U.S. Department of Homeland Security
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

U.S. Citizenship and Immigration Services

December 2, 2010

Kin Hui
Invest LA Regional Center, LLC
25 East Foothill Boulevard
Arcadia, CA 91006

Application:	Request for Designation as a Regional Center
Applicant(s):	Kin Hui
Re:	Invest LA Regional Center, LLC W09001740

Pursuant to Section 610 of the Appropriations Act of 1993, on April 15, 2010, Kin Hui submitted a proposal seeking approval and designation by U.S. Citizenship and Immigration Services (USCIS) of the Invest LA Regional Center, LLC.

Based on its review and analysis of your proposal, and of your response to the USCIS Request For Evidence, USCIS hereby designates the Invest LA Regional Center, LLC as a Regional Center within the Immigrant Investor Pilot Program and approves the request as described below:

GEOGRAPHIC AREA:

The Invest LA Regional Center, LLC shall have a geographic scope which includes the counties of Los Angeles and Orange in the State of California.

FOCUS OF INVESTMENT ACTIVITY:

As depicted in the economic model, the general proposal and the economic analysis, the Regional Center will engage in the following economic activities: Loans and equity investments to 3rd party enterprises, Real Estate Construction for business and residential, hotels and restaurants. The Regional Center for EB-5 Immigrant purposes shall focus investments into new commercial enterprises and expansion of existing enterprises in the following target industry economic cluster:

1. NAICS 2362 and 5311 – Commercial Real Estate Development

If any investment opportunities arise that are beyond the scope of the approved industry clusters, then an amendment would be required to add that cluster.

The geographic focus of this area may contain some High Unemployment Targeted Employment Areas (TEAs) as designated by the State of California and rural TEAs as defined in 8 CFR 204.6(e). Therefore, the minimum capital investment threshold for any individual immigrant investment into an approved commercial enterprise throughout the Regional Center shall be not less than $500,000, if the investment target is located within a TEA or $1,000,000 if it is located outside of a TEA. No debt arrangement will be acceptable unless it is secured by assets owned by the alien entrepreneur. A full capital investment must be made and placed at risk.

Aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these commercial enterprises located within the approved Regional Center area.

For any alien requesting the reduced threshold of $500,000 based upon an investment in a Targeted Employment area, the alien must establish at the time of filing of the I-526 petition that either the investment will be made in a TEA designated area or was in a TEA designated area at the time of the alien's initial investment into the enterprise.

EMPLOYMENT CREATION

Immigrant investors who file petitions for commercial enterprises located in the Regional Center area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprises created ten new jobs indirectly as a result of the immigrant investor's investment. This determination has been established by way of USCIS' acceptance of the final economic analysis that is contained as part of the approved Regional Center proposal and its indirect job creation model and multipliers contained within the final approved Regional Center application package. Rather, the investor must show at the time of removal of conditions that they performed the activities described in the model and on which the approved methodology is based. In the case the IMPLAN methodology was used.

Multiplier based on underlying new "direct jobs"

In addition, where job creation or preservation of existing jobs is claimed based on a multiplier rooted in underlying new "direct jobs", the immigrant investor's individual I-526 petition affiliated with your Regional Center, should include as supporting evidence:

- A comprehensive detailed business plan with supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

An alien investor's I-829 petition to remove the conditions which was based on an I-526 petition approval that involved the creation of new direct jobs or the creation of new indirect jobs based on a multiplier tied to underlying new direct jobs needs to be properly supported by evidence of job creation. To support the full number of direct and indirect new jobs being claimed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Preservation or creation of direct jobs

Where preservation or creation of "direct jobs" is claimed in support of an immigrant investor's I-526 petition affiliated with the Regional Center, then:

- To be credited with projected creation of new "direct" jobs for "qualifying employees" upon filing the I-526 petition, then the petition must be supported by a comprehensive detailed business plan and supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

- For the purposes of an alien investor's filing of a subsequent I-829 petition to remove the conditions wherein the investment through the Regional Center involved the creation of new direct jobs or the creation of new indirect jobs based upon a multiplier tied to underlying new direct jobs, then to support the full number of direct and indirect new jobs being claimed, an alien's subsequent I-829 petition filed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Additional Guidelines for individual Immigrant Investors Visa Petition (I-526)

Each individual petition, in order to demonstrate that it is associated with the Regional Center, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain as supporting evidence relating to this Regional Center designation, the following:

1. A copy of this letter, the Regional Center approval and designation.

2. A copy of the USCIS approved Regional Center narrative proposal and business plan.

3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the final Regional Center economic analysis which has been approved by USCIS, which reflects that investment by an individual immigrant investor will create not fewer than ten (10) full-time employment positions, either directly or indirectly, per immigrant investor.

4. A legally executed copy of the USCIS approved:

a.	Operating Agreement	(Copy dated 4-18-10, submitted)
b.	Private Placement Memorandum	(Sample submitted 4-15-10)
c.	Subscription Agreement; and	(Sample submitted 11-3-10)
d.	Limited Partnership Agreement.	(Sample submitted 11-3-10)
e.	Escrow Agreement and Instructions	(Sample submitted 4-15-10)

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic

capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year[1], commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the Regional Center responsible for the normal operation, management and administration of the Regional Center.

2. Be prepared to explain how you are administering the Regional Center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.

3. Be prepared to explain the following:

    a. How the Regional Center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.

    b. How the Regional Center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the Regional Center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the Regional Center.

4. Be prepared to provide:

    a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:

        i. the petition was filed,

        ii. was approved,

        iii. denied, or

        iv. withdrawn by the petitioner, together with the date(s) of such event.

    b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.

    c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    e. For each alien investor listed in item 4.a., above, identify the following:

[1] A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

i. the date(s) of investment in the commercial enterprise;

ii. the amount(s) of investment in the commercial enterprise; and

iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or Regional Center from when the investment was initiated to the present.

5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your Regional Center that have:

   a. received alien investors' capital, and in what aggregate amounts;

   b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;

   c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:

      i. The name and address of each "direct" job creating commercial enterprise.

      ii. The industry category for each indirect job creating investment activity.

6. Be prepared to provide:

   a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your Regional Center.

   b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your Regional Center.

7. The total aggregate sum of EB-5 alien capital invested through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

8. The combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

9. If applicable, the total aggregate of "preserved" or saved jobs by EB-5 alien investors into troubled businesses through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

10. If for any given Federal Fiscal Year your Regional Center did or does not have investors to report, then provide:

    a. a detailed written explanation for the inactivity,

    b. a specific plan which specifies the budget, timelines, milestones and critical steps to:

       i. actively promote your Regional Center program,

       ii. identify and recruit legitimate and viable alien investors, and

iii. a strategy to invest into job creating enterprises and/or investment activities within the Regional Center.

