issued in future years. If 10,000 visas are issued in any one or more years, this could create a backlog in the EB-5 category. This means a qualified investor would not receive his/her conditional Green Card until a visa becomes available. This could delay an investor's entry to the U.S. if he/she is consular processing or filing of his/her adjustment of status application, as applicable, at a time when 10,000 visas have already been issued for that calendar year. If visa backlogs delay an investor's receipt of a conditional Green Card, this will also delay the filing of his/her I-829 Petition, which could negatively affect his/her ability to prove requisite job creation and remove the conditions to permanent residency.

10. Removal of Conditions

An EB-5 investor must apply to remove the conditions on his/her Green Card by filing Form I- 829 with USCIS within the 90 days preceding the second anniversary of the start of his/her two-year conditional residence period. To remove conditions, the investor must show that he/she has made a qualifying investment-in a new commercial enterprise, has sustained that investment throughout the two year period, and has created ten (10) or more jobs for qualified workers or will create such jobs within a reasonable period of time. A later-filed I-829 Petition could result in changed circumstances for the investor and/or the job creating project, making it difficult or impossible to demonstrate satisfaction of these requirements. For example, the Project could have fewer workers at such time, resulting in insufficient job creation for one or more investors. Additionally, an investor might have been forced to withdraw his/her investment from the project, rendering him/her unable to satisfy the sustained investment requirement. These are some, but not all, of the possible negative implications of a delay in filing an I-829 Petition.

No advice can be given with respect to individual petitions for conditional permanent residency status or the removal of the conditions to permanent residency. Each prospective Subscriber who intends to obtain permanent residency status under the EB-5 Program on the basis of his or her purchase of Units 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 of obtaining a permanent residency status under the EB-5 Program to determine if an investment in the Units is a suitable approach for such investor. Each prospective Subscriber should consult with his or her immigration counsel to review the likelihood that such Subscriber's petition will be granted before purchasing the Units.

11. Material Change

In a memorandum dated December 11, 2009, USCIS stated that, "[t]he business plan in the Form I-

526 Petition may not be materially changed after the petition has been filed" and that, "the capital investment project identified in the I-526 Petition must serve as the basis," for adjudication of the I-829 Petition. The memorandum also directed USCIS adjudicators to review whether there was a material change in "capital investment structure", "job creation methodologies", and "eligibility requirements" after the filing of the I-526 Petition. These requirements that cannot be materially changed are collectively referred to as the "Material Components."

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

The Company's Material Components are currently in final form. The Company does not anticipate making a material change to any of the Material Components after receiving Exemplar Approval or after the filing of any Investor I-526 Petitions. However, fluctuations in the regional or national economy, changes in the Developer's industry, extended processing times of USCIS, or any number of other factors may force the Company to modify its Material Components. These modifications may be deemed material changes by USCIS.

12. General immigration Risks

Congress and/or USCIS may change the law, regulations, or interpretations of the law, including the Pilot Program, without notice and in a manner that may be detrimental to the Investor, the Regional Center, and/or the Company. Investors who obtain conditional or permanent resident status must intend to make the United States their primary residence. Permanent residents who continue to live abroad risk revocation of their conditional or permanent resident status. The process of obtaining conditional permanent resident status and removal of conditions involves numerous factors and circumstances that are not within the control of the Regional Center, the Company, or the Developer.

Foreign persons applying for a U.S. Green Card must demonstrate that they are admissible to the United States. Section 212 of the Immigration and Nationality Act sets forth various grounds of inadmissibility, which may prevent an otherwise eligible applicant from receiving a Green Card or entering the U.S. Foreign individuals who are ineligible to receive a Green Card or be admitted to the U.S. include but are not limited to an individual who is determined to have a communicable disease of public health significance; is determined to have a physical or mental disorder and behavior associated with the disorder that may pose, or has posed, a threat to the property, safety, or welfare of the individual or others; is determined to be a drug abuser or addict; or has been convicted of, or who admits having committed, or who admits committing acts which constitute the essential elements of a crime involving moral turpitude (other than a purely political offense), among other factors. Each Investor should review all factors affecting his/her admissibility to the U.S. with qualified immigration counsel.