11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your Regional Center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your Regional Center's hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.

12. Finally, please be aware that it is incumbent on each USCIS approved and designated Regional Center, in order to remain in good standing, to notify the USCIS within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:

- the name and contact information of the responsible official and/or Point of Contact (POC) for the RC
- the management and administration of the RC,
- the RC structure,
- the RC mailing address, web site address, email address, phone and fax number,
- the scope of the RC operations and focus,
- the RC business plan,
- any new, reduced or expanded delegation of authority , MOU, agreement, contract, etc. with another party to represent or act on behalf of the RC,
- the economic focus of the RC, or
- any material change relating to your Regional Center's basis for its most recent designation and/or reaffirmation by USCIS.

If you have any questions concerning the Regional Center approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,

Rosemary Langley Melville
Director
California Service Center

cc: Lincoln Stone, Esq.

U.S. Department of Homeland Secu
U.S. Citizenship and Immigration Se

Notice of Action

		Application/Petition REGIONAL CENTER PROPOSAL
Receipt # W09001740		
Notice Date September 27, 2010	Page 1 of 6	Regional Center Invest LA Regional Center

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Lincoln Stone, Esq.
Stone & Grzegorek, LLP
800 Wilshire Blvd., Suite 900
Los Angeles, CA 90017

Request for Evidence

AL3100R2

IMPORTANT: WHEN YOU HAVE COMPLIED WITH THE INSTRUCTIONS ON THIS FORM, RESUBMIT THIS NOTICE ON TOP OF ALL REQUESTED DOCUMENTS AND /OR INFORMATION TO THE ADDRESS BELOW. THIS OFFICE HAS RETAINED YOUR PETITION/APPLICATION WITH SUPPORTING DOCUMENTS.

THE INFORMATION REQUESTED BELOW MUST BE RECEIVED BY THIS OFFICE NO LATER THAN EIGHTY-FOUR (84) DAYS FROM THE DATE OF THIS NOTICE. IF YOU DO NOT PROVIDE THE REQUESTED DOCUMENTATION WITHIN THE TIME ALLOTTED, YOUR APPLICATION WILL BE CONSIDERED ABANDONED PURSUANT TO 8 C.F.R. 103.2(B)(13) AND, AS SUCH, WILL BE DENIED.

WS 24065/CSC1309 DIV III

RETURN THIS NOTICE ON TOP OF THE REQUESTED INFORMATION LISTED ON THE ATTACHED SHEET.

Note: You are given until December 20, 2010, in which to submit the information requested.

Pursuant to 8 C.F.R. 103.2(b)(11) failure to submit ALL evidence requested at one time may result in the denial of your application.

For non-US Postal Service
Attn: EB 5 RC Proposal
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

You will be notified separately about any other applications or petitions you filed. Save a photocopy of this notice. Please enclose a copy of it if you write to us about this case, or if you file another application based on this decision. Our address is:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
CALIFORNIA SERVICE CENTER
Attn: EB 5 RC Proposal
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0526

W09001745

Form I-797 (8/06) **Please see additional information on the back.**

Additional Information for Applicants and Petitioners.

General.

The filing of an application or petition does not in itself allow a person to enter or remain in the United States and does not confer any other right or benefit.

Inquiries.

If you do not hear from us within the processing time given on this notice and you want to know the status of this case, use InfoPass at www.uscis.gov to contact your local USCIS office or call our National Customer Service Center at **1–800–375–5283.**

You should follow the same procedures before contacting your local USCIS office if you have questions about this notice.

Please have this form with you whenever you contact a local office about this case.

Requests for Evidence.

If this notice asks for more evidence, you can submit it or you can ask for a decision based on what you have already filed. When you reply, please include a copy of the other side of this notice and also include any papers attached to this notice.

Reply Period.

If this notice indicates that you must reply by a certain date and you do not reply by that date, we will issue a decision based on the evidence on file. No extension of time will be granted. After we issue a decision, any new evidence must be submitted with a new application or petition, motion or appeal, as discussed under **"Denials"**.

Approval for a Petition.

Approval of an immigrant or nonimmigrant petition means that the beneficiary, the person for whom it was filed, has been found eligible for the requested classification. However, approval of a petition does not give any status or right. Actual status is given when the beneficiary is given the proper visa and uses it to enter the United States. Please contact the appropriate U.S. consulate directly if you have any questions about visa issuance.

For nonimmigrant petitions, the beneficiary should contact the consulate after receiving our approval notice. For approved immigrant petitions, the beneficiary should wait to be contacted by consulate.

If the beneficiary is now in the United States and believes he or she may be eligible for the new status without going abroad for a visa, he or she should use InfoPass to contact a local USCIS office about applying here.

Denials.

A denial means that after every consideration, USCIS concluded that the evidence submitted did not establish eligibility for the requested benefit.

If you believe there is more evidence that will establish eligibility, you can file a new application or petition, or you can file a motion to reopen this case. If you believe the denial is inconsistent with precedent decisions or regulations, you can file a motion for reconsideration.

If the front of this notice states that this denial can be appealed and you believe the decision is in error, you can file an appeal.

You can obtain more information about these processes by either using InfoPass to contact your local USCIS office, or by calling the National Customer Service Center.

STONE & GRZEGOREK LLP

800 Wilshire Boulevard, Suite 900
Los Angeles CA 90017
tel 213 627 8997 | *fax* 213 627 8998
www.lskglaw.com

S&G File: 4223.01

November 2, 2010

Sent via Federal Express

U.S. Citizenship and Immigration Services
California Service Center
Attention: EB-5 RC Proposal
24000 Avila Road, 2nd Floor, Room 2326
Laguna Niguel, CA 92677

REQUEST FOR EVIDENCE

Re: Proposal for Regional Center – W09001740
Immigrant Investor Pilot Program, 8 CFR 204.6(m)
Applicant: Invest L.A. Regional Center, LLC
Territory: Los Angeles County, California

Re: Request for Approval of Exemplar Petition
New Commercial Enterprise: Park Place EB5, LP

Dear Officer:

Invest L.A. Regional Center, LLC seeks approval as a regional center pursuant to the Immigrant Investor Pilot Program, 8 CFR § 204.6(m). We hereby respond to the Request for Evidence dated September 27, 2010 with the information and documentation requested.

Furthermore, we hereby request approval of an exemplar petition for a regional center affiliated new commercial enterprise – Park Place EB5, LP. Enclosed please find the following:

- Request for Evidence, W09001740
- Form G-28
- Regional Center Proposal and Business Plan for Invest LA Regional Center, LLC
- Exemplar Petition for Park Place EB5, LP

Please advise us if you have any questions or require further information or documentation. At your earliest opportunity, please confirm receipt of this proposal.

Sincerely,

STONE & GRZEGOREK LLP

LINCOLN STONE
LS:cdr
Enclosures

Request for Evidence

8 CFR 204.6 (m)(3) describes specific evidence that must be submitted before consideration for eligibility for this benefit may proceed. After review of your proposal for the Invest LA Regional Center (ILARC) in the light of these requirements, additional information, evidence or clarification is needed to proceed.

The regulation at 8 C.F.R. § 204.6(m)(3) provides:

> (3) Requirements for regional centers. Each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the Assistant Commissioner for Adjudications, which:
>
> > (i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through increased export sales, improved regional productivity, job creation, and increased domestic capital investment;
> >
> > (iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;
> >
> > (iv) Contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center; and
> >
> > (v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables.

It is always best to start with a cover letter that acts as an executive summary followed by a table of contents of the various tabbed sections to follow.

The purpose of a Regional Center is to stimulate economic activity and create jobs, which is the same as the I-526 program in general. The Regional Center has responsibilities to do a due diligence process to establish that all sources of capital used by the EB-5 immigrant investors can be fully explained and clearly shown to have been lawfully obtained. The Regional Center must also monitor and coordinate I-526 created businesses and report annually to USCIS. Explain how the proposed Regional Center intends to fulfill its responsibilities. An Operational Plan for the regional center, similar to a business plan, may include this explanation.

Please provide an operational plan for the proposed regional center.

Defined Economic Zones

Section 610(a) of P.L. 102-395 as amended by P.L. 107-273 describes the statutory basis for eligibility as a Regional Center

> (a) Of the visas otherwise available under section 203(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(5)), the Secretary of State, together with the Attorney General, shall set aside visas for a pilot program to implement the provisions of such section. Such pilot program shall involve a regional center in the United States, designated by the Secretary of Homeland Security on the basis of a general proposal, for the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment. A regional center shall have jurisdiction over a limited geographic area, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in defined economic zones. The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments and the other positive economic effects such capital investments will have...

The general proposal must address the kinds of commercial enterprises which will receive capital from the aliens, the jobs that will be created directly or indirectly as a result of the investment and other positive economic impacts. To be effective such a proposal needs to be realistic, viable and credible. While numerous industries and kinds of economic activity were identified as potential targets of investors, other than the Pasadena Project, Phase I, no descriptions of the kinds of commercial enterprises that would be investing into the mentioned industries were provided.

The six bullet point economic zones you identified as your specific industry focus are:

- Commercial/industrial/residential developments;
- Private/public arrangements with governmental agencies or non-profits to develop civic/public facilities and infrastructure;
- Renovation of historic/functionally obsolete buildings;
- Capital, loans, or investments to businesses in the Los Angeles County area;
- Establish or invest in higher education institutions; and
- Establish or invest in technology companies

Under types of investment within the Regional Center, p. 3 of the cover letter, you also include hospitality, retail, flex, transportation facilities, condominiums, and targeting.

For each of the economic zones and types of investments you have identified in your cover letter and "specific industry focus", please provide the NAICS codes for each projected enterprise or kind of business.

(b) (4)

Please provide business plans, actual or sample plans, for businesses anticipated to be within the defined economic zones (industry types) within the regional center. *Matter of Ho* 22 I&N Dec. 206 (Assoc. Comm., 1998), contains the following guidelines on acceptable business plans:

> The plan should contain a market analysis, including the names of competing businesses and their relative strengths and weaknesses, a comparison of the competition's products and pricing structures, and a description of the target market/prospective customers of the new commercial enterprise. The plan should list the required permits and licenses obtained. If applicable, it should describe the manufacturing or production process, the materials required, and the supply sources. The plan should detail any contracts executed for the supply of materials and/or the distribution of products. It should discuss the marketing strategy of the business, including pricing, advertising, and servicing. The plan should set forth the business's organizational structure and its personnel's experience. It should explain the business's staffing requirements and contain a timetable for hiring, as well as job descriptions for all positions. It should contain sales, cost, and income

> projections and detail the bases therefor. Most importantly, the business plan must be credible.

While highly detailed plans are not required for Regional Center approval, *Matter of Ho*, supra, does describe the kinds of business plans that will need to accompany each I-526 that is filed and associated with the Regional Center.

Only one business plan, the Pasadena Project Phase I business plan (Colorado and Lake Project), was submitted by ILARC. None of the other areas of potential investment had a business plan. Without a business plan on which to base economic predictions, an economic analysis would be entirely hypothetical and speculative for generic projects. Actual, proposed or sample business plans for the kinds of businesses anticipated to be within the regional center are important because they are determinative of the kinds of inputs the economist chooses in the application of economic or statistically valid forecasting tools such as RIMS II or IMPLAN.

Promotion of Economic Growth within the selected Geographic Area (8 CFR 204.6(m)(3)(i)):

8 CFR 204.6(m)(3)(i) requires that a proposal be submitted which:

> Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through improved regional productivity, job creation, and increased domestic capital investment;

Submit documentation, such as an economic analysis, showing how the amendment to the Regional Center will promote economic growth through improved productivity, job creation and increased capital investment with-in the designated Region for all of the industries the in which the Regional Center will be engaged. Aspects of this element may be combined with other issues listed below in a single economic analysis and job creation model.

The map of your geographic region appears to encompass all of Los Angeles County and parts of Orange County. The delineation of the parts of Orange County is not clear as it is marked by shading. Please provide an exact description of the proposed geographic area and a new map.

Indirect Job Creation (8 CFR 204.6(m)(3)(ii)):

8 CFR 204.6(m)(3)(ii) requires you to:

> Provide in verifiable detail how jobs will be created indirectly;

It is no longer required that job creation be shown through increased exports, but it is still required that job creation be demonstrated in verifiable detail. The IMPLAN model (methodology) predicted a certain

number of jobs will be created. However, the analysis only examined a single project, that of the Colorado and Lake project.

For all of the economic zones in which the Regional Center will be focusing, list the actual job creating activities (These are the kinds of job duties or titles that would be listed on a typical organizational chart).

Provide an economic impact analysis that shows the economic impact of all of the types of investments within the Regional Center. The analysis must clearly show the inputs to the model and the calculations used to determine the jobs that will be created.

The plan must clearly identify how the investor funds will flow to the job creating entity and how the jobs will be created.