D. Regional Center Designation and Limited Operating History

Golden State Regional Center, LLC was designated as a regional center by the USCIS to participate in the Pilot Program on March 12, 2014. The Regional Center has little to no operating history. Accordingly, the personnel within the Regional Center may not have experience in administering a regional

center, which could lead to delays for Subscribers/Members in the process of obtaining conditional or unconditional permanent resident status under the EB-5 Program or the loss of regional center designation.

A prospective Subscriber's petition for conditional or unconditional permanent resident status in the U.S. is contingent on the Regional Center's continued designation as a regional center by the USCIS. Under certain circumstances, the USCIS may terminate regional center designation. For example, the USCIS has imposed various ongoing reporting requirements. If the Regional Center loses its regional center designation for any reason, including, but not limited to, the Regional Center's failure to comply with the ongoing obligations imposed upon a regional center, Members may be unable to obtain conditional or unconditional permanent resident status under the EB-5 Program.

E. Secured Loans to Developer

The Company intends to utilize the Member's Capital Contributions to make a secured Loan to the Developer, using the entire property as collateral for a junior loan. Using the proceeds from the Loan, the Developer intends to begin construction on the project, which will consist of 143 single and multi-family houses. In connection with the Loan, the Company will enter into a Loan Agreement, which will set forth the terms and conditions on which the Loan will be made. The terms of the Loan Agreement are summarized in Section IV.B. above. The Company will make a copy of any Loan Agreement available for inspection on request by the Members. The Loan to the Developer by the Company will be secured, i.e., the real property which comprises the Project will be pledged as security for the Loan.

Investors should be aware that there is a possibility that the Developer will not be able to repay the Loan to the Company. Failure to timely tender the interest payments will result in a default under the terms of the Loan Agreement. Because the Loan is a secured loan, the Company will have the ability to foreclose upon the real property. However, the secured Loan is a junior loan and any proceeds from foreclosure must first go towards the primary bank loan holder. The junior loan holder has secondary priority over the proceeds.

It can be assumed that if the Developer allowed the Loan to go into default and thus subjected the Project to liability for the Loan, that the Project would not have been successful and that the Developer would have determined not to proceed with it; meaning that the Project may not be worth the amount of the Loan. The Company might well have no alternative but to pursue the assets of the Developer. If the Developer has little to no assets, it could mean that the Company will end up not being able to recover all or a portion of the Loan.

F. Risks of Real Estate Investment Generally

The Project includes development of land leading to new construction of residential homes. The Members and the Company have no control of the operations of the Developer. Its success is dependent upon the successful completion of the land improvements and construction of the residential units.

Investment in residential real estate is subject to numerous inherent risks. These risk factors are subject to change and are not within the control of the Company, the Manager, or the Developer. They include adverse use of neighboring real estate, excessive supply or insufficient demand for property of this type, property and casualty losses that may or may not be insurable, defaults by tenants, the illiquid nature of real estate markets which limits the Company's ability to sell assets rapidly to respond to changing market conditions, environmental hazards that may have been created by prior owners or occupants, existing tenants, adjacent land owners, or other persons, changes in federal, state, or local tax rates and

assessments, increases in utility costs, unexpected repairs, changes in general or local demographic or economic conditions, changes in interest rates and capital availability (with respect to the construction and permanent financing the Developer hopes to obtain), changes in applicable laws that may require the Developer to make costly improvements to the property or increase the cost of operating the property, imposition of rent regulation or legislation designed to protect tenants, terrorism, adverse changes in real estate values, overpaying for the acquisition of the real estate, and the attractiveness of alternative investments, any of which might impair the profitability or financial viability of the Project or the Developer and could result in the total loss of the Company's investment in the Developer and, as a result, the Members' investment.

The likelihood of payment of certain expenditures associated with the Project (principally payments to the Company and to other lenders and real estate taxes) would be decreased by events adversely affecting the sale or land in the Project (including, by extension, events adversely affecting the sale or lease of housing units or lease of commercial units in the Project). If income from the Project is less than debt service and other required expenses, the Developer may be unable to repay the Loan and could be forced to sell the project or portions thereof on disadvantageous terms, resulting in potential loss to the Developer and potentially to the Company.