Amount and Source of Capital Committed to the Regional Center (8 CFR 204.6(m)(3)(iii)):

No detailed statement regarding the amount and source of capital for the regional center was provided.

8 C.F.R. § 204.6(m)(3)(iii) requires a detailed statement:

> (iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;

Please note that the phrase "committed to the regional center" is in past tense. Your statement should include capital already expended on the regional center (money already spent on the regional center is committed to the regional center), such as the cost of the economic impact report, fees paid to consultants or EB-5 promotion and recruitment companies, advertising, and costs associated with filing the proposal. In addition, it should detail funds committed to the operation of the regional center until such time as it can become self-sustaining through immigrant investor fees. Some or all of these funds may come from capital contributions as described in § 2.2 of the Operating Agreement for Invest L.A. Regional Center, LLC. Unfortunately, neither the names of the members nor the amount of their capital contributions into ILARC were provided. Funds in the ILARC corporate account would also be considered committed to the regional center.

Please provide a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center. Include an assessment of anticipated costs in operating the regional center until it becomes sustained by investor fees.

Regional or National impact of the Regional Center(8 CFR 204.6(m)(3)(iv)):

Regulations at 8 CFR 204.6(m)(3)(iv) require that the proposal contain:

> ...a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center;

Provide a detailed prediction that includes the topics of regional or national impact on household earnings, greater demand for business services both within and outside the Regional Center. The analysis contained in the ILARC proposal only discussed the "Economic Impact of Renovating, Constructing and Operating a Mixed Use Commercial Building..." but did not discuss private/public arrangements with governmental agencies or non-profits to develop civic/public facilities and infrastructure, renovation of historic/functionally obsolete buildings, capital, loans, or investments to businesses in the Los Angeles County area, hospitality, retail, transportation facilities, establish or invest in higher education institutions or establish or invest in technology companies.

The economic impact analysis should provide monetary predictions of the all of the effects projects that will be part of the Regional Center.

OMB No. 1615-0105; Expires 04/30/2012

Department of Homeland Security

G-28, Notice of Entry of Appearance as Attorney or Accredited Representative

Part 1. Notice of Appearance as Attorney or Accredited Representative

A. This appearance is in regard to immigration matters before:

☑ USCIS - List the form number(s): EB5 Regional Center Application ☐ CBP - List the specific matter in which appearance is entered:

☐ ICE - List the specific matter in which appearance is entered:

B. I hereby enter my appearance as attorney or accredited representative at the request of:

List Petitioner, Applicant, or Respondent. **NOTE:** Provide the mailing address of Petitioner, Applicant, or Respondent being represented, and not the address of the attorney or accredited representative, except when filed under VAWA.

Principal Petitioner, Applicant, or Respondent			A Number or Receipt Number, if any	
Name: Last	First	Middle		☐ Petitioner
Invest L.A. Regional Center, LLC			N/A	☑ Applicant
				☐ Respondent

Address: Street Number and Street Name	Apt. No.	City	State	Zip Code
25 East Foothill Boulevard		Arcadia	CA	91006

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, USCBP, or USICE.

Signature of Petitioner, Applicant, or Respondent **Kin Hui** **Managing Member** **Date** 4/12/2010

Part 2. Information about Attorney or Accredited Representative *(Check applicable items(s) below)*

A. ☑ I am an attorney and a member in good standing of the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia: California

I am not ☑ or ☐ am subject to any order of any court or administrative agency disbarring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law (If you are subject to any order(s), explain fully on reverse side).

B. ☐ I am an accredited representative of the following qualified non-profit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 1292.2. Provide name of organization and expiration date of accreditation:

C. ☐ I am associated with _____.

The attorney or accredited representative of record previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request *(If you check this item, also complete item A or B above in Part 2, whichever is appropriate)*.

Part 3. Name and Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

Name of Attorney or Accredited Representative	Attorney Bar Number(s), if any
Lincoln Stone/ Shino Milby	CA 146597/ CA 217573
Signature of Attorney or Accredited Representative: Lincoln Stone	Date: 4/13/2010

Complete Address of Attorney or Organization of Accredited Representative (Street Number and Street Name, Suite No., City, State, Zip Code)

STONE & GRZEGOREK LLP, 800 Wilshire Boulevard, Suite 900, Los Angeles, CA 90017

Phone Number *(Include area code)*	Fax Number, if any *(Include area code)*	E-Mail Address, if any
213.627.8997	213.627.8998	lincoln@lskglaw.com

INVEST L.A. REGIONAL CENTER, LLC

INVEST L.A. REGIONAL CENTER, LLC

REGIONAL CENTER PROPOSAL AND BUSINESS PLAN

Revised: November 2010

Singpoli Corporate Center, 3rd Floor. 25 E. Foothill Blvd., Arcadia CA 91006, USA. Tel: 626.566.1888. Fax: 626.566.1887

INVEST L.A. REGIONAL CENTER, LLC

REGIONAL CENTER PROPOSAL AND BUSINESS PLAN

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INVEST L.A. REGIONAL CENTER, LLC
REGIONAL CENTER PROPOSAL AND BUSINESS PLAN
Revised: November 2010

EXECUTIVE SUMMARY

In April 2010, Invest L.A. Regional Center, LLC ("Invest L.A." or "Regional Center") applied to USCIS for designation as a regional center under the Immigrant Investor Pilot Program. USCIS issued a Request for Evidence ("RFE") dated September 27, 2010. This revised Regional Center Proposal and Business Plan ("Proposal") is intended to respond fully to the RFE and clarify the Invest L.A. application for regional center designation. Importantly, this Proposal clarifies that Invest L.A. is seeking regional center designation for only one industry sector – commercial real estate development; and for two counties – Los Angeles and Orange County. Also, this Proposal is accompanied by an Exemplar Petition whereby Invest L.A. requests approval of EB5 investment in its first commercial enterprise – Park Place EB5, LP ("Park Place LP").

GOALS OF INVEST L.A.

Invest L.A. was established in April 2010 in order to attract capital for development and improvement of properties that would appeal to businesses that could reinvigorate the local economy. (*See* Exhibits 1 and 2) The principals of the Regional Center are Kin Hui, William Chu, and Philip Y. Kim, Esq, who possess proven expertise in real estate investment, development, management, and finance in businesses within the greater Los Angeles area. The focus of the Regional Center is Los Angeles and Orange Counties.

Invest L.A. seeks to promote economic development by partnering with private investment capital to focus on investments with strong indications of expansion and growing employment needs, and with a reasonable return on investments. New sources of investment are needed to move this region forward into a more prosperous future with new work opportunities to support stronger population growth.