Factors beyond the Developer's control may adversely affect the price of land in the Project, as well as the timing or terms of any sale. The sales prices of land in the Project will depend not only on the marketability of the units being or to be constructed, but also on the tax treatment then in effect for owners of real property, including any changes that may occur to the tax law with respect to the continued deductibility of mortgage interest. The sales price may also be impacted by demographic trends in the area, available credit and potentially many other factors that cannot be controlled or presently anticipated.

G. Risks of Real Estate Development Generally

Real estate development is subject to inherent risks above and beyond those associated with general real estate investments. These risks include, without limitation, denial or delays of required land use approvals, permits or licenses or the imposition of onerous conditions in connection with such approvals; adoption of more onerous building standards (e.g., requirements under the Americans with Disabilities Act or seismic requirements); errors or omissions in architectural plans or other design documents; construction defects; failure by contractors to comply with the Developer's designs, specifications, or standards; shortages of materials, equipment, contractors, or skilled labor; substantial increase in the cost of materials; difficult geotechnical issues; labor disputes; natural catastrophes; adverse weather conditions; cost overruns; lack of sufficient funds to complete construction; disputes with contractors; claims by neighboring property owners for nuisance, trespass and the like; and personal injury or damage to any person or their property. All of these risks could delay or prevent the completion of the Project according to the planned specifications or budget, which could materially and adversely affect the Developer's cash flow and financial condition as well as the Developer's ability to satisfy its obligations under any loan agreement. If the Developer is able to secure additional financing to cover cost overruns caused by such risks and/or to continue satisfying its obligations to lenders, the Developer may become more leveraged financially and may materially and adversely affect the cash flow and financial condition of the Developer. Any of the foregoing may also result in the total loss of the Company's investment in the Developer and, as a result, the Members' investment.

H. Risks Relating to the Viability and Marketability of the Property

The marketability of the Project may be adversely affected by many factors, including, without

limitation, continued weakness of the economy or an oversupply of, or insufficient demand for residential homes. Although the Project is not anticipated to be completed for a number of years, there is no means to forecast when the local economy will recover from the current economic crisis or to anticipate its lingering effects. Any decrease in the marketability of the Project may reduce the income the Developer is able to obtain for sale or lease and thus impair the Developer's profitability and viability.

I. Risks Relating to Financing Generally

The Company believes that the total amount of this Offering will be sufficient for the Developer to complete the Project, with the additional income from sale of phase 1 houses. However, there can be no assurance that additional funds will not be necessary. If the Developer needs additional funds the Company is authorized to borrow funds from the Manager and/or its Affiliates, although neither the Manager nor any of its Affiliates is under any obligation to provide such financing to the Company. No assurance can be given that the Company will be able to obtain such funds, if needed, upon favorable terms and conditions, if at all. The Developer may have to obtain funds from additional sources in order to complete construction of the improvements and some of those sources may require that the Developer encumber the land comprising the Project as security for that loan. If that encumbrance goes into default, it would have a negative impact on the Company's ability to recover from the assets of the Developer. The Company would be put into a position where it would be required to advance funds to the holder of the encumbrance in order to prevent a foreclosure.

Thus, the Developer's ability to complete the Project depends primarily on the ability to raise sufficient capital through **(i)** the Company's sale of the Units pursuant to the Offering and loan of those proceeds to the Developer, and **(ii)** the Developer's acquisition of permanent financing and or sale/lease of the residential units. If the Company does not sell all Units in the Offering, the Developer's lower-than-expected capital may impair the Developer's ability to obtain financing (and increase the cost of such financing), while requiring the Developer to increase the amount of its borrowings or find an alternative source of funds to cover the shortfall resulting from the inability to sell all Units. In addition, the increased costs of such financing may adversely affect the cash flow generated by the Property.

The Developer has no assurance that financing for the Developer's construction phase of the Project or permanent financing will be available or that the costs and terms of any available financing will be reasonable. Many of the risk factors discussed herein may limit the Developer's financing opportunities or increase the cost thereof. If the Developer cannot obtain construction financing or permanent financing on reasonable terms and conditions, the Developer might be required to sell the Property (potentially at a loss).

Relative to the interest rates that were common during recent decades, current interest rates are relatively low. However, interest rates may be higher at the time a construction loan or permanent financing is obtained. If any loans provide for a variable interest rate, interest rate increases during the term of the loans may result in higher-than-expected borrowing costs. Also, the costs of refinancing any such loans would increase.

Any significant delay in obtaining government approvals, construction, leasing retail and office space, selling or leasing residential units, or obtaining construction financing or permanent financing may cause the Developer to be unable to repay the Developer's loans. Any default under a loan agreement may lead to foreclosure of the Developer's title to the Property and result in the total loss of the Company's loan to the Developer and, as a result, the Members' investment.

The Developer plans to repay any loans from the Developer's capital, profits generated from the operation, management and possible sale/lease of all or a portion of the Project, and proceeds from any refinancing loans. However, it is uncertain that the Developer will have the ability to raise sufficient capital, generate profits, or refinance any loans to sufficiently repay the Developer's loans.

J. Risks Relating to Credit Crisis

Questionable lending practices during recent years have led to an excessive number of overleveraged borrowers and an increasing number of loan defaults. These circumstances have forced lenders to implement extremely stringent underwriting standards or to file for bankruptcy. Although the Department of the Treasury and the Federal Reserve have undertaken a number of measures to improve the availability of credit, such measures have not had an immediate impact on the capital markets. Access to credit continues to remain limited, and some experts believe it will take years for the capital markets to return to normalcy. Accordingly, there are no assurances that the Developer will be able to obtain the financing necessary to fund the construction of the Project. In the event the Developer is able to secure financing, the current credit crisis may increase the cost of borrowing or require the Developer to accept onerous financing terms. Any of the foregoing may materially and adversely affect the cash flow and financial condition of the Developer and could result in the total loss of the Company's investment in the Developer and, as a result, the Members' investment.

K. Risk Relating to Market Projections

The Developer's market projections in the **Market Feasibility Study** are estimates based on information known to the Developer at the time the projections were prepared and based on certain assumptions, and relate to future events. Many facts and circumstances material to the projections are outside the Developer's control and are subject to rapid change, and such changes could materially adversely affect the viability of the Project and the Developer and could result in the total loss of the Company's investment in the Developer and, as a result, the Members' investment. The Developer's projections, economic or otherwise, do not take account of possible unexpected changes or their potential impact on the Project.

The market projections discussed in this Memorandum are rough estimates based on preliminary data and assumptions and are subject to change. The market projections further assume that all Units will be leased and that lenders will make loans in the maximum amounts presently under discussion. There is no assurance that the assumptions and estimates on which-the economic projections are based will be accurate. Any errors or faulty assumptions or changes over time could materially and adversely affect the profitability and viability of the Project and the Developer and could result in the total loss of the Company's investment in the Developer and, as a result, the Members' investment.

PROJECTIONS INCLUDED IN OR ATTACHED TO THIS MEMORANDUM ARE BASED UPON CERTAIN ASSUMPTIONS AND RELATE TO FUTURE EVENTS. THERE IS NO ASSURANCE THAT SUCH ASSUMPTIONS ARE ACCURATE, THAT SUCH EVENTS WILL TAKE PLACE, OR THAT ACTUAL RESULTS EXPERIENCED BY MEMBERS WILL BE SIMILAR.

L. No Assurance of Distributions or Income/Net Profit

There can be no assurance that the Company will generate income for the Members, that the Company will have cash to distribute to Members, or that a Member's investment capital will be recovered.

There is substantial risk in investments of this type. Sales of residential units and/or lease of commercial/retail units may not meet projections and if the Developer or its affiliates/agents are unable to successfully market the commercial and/or residential units, the Developer may not have sufficient funds to repay the Loan to the Company. If the Developer has significant other creditors in addition to the Company, the Developer could file for bankruptcy protection. In such event, the Company, as a secured creditor, could be required to wait a significant period of time to receive any repayment of the Loan, and any such repayment may not repay the full amount of the Loan. Also, since the Company is a junior loan holder, the primary bank loan holder would be paid back first, and there may be few or no funds left to pay back to the Members.