As its first regional center activity, Invest L.A. has identified redevelopment of a mixed-use property which is located within Los Angeles County. (Exhibit 4) A commercial enterprise, Park Place, has been formed in the State of California for the purpose of investing in the acquisition, renovation and management of a seven-story mixed-use property located in the City of Pasadena within Los Angeles County. Invest L.A. is General Partner of Park Place LP. The Exemplar Petition that accompanies this Proposal demonstrates how investors in Park Place LP are eligible for benefits in the EB5 category.

The Regional Center team will reach its goals by: (1) using the expertise of the Regional Center's principals in real estate and financing to attract and identify qualified investment opportunities; (2) partnering with agencies abroad to promote immigrant investments; (3) maximizing the use of public funds to increase investment returns; and (4) utilizing experienced developers and consultants to timely complete real estate development projects.

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GEOGRAPHIC AREA OF REGIONAL CENTER

The Regional Center's geographic boundaries are the Counties of Los Angeles and Orange. (Exhibit 3)

The Counties of Los Angeles and Orange are the home of diverse neighborhoods and businesses. With nearly 13 million diverse residents combined, the Counties of Los Angeles and Orange offer distinctive investment opportunities in some of the most historically and geographically unique environments.

With the recent nose-dive in the national economy, California – and in particular, Los Angeles County – has experienced severe employment losses in virtually all industries. This decline reflects the national recession, but is especially critical in the County of Los Angeles, which has one of the highest unemployment rates among major U.S. metropolitan areas. Some census tracts within Los Angeles County have unemployment rates of over 20%. The State of California as a whole has also been hard-hit by the real estate market crash and foreclosure crisis, exacerbating the regional job losses.

The southern portion of Los Angeles County is the most heavily urbanized area and is home to the vast majority of the population which lives along the Southern California coastline and the inland basins and valleys. The northern half is a large expanse of less-populated desert including the Santa Clarita Valley and the Antelope Valley, which encompasses the northeastern part of the county and is adjacent to Kern County. In between these portions of the county sit the San Gabriel Mountains and the vast wilderness known as the Angeles National Forest.

Orange County sits immediately south-east of Los Angeles County. Orange County is famous world-wide for its tourism, as the home of such attractions as Disneyland and Knott's Berry Farm, as well as several popular beaches along its more than 40 miles of coastline. Orange County, otherwise referred to as the Orange County Metropolitan Statistical Area (MSA), includes 34 incorporated cities, covers an area of 948 square miles, and as of July 2009, had an estimated population of approximately 3.1 million people.

UCLA economists expect continued slow growth in Orange County in 2011. The UCLA Anderson Forecast predicts about 24,000 new jobs in Orange County in 2011 and 41,000 more jobs in 2012, which will bring down the county's unemployment rate from its current 9.6 percent to 8.5 percent. According to Colliers PKF Consulting USA, business at Orange County hotels rose in July 2010, bringing welcome news to local tourism officials. About 84.4 percent of rooms were occupied in the month, up 7.6 percent from the same time in 2009.

The two counties are home to over a quarter of all California residents. One of the most diverse counties in the country, Los Angeles County holds most of the principal cities encompassing the Greater Los Angeles Area and is the core of the five counties – including Orange County – that make up the area. If Los Angeles County were a nation, it would boast a GDP among the 20 largest countries in the world.

For the foregoing reasons, the Los Angeles and Orange Counties will have vast business opportunities. The new investments will be focused on bringing economic development in areas

hard hit by high unemployment. All Regional Center investments will be carried out in the defined economic zone of Los Angeles County and Orange County.

Certain cities, census tracts, and other political subdivisions within the Regional Center territory will qualify as targeted employment areas ("TEAs"). Investments made by immigrant investors in enterprises principally doing business within TEAs will be a minimum $500,000. Investments made by immigrant investors in enterprises that are not in TEAs will be a minimum $1,000,000.

CLUSTERS/INDUSTRY SECTORS

The Regional Center will focus EB5 investment capital in commercial real estate development. There will be a separate limited partnership for each commercial real estate development undertaken by the Regional Center. Following completion of development, the limited partnership would own and manage the constructed buildings for lease. Examples of such real estate developments include, but are not limited to, buildings dedicated to hospitality, retail, mixed use, industrial, flex, office, and transportation facilities. The NAICS codes relating to Regional Center investments include the construction codes 2362, 236220, 5311, and 53110. The economist report (see Exhibit 6, p. 4) provides a complete listing of industry codes including those for likely building tenants.

The first commercial enterprise to be funded by the Regional Center – Park Place LP – is the subject of the accompanying Exemplar Petition. The "Green Plaza" investment briefly described in the exhibits is another example of the commercial real estate development the Regional Center will engage in. (Exhibit 5)

EMPLOYMENT CREATION METHODOLOGY

The Regional Center investments will create thousands of jobs in the local economy. Park Place LP represents Phase I of the Colorado at Lake project. This project is a mixed-use commercial center, which is located at the corner of East Colorado Boulevard and Lake Avenue in Pasadena, California. Phase I will include a 142-room hotel, approximately 22,600 square feet of historic retail and rooftop restaurant/bar space, and a parking garage with 125 spaces. Phase II will include 25 more rooms in the hotel, approximately 10,000 square feet of retail space, 13,000 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

Dr. Michael Evans, a respected regional economist, prepared a comprehensive employment impacts analysis relating to Park Place LP. (Exhibit 6) Dr. Evans used the IMPLAN methodology in measuring job creation. There will be a total of (b) (4) These jobs exclude direct construction jobs, but include indirect and induced construction jobs. These figures are based on estimated hard construction cost budgets of (b) (4) for Phase II. The Evans report illustrates well the employment methodology the Regional Center will use to measure job creation.

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POSITIVE ECONOMIC IMPACTS

As further described in the report by Dr. Evans (Exhibit 6), the Regional Center investments will have significant economic impacts in the regional economy. Considering just the Park Place LP development alone, (b) (4) [redacted]. All these figures are in 2010 dollars. This particular project is expected to be one of five similar projects that will be developed over the next five to seven years. (*See, e.g.*, Green Plaza project, Exhibit 5)

As Dr. Evans explains, assuming that these other projects will be of similar size and scope on average, the overall impact of these five projects would boost employment by over (b) (4) [redacted].

ADMINISTRATION AND OPERATIONS OF REGIONAL CENTER

The principals of Invest L.A. have substantial experience in commercial real estate development and are well positioned to make the Regional Center a success. Invest L.A. will be administered by its three principal owners, with special emphasis on the following responsibilities:

- Provide general oversight/administration to ensure investment and development goals and Regional Center requirements are met.
- Review potential investments according to various criteria, including whether: (1) the potential investment will be profitable for Invest L.A. and the investors; (2) the potential investment will create enough direct and indirect jobs, using the criteria described by economist Dr. Evans; and (3) the potential investment will promote improved regional productivity, domestic capital investment, and economic growth.
- Market the Regional Center to potential foreign nationals in the United States and abroad.
- Prepare and provide prospectus regarding potential investment opportunities.
- Identify qualified individuals for specific investment opportunities, including confirmation of the bona fides of the funds to be invested. Attached hereto is a form the Regional Center intends to use for such purpose. (Exhibit 7)
- Manage the flow of information to investors and their attorneys for the submission of I-526 and I-829 petitions. Attached hereto is a chart the Regional Center intends to use for purposes of tracking investor progress in the immigration application. (Exhibit 8)
- Manage the funds invested by immigrant petitioners and direct their capital to job-creating and profitable commercial real estate development.

- Communicate with immigrant investors concerning business performance and developments, and solicit input from immigrant investors.

- Provide monthly and annual financial reports to immigrant petitioners as well as information required for tax return preparation.

- Prepare annual reports for submission to USCIS, as needed, in the format preferred by USCIS. (*See* Exhibit 9)

Invest L.A. is owned by Kin Hui, William Chu, and Philip Y. Kim, all of whom possess strategic vision and expertise to bring about success in the Regional Center enterprises. (Exhibit 10)

Kin Hui –Mr. Hui will be contributing his expertise in real estate development and construction to the Regional Center business. Mr. Hui will oversee administrative responsibilities of the Regional Center and will draw on administrative staff from the Singpoli Group as needed.

Mr. Hui is the owner and operator of Singpoli Group, a real estate investment company based in Arcadia, California. His company is involved mostly with major commercial and office buildings. He is also the general partner of a prestigious mixed-use development located at the Southeast corner of two major arterials in the heart of downtown Pasadena – Colorado Boulevard and Lake Avenue. The company is also the owner and operator of 2 North Lake tower in Pasadena which is located at the Northeast corner of Colorado Boulevard and Lake Avenue in Pasadena. The sale of 2 North Lake Avenue office tower ranked as the second largest brokered office deal in Los Angeles County and one of the largest in Southern California in 2009.

Mr. Hui has been active in the acquisition, development and management of real properties in Southern California since the early 1990s. He is the founder and President of Singpoli Construction since 1992, a founding partner and President of Pacific Design Group since 1997, a Managing Partner of Singpoli Investment, LLC since 1992 and the Managing Member of Singpoli Pacifica, LLC since 2007.

A holder of a California General Contractor license, Mr. Hui obtained a Bachelor of Science degree from Woodbury University with a major in Interior Design and a minor in Business Administration.

Philip Y. Kim - Mr. Kim's primary role for Invest L.A. will be related to real estate acquisition, permits, and other legal matters.

Mr. Kim is a licensed California attorney specializing in real estate transaction and litigation, corporate management, and business litigation. He graduated from the University of California Los Angeles with a Bachelor of Science degree in Mechanical Engineering in 1993 and he received his law degree from Trinity Law School in 1998.

Mr. Kim is the president of Amerestate Realty, Inc. a commercial and residential brokerage company specializing in the Los Angeles County area. He is also the Chief Administrative Officer for Singpoli Construction and general counsel to various corporations.

William H. Chu - At Invest L.A., Mr. Chu will be contributing his expertise in financing and banking matters.

Mr. Chu joined Singpoli in 2009, after a distinguished banking career that spanned from New York, Little Rock, San Francisco, Los Angeles to Las Vegas, having served as President and Chief Executive Officer of First Asian Bank, United Pacific Bank and Los Angeles Community Development Bank, as well as a senior executive at East West Bank. A certified public accountant, Mr. Chu graduated from the University of Winnipeg in Canada and completed his MBA degree at the University of Southern California.

Aside from managing Singpoli Construction, Mr. Chu is actively involved in the other Singpoli Group companies that specialize in real estate investments, property developments, real estate syndications and secured project financing.

PROPOSED INVESTMENT STRUCTURE

In the typical structure, an immigrant investor will invest his/her funds in a Regional Center affiliated commercial enterprise as a limited partner in a limited partnership ("Partnership"). (*See* Exhibits 12 through 14) The Regional Center will act as the general partner ("General Partner") of this Partnership. The units of the Partnership ("Units") will be offered only to prospective investors who are not citizens of the United States and who meet certain minimum investor suitability requirements.

The Partnership will offer for sale ("Offering") units of its limited partnership interests (hereinafter, individually, a "Unit" and collectively, the "Units") at a subscription price of (b) (4) per Unit, if within a targeted employment area ("TEA") (hereinafter, the "Subscription Price"), with a minimum subscription for all investors of one (1) Unit. The Subscription Price is the sum of (i) the price per Unit of $1,000,000/$500,000 (the "Unit Price"), which amount shall constitute a capital contribution to the Partnership, and (ii) a syndication fee of (b) (4) per Unit (the "Syndication Fee"), which amount shall not constitute a capital contribution, but which amount will be paid to the General Partner as a fee.

The Subscription Price must be paid to the Partnership by a subscriber upon execution and delivery of the Subscription Agreement. The Subscription Price paid by each subscriber will be deposited into an escrow or segregated bank account (hereinafter, the "Escrow Account") established by the Partnership in a commercial bank. In general, if a subscriber's I-526 petition is approved by the USCIS, (a) the subscriber's subscription for a Unit will be accepted, (b) the subscriber will be admitted as a Limited Partner, and (c) the Unit Price deposited into the Escrow Account by the subscriber will be released to the Partnership (and the Syndication Fee (together with all interest accrued on the Subscription Price) will be paid to the General Partner. In the event the USCIS denies a subscriber's I-526 petition, the Subscription Price deposited into the Escrow Account by such subscriber will be refunded to such subscriber (together with all interest accrued on the Subscription Price).

Following the investor's admission to the Partnership, the investor will exercise the ownership rights of a Limited Partner and will be entitled to distributions of cash flow, if available.

For clarification, the Regional Center does not intend to be engaged in lending activity. Rather, as in the case of Park Place LP, the Partnership is investing in a substantial equity position in the acquisition, development and management of commercial real estate.