Distributions to Members generally will be paid, and income generally will be realized from repayment of the Loan by the Developer to the Company, the amount of which distributions will depend on the net income generated by the leasing of retail and office space in the Project, sale of residential units in the Project, and any sale of the properties that make up the Project, after payment or sufficient provision for all of the Developer's debts, including without limitation the Developer's obligations under all loan agreements. The Company's ability to make distributions and to realize income and net profit will, therefore, depend on many factors beyond the control of the Manager, including factors set forth in this Memorandum, and there can be no assurance that the Members will not suffer a total loss of their investment.

Any return to the Members on their invested capital will be dependent upon the ability of the Developer and its management to successfully and profitably execute the Developer's business and operation, including the Developer's ability to obtain any governmental permits and approvals necessary to develop and sell the Project and to obtain and oversee capable construction and marketing strategies. Such successful execution will also depend, in part, upon economic, regulatory, market and other factors and conditions beyond the control of the Developer and its management. There can be no assurance that the Developer and its management will be able to successfully and profitably execute the business and operation of the Developer. Errors of judgment or an inability to manage the Project would have an adverse effect on the Developer's ability to repay the Loan.

Members will not have the right to withdraw their Capital Contribution from the Company or to receive a return of all or any portion of their Capital Contribution except upon dissolution of the Company or with the consent of the Manager in the event funds exist from which to make such a distribution.

M. Risk of Relying on Management and the Performance by Others

The success of the Company is dependent on the ability of the Developer's management team to carry out its business plans, including the acquisition of any governmental permits and approvals necessary to develop and sell the Project and to obtain and oversee capable construction and marketing strategies. Success of the Company will also depend on other factors, including the quality of the senior management team of the Manager of the Company (Golden State Regional Center, LLC).

The Developer depends on the services provided by key management personnel. The Developer does not intend to obtain key employee insurance. The loss of any key management personnel may substantially limit the Developer's ability to successfully execute its business strategy, particularly if the Developer is unable to identify and recruit suitable successors in a timely manner.

The Developer has entered into, or may enter into, contractual relationships with many other parties, including without limitation architects, engineers, contractors, consultants, attorneys, accountants,

lenders and lessees of the Property. A failure by any of these parties to render timely and satisfactory performance may adversely affect the profitability or viability of the Property and the Developer. Negligence or poor work quality by any of the architects, engineers, contractors, or consultants could result in defects in the Project, which could cause the Developer to suffer financial losses, harm the Developer's reputation, and/or expose the Developer to third-party claims. Although the agreements with the architects, engineers, contractors, and consultants contain provisions designed to protect the Developer, the Developer may be unable to enforce such rights and, even if the Developer were able to successfully enforce such rights, such parties may not have sufficient financial resources to compensate the Developer for liability caused by their negligence or poor work quality. In addition, the contractors may undertake projects from other property developers, engage in risky undertakings, or encounter financial or other difficulties, such as labor disputes, which may cause delays in the completion of the Project or increase the cost of the Project, any of which may adversely affect the profitability or viability of the Project, the Developer, and the Company.

N. Determination of Offering Price of Units

The Offering price of the Membership Units has been set at Five Hundred Thousand Dollars (US$500,000) per Unit, and each Investor is required to purchase not fewer than the amount described. **III.D. Minimum Investment Requirement**. There will be a maximum of twenty five (25) Investors. The Offering price of the Membership Units is no indication of the value of the Membership Units or the value of the assets of the company. No assurance is or can be made that any Membership Units, when transferable, could be sold for the Offering price thereof or for any amount.

O. Limitations on Insurance

The Developer intends to arrange for such comprehensive insurance for the Project, including liability, fire and extended coverage, as well as errors and omissions coverage, as is customarily obtained for similar properties and projects. However, there are certain types of losses (such as earthquakes, floods, terrorism, and wars) which may not be economically insurable. The cost of insurance may be higher than expected initially and/or for any renewal period. If an uninsured event occurs, the Developer could lose all or part of its invested capital and anticipated profits. An uninsured event could result in the total loss of the Company's loan to the Developer and, as a result, the Members' investment.

P. Tax Risks

The Company has not sought an opinion of counsel concerning the tax consequences of an investment in the Company. The Company and the Members are subject to changes in federal income tax laws or regulations resulting from future Congressional action, court decisions, or interpretations by the Internal Revenue Service. Existing laws and regulations are complex and subject to change. Each Member should be aware that the Company anticipates that it will not be subject to any federal income tax and that each Member will be taxed on his or her allocable share of the Company's taxable income whether or not it is distributed to the Members. If a Member's allocable share is not distributed, such Member will have to utilize personal funds to satisfy his or her tax liability. Each prospective Subscriber and Member should obtain the advice of his or her own tax adviser concerning the effect of an investment in the Company on his or her personal tax situation.

Q. Limited Transferability of the Units

The Units and any component thereof have not been registered under the Securities Act, or

registered or qualified under any applicable securities laws of any applicable U.S. state or country, in reliance on exemptions from the registration requirements of the Securities Act and from the registration or qualification requirements under such state or non-U.S. securities laws. The availability of these exemptions and the maintenance of the existence of the Company as a partnership for federal income tax purposes (as opposed to being treated as an association taxable as a corporation) depend upon the existence of restrictions on transfer of the Membership Units and the enforcement of such restrictions, which responsibility, in the case of the Company, lies primarily in the Manager. Transferability of the Units is severely restricted. The Units may not be sold, pledged, assigned or otherwise disposed of in the absence of an effective registration statement for the Units under the Securities Act and an effective registration or qualification under applicable securities laws of any applicable U.S. state or country, or unless an exemption from all such registration and qualification is available.

In addition to the restrictions described above in this Section, Members who intend to petition for conditional or unconditional permanent resident status in the U.S. under the EB-5 Program based on their investment in the Units will also be subject to the applicable restrictions on transferability under the EB-5 Program. A violation of those requirements could result in the denial of a Member's petition for conditional or unconditional permanent resident status in the U.S. even if the transfer is permitted or required under the Operating Agreement. The EB-5 Program rules and precedent decisions require that an Investor's Capital Contribution to the Company which is to be utilized to make an investment qualified under the EB-5 Program ("**EB-5 Investment**") be "at risk" from the time of investment, continuing through to the end of the Investor's Conditional Legal Permanent Residence status. Membership Units will not be transferable during this period. Investor acknowledges that, after acceptance as a Member, no agreement for redemption, right to sell, or obligation to buy, or agreement as to the future value of the Unit may be made until the conditions on residency have been lifted. After removal of such conditions, you may request that the Company redeem part or all of your Membership Units at the then-current fair market valuation pursuant to the terms of the Operating Agreement and in compliance with the Securities Act (including Regulation S or, as applicable, Regulation D), and applicable state law.

In ensuring compliance with precedent decisions, while the Company may make distributions of profits and income to its Members during the conditional residency period, in no event may there exist any between the Company and a Member that involves: (a) a guaranteed payment to a Member; (b) redemption of a Member's Unit(s) in the Company, unless under circumstances explained in Section 5.04 of the Operating Agreement; or (c) any predetermined value or dollar amount for the Company's redemption or reacquisition of a Member's Units. To further comply with the rulings issued by the Associate Commissioner, Examinations in *Matter of Izummi*, a Member may not hold an option, or right, or any agreement to compel the Manager to repurchase the interest of the Member.

Investor acknowledges and agrees that each of the actions restricted under *Matter of Izummi* is strictly prohibited and if any of the restrictions are violated, the "at risk" requirement will not be met and the Member will risk denial of his or her I-526 Petition or I-829 Petition. Investors further acknowledge that USCIS decisions make it unlikely that a Member may liquidate his or her investment in the Company through a sale or redemption of his or her Membership Interest any earlier than when the Member obtains unconditional permanent residency in the U.S.

R. Conflicts of Interest

There may be risks associated with potential conflicts of interests, which may result in litigation or which may adversely affect the Company's profitability. For a detailed discussion of such conflicts of interest, see above **Section IX. CONFLICTS OF INTEREST**.

S. No Diversification

The Company's business will not be diversified in that the Company will loan funds only to the Developer. The investment will lack diversification of risk with respect to local economic, social or environmental problems and other similar matters, the impact of which might be better absorbed or compensated for in an offering providing diversified types of properties in diverse locations. This lack of diversification increases the risk of adverse results, including a Member's loss of his entire investment.

T. Limited Operating History

The Company was organized on January 9, 2012. Accordingly, the Company has no significant operating history. The Developer was incorporated on June 2, 2015 and, as a result, has a very limited operating history.