CAPITALIZATION OF REGIONAL CENTER

The Regional Center will be capitalized by private investment to obtain regional center designation and to promote the regional center to investors. The initial budget to accomplish these goals is (b) (4) Once the Regional Center is operational, it will be funded on an ongoing basis via syndication fees, and distributions to Invest L.A. from various commercial real estate enterprises affiliated with the Regional Center. (See Declaration, Exhibit 15)

PROMOTION AND MARKETING

The Regional Center will market itself by: (1) creating a website available to the public providing information about the Regional Center, (2) partnering with third party agencies in various countries to promote the Regional Center, (3) attending various immigration expositions in different countries, and (4) attending various conferences within the United States.

Invest L.A. will rely heavily on the marketing expertise of the principals as well as overseas agencies to market its offerings. Philip Y. Kim will lead the marketing efforts for Korea as well as attending the various conferences in the United States. William H. Chu will lead the marketing efforts in China and other countries along with attending various expositions.

All investors invest their investment capital ($1,000,000/$500,000), plus syndication fee (b) (4) in the case of immigrant investors. The syndication fee is used to pay commissions and finder's fees, and to offset advertising costs. (b) (4)

Invest L.A. expects to expend approximately (b) (4) on marketing costs in the initial year of Regional Center operations. Thereafter, Invest L.A. has budgeted approximately (b) (4) (b) (4) for ongoing marketing costs that are not covered directly by commissions and referral fees.

CONCLUSION

For the foregoing reasons, in particular the estimated (b) (4) jobs that could be created as a result of multiple Regional Center developments, Invest L.A. respectfully requests that its Regional Center application be approved.

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State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) is a full, true and correct copy of the original record in the custody of this office.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 08 2010

Debra Bowen

DEBRA BOWEN
Secretary of State

LLC-1 File # 201009810287

State of California
Secretary of State

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

ENDORSED - FILED
In the office of the Secretary of State
of the State of California
APR 08 2010

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

INVEST L.A. REGIONAL CENTER, LLC

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

PHILIP Y. KIM, ESQ.

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA	CITY	STATE	ZIP CODE
25 E. FOOTHILL BLVD.	ARCADIA	CA	91006

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- ☐ ONE MANAGER
- ☑ MORE THAN ONE MANAGER
- ☐ ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

4-7-10
DATE

SIGNATURE OF ORGANIZER

Philip Y. Kim
TYPE OR PRINT NAME OF ORGANIZER

OFFICE OF THE SECRETARY OF STATE

LLC-1 (REV 04/2007) APPROVED BY SECRETARY OF STATE

OPERATING AGREEMENT

FOR

INVEST L.A. REGIONAL CENTER, LLC

This Agreement is effective as of
April 8, 2010

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OPERATING AGREEMENT
FOR
INVEST L.A. REGIONAL CENTER, LLC

Recital

This Operating Agreement is entered into effective **April 8, 2010**, among the persons who are signatories to this Agreement and shall govern the relationship among the persons as Members of Company and between Company and the persons as Members, pursuant to the Act and the Articles, as either may be amended from time to time. In consideration of their mutual promises, covenants, and agreements, the parties as signatories to this Agreement do hereby promise, covenant, and agree as follows:

ARTICLE I
Introductory Matters

1.1 FORMATION, REQUIRED NUMBER OF MEMBERS, TERMS AND PURPOSES

Pursuant to the Act, PHILIP Y. KIM, acknowledge and confirm he is the initial Member of the limited liability company organized under the laws of the State of California known as **INVEST L.A. REGIONAL CENTER, LLC**, whose Articles were filed, effective _____. A copy of the Articles is attached. Company shall at all times have at least one member. Unless sooner terminated, Company shall have the term provided in the Articles.
Act □ 17050(b).

The general purposes for the organization of Company shall be those set forth in its Articles. Company may, as provided in its Articles and the Agreement, exercise all of the powers described in Title 2.5 of Corporations Code of the State of California also known as the Beverly-Killea Limited Liability Company Act, as the Act may be amended from time to time.

1.2 REGULATION OF INTERNAL AFFAIRS BY OPERATING AGREEMENT

Consistent with the Articles and the Act, the internal affairs of Company and the conduct of its business shall be governed and regulated by the Agreement as it shall be amended by Members from time to time. The term of the Agreement shall begin on the date the Articles are filed and accepted by the Secretary of State and shall be co-terminus with the period of duration of

Company provided in the Articles unless Company is earlier terminated upon its voluntary or involuntary dissolution in accordance with the Agreement.
Act § 17001(ab).

1.3 LAWS GOVERNING OPERATING AGREEMENT

The Agreement is subject to, and governed by, the mandatory provisions of the Act and the Articles filed with the Secretary of State, as both may be amended from time to time. In the event of a direct conflict between the provisions of the Agreement and the mandatory provisions of the Act or the provisions of the Articles, such provisions of the Act or the Articles, as the case may be, will be controlling.

1.4 USE OF FULL LEGAL NAME OF COMPANY REQUIRED

All business of Company shall be conducted under the name **INVEST L.A. REGIONAL CENTER, LLC**, until such time as Members shall designate otherwise and file amendments to the Articles in accordance with the Articles and the Act. The phrase "LLC" shall always appear as part of the name of Company on all correspondence, stationery, checks, invoices and any and all documents and papers executed by Company and as otherwise required by the Act.

1.5 LIMITATION OF AUTHORITY OF A MEMBER

No Member that is not a Manager, shall have any authority to act for, or to undertake or assume, any obligation, debt, duty or responsibility on behalf of the Company. Authority to act for the Company shall be vested in the Manager as provided in Article III.

1.6 LIMITATION ON POWER TO CONTRACT DEBTS

Except as otherwise provided in the Agreement including Subparagraph 3.4.B, no debt shall be contracted or liability incurred by or on behalf of Company, except by one (1) or more of its Managers if management of Company has been vested by the Members in a Manager or Managers and is within the scope of the powers described in Paragraph 3.4.

1.7 TITLE TO ALL PROPERTIES IN NAME OF COMPANY

Real and personal property owned or purchased by Company shall be held and owned, and conveyance made, in the name of Company. Instruments and documents providing for the acquisition, mortgage or disposition of property of Company shall be valid and binding upon Company, except as otherwise limited in the Agreement including Subparagraph 3.4.B., if executed by one (1) or more Managers of Company having a Manager or Managers.

1.8 REQUIRED MAINTENANCE OF REGISTERED OFFICE AND AGENT IN CALIFORNIA

Company shall have an agent for service of process in California who may be either a natural person or a corporation meeting the qualifications of Corporations Code Section 17061. Every agent for service of process must have a street address for the receipt of service of process. The street address of the agent for receipt of service of process is the registered office of the limited liability company in California. Within 30 days after changing the location of his office from one address to another in California, an agent for service of process must file a certificate with the Secretary of State setting forth the names of the limited liability companies represented by him, the address at which he, she, or it has maintained the office for each of the limited liability companies, and the new address to which the office is transferred.