U. Indemnification/Exculpation of Manager and Other Insiders

Under the Operating Agreement, the Manager and other Affiliates and Company insiders will be indemnified and/or exculpated from liability for certain acts and omissions with respect to the Company. For example, the Operating Agreement permits the Manager to be found liable based on gross negligence, but not on simple negligence. Accordingly, in the event the Company suffers losses as a result of acts or omission of the Manager, Affiliates or other Company insiders within the scope of such indemnifications or exculpations, the Company will have no right or remedy against the Manager or such other insiders. Moreover, such losses may be uninsured.

V. Availability of Securities Law Exemption

The Offering of the Units as described in this Memorandum has not been registered under the Securities Act, or any applicable securities laws of any U.S. state or country, in reliance on exemption provisions of the Securities Act and such state laws. There is no assurance that the Offering presently qualifies or will continue to qualify under such exemption provisions due to, among other things, adequacy of disclosure, the manner of distribution of the Offering, the potential existence of similar offerings in the future, or the retroactive change of any securities laws or regulations. If suits for rescission are brought against the Company under the Securities Act, U.S. state laws, or any applicable non-U.S. securities laws, both capital and assets of the Company would be materially and adversely affected. Further, the expenditure of Company time and capital in defending an action by Members, the Securities and Exchange Commission, state regulators, or any other securities regulators, even if the Company is ultimately exonerated, may materially and adversely affect the Company's ability to carry out its business.

W. Additional Risks

IN ADDITION TO THE RISKS DESCRIBED IN THE FOREGOING PROVISIONS OF THIS MEMORANDUM, BUSINESSES ARE OFTEN SUBJECT TO RISKS NOT FORESEEN OR FULLY APPRECIATED BY MANAGEMENT. IN REVIEWING THIS MEMORANDUM, PROSPECTIVE SUBSCRIBERS SHOULD KEEP IN MIND OTHER POSSIBLE RISKS THAT COULD BE IMPORTANT.

XII. TAX CONSIDERATIONS

Each potential Subscriber should carefully consider the income tax consequences of an investment in the Company and the effect such consequences may have on the Subscriber's economic return. The following is a summary of certain U.S. federal income tax considerations relevant to an investment in the Company. The discussion is based on current provisions of the Internal Revenue Code of 1986, as amended, the applicable Treasury Regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis. This discussion does not purport to address **(i)** all aspects of U.S. federal income taxation that may be relevant to any particular Subscriber in light of such Subscriber's individual tax attributes and status; **(ii)** except as otherwise noted, the U.S. federal income tax consequences to certain types of Subscribers subject to special treatment (for example, insurance companies, tax exempt organizations, governmental entities, non-U.S. persons or others); or **(iii)** any applicable state, local or foreign tax laws in connection with an investment in the Company.

PROSPECTIVE SUBSCRIBERS ARE URGED TO CONSULT WITH THEIR PERSONAL TAX ADVISERS REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES ARISING FROM THE PURCHASE, OWNERSHIP, AND SALE OF THE UNITS.

It is intended that the Company will be classified and treated as partnership for U.S. federal income tax purposes. Under the Internal Revenue Code's default rule, an unincorporated domestic organization (including a limited liability company) that does not make an election (to be taxed as a corporation) is generally treated as a partnership. However, there can be no assurance that the relevant law will not be changed during the life of the Company or that the Operating Agreement will not be amended in a manner that might cause the Company to be taxed as a corporation.

As a partnership for U.S. federal income tax purposes, the Company itself is not subject to federal income tax. Each Member, however, will be required to report on its U.S. federal income tax or information return each year its distributive share, whether or not actually distributed, of the income, gains, losses, deductions or credits of the Company. Although the Manager may attempt to cause the Company to make distributions to the Members sufficient to enable them to pay their U.S. income tax liabilities arising out of the Company's operations, there can be no assurance that the Company will be able to make such distributions.

If the Company were not treated as a partnership for U.S. federal income tax purposes, but were taxed as a corporation in any year, its taxable income would be taxable to the Company and not to the Members, and distributions by the Company to the Members would, to the extent of the Company's earnings and profits, be taxable to the Members as dividend income.