1.9 REQUIRED MAINTENANCE OF RECORDS IN CALIFORNIA OFFICE

Company shall continuously maintain an office in the State of California which may but need not be a place of its business in this state or its registered office, at which it shall keep:

a. A current list of the full name and last known business address of each Member and of each holder of an Economic Interest in alphabetical order together with the Capital Contribution and Percentage Share in net profits and net losses;

b. If the Articles provide Company is to be managed by one or more managers and not by all of its members, a current list of the full name and business or residence address of each Manager;

c. A copy of the filed Articles and all amendments thereto, together with any powers of attorney pursuant to which the Articles or any amendments thereto were executed;

d. Copies of Company's federal, state and local income tax returns or information returns and reports, if any, for the six (6) most recent taxable years;

e. A copy of the Agreement and any amendments thereto, together with any powers of attorney pursuant to which any written operating agreement or amendments were executed; and

f. Copies of financial statements of Company for the six (6) most recent taxable years; and

Act § 17057, 17058.

The above described records are subject to inspection and copying at the reasonable request, and at the expense, of any member during ordinary business hours.

1.10 PLACES OF BUSINESS OUTSIDE STATE OF CALIFORNIA

Members may identify other places of business of Company outside the State of California, appoint agents for service of process and make filings as may be required or desirable under the laws of such other places.

1.11 OTHER FORMATION MATTERS

A. INTENTIONALLY OMITTED

B. Maintenance of Company Record Book

Members shall authorize the maintenance of a Company Record Book to include the Articles, the Agreement and any amendments thereto and the minutes of meetings (or consents in lieu of meetings) of Members and Managers and other important documents of Company.

C. Establishment of Bank Accounts

Members shall authorize the establishment of one or more depository accounts for the funds of Company and designate persons authorized to draw against such accounts on behalf of Company (more specifically described elsewhere in the Agreement).

D. Reimbursement of Expenses of Organization

Members may authorize Company to pay the expenses of organization and reimburse any person advancing funds for this purpose.

E. INTENTIONALLY OMITTED

1.12 DEFINITION OF TERMS

The terms used in the Agreement with their initial letters capitalized, shall, unless the context otherwise requires, have the meanings specified in this Paragraph 1.12 or, if not defined in this Paragraph 1.12, elsewhere in the Agreement. Any term not defined below or in this agreement shall be defined as provided in the Act or Regulations Sections 1.704-1(b), -2, -3 and -4, as appropriate to the context thereof. When used in the Agreement subject to the foregoing, the following terms shall have the meanings set forth below:

A. "Act" shall mean the Beverly-Killea Limited Liability Act as amended from time to time.

Act § 17000.

B. "Affiliate" shall mean any individual, partnership, corporation, trust, or other entity or association, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Member. The term "control," as used in the immediately preceding sentence, means, with respect to a corporation, the right to exercise, directly or indirectly, more than 50 percent of the voting rights attributable to the controlled corporation, and, with respect to any individual, partnership, trust, other entity or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled entity.

C. "Agreement" shall mean this Operating Agreement between all Members of Company regulating the affairs of Company and the conduct of its business, as originally executed and as amended or restated from time to time, and shall refer to the Agreement as a whole, unless the context otherwise requires.
Act § 17001(a)(b).

D. "Articles" shall mean the Articles of Organization for Company originally filed with the Secretary of State of California, including all amendments thereto or restatements thereof and shall mean the Articles as a whole unless the context otherwise requires.
Act § 170001(b).

E. "Bankruptcy" shall mean, *(i)* the entry of a decree or order for relief by a court of competent jurisdiction in any involuntary case brought against a person under any bankruptcy, insolvency or other similar law (collectively, "Debtor Relief Laws") generally affecting the rights of creditors and relief of debtors now or hereafter in effect; *(ii)* the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar agent under applicable Debtor Relief Laws for a person or for any substantial part of his, her, or its assets or property; *(iii)* the ordering of the winding up or liquidation of a person's affairs; *(iv)* the filing of a petition in any such involuntary bankruptcy case, which petition remains not dismissed for a period of 180 days or which is not dismissed or suspended pursuant to Section 305 of the Federal Bankruptcy Code (or any corresponding provision of any future United States bankruptcy law); *(v)* the commencement of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect; *(vi)* the consent to the entry of an order for relief in an involuntary case under any such law or to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar agent under any applicable Debtor Relief Laws for a person or for any substantial part of his, her, or its assets or property; or *(vii)* the making by a person of any general assignment for the benefit of his, her or its creditors.

F. "Capital Account" shall mean the amount of the capital interest of a Member determined in accordance with Article IV of the Agreement.
Act § 17001(d).

G. "Capital Contribution" shall mean the value of any money, property

(including promissory notes or other binding obligation to contribute money or property), obligation to render services to Company as capital in that Member's capacity as a Member, as shown in Exhibit A, as the same may be amended from time to time.
Act § 17001(d).

GA. "Class A Member" shall mean Class of Members as designated on Exhibit A and Exhibit B and as maybe amended from time to time. (b) (4)

GB. "Class B Member" shall mean Class of Members with interest as designated on Exhibit A and Exhibit B and as maybe amended from time to time. (b) (4)

H. "Code" shall mean the Internal Revenue Code of 1986, as amended. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding law.

I. "Company" shall mean **INVEST L.A. REGIONAL CENTER, LLC.**

J. "Distribution" shall mean a transfer of money or property by Company to its Members without consideration.
Act § 17001(f).

K. "Disassociation Event" shall mean, with respect to any Member, the death, retirement, withdrawal, resignation, expulsion, bankruptcy or dissolution of the Member or occurrence of any other event which terminates his continued membership in the Company.

L. "Economic Interest" shall mean the right to share in the Net Profits, Net Losses, deductions, credit or similar items and to receive distributions from Company but such term shall include neither voting rights nor information rights except as provided in Act Section 17106.

M. "Information Rights" shall mean the right to inspect, copy or obtain information and documents concerning the affairs of Company as provided in Act Section 17106 and in Paragraphs 6.3 and 6.4 of the Agreement.
Act § 17106.

N. "Interest" shall mean singly or collectively as the context indicates any or all of the rights of ownership of a Membership Interest in Company including Economic Interests, Voting Interests and Information Interests.

O. "Majority-In-Interest" shall mean, unless otherwise defined for a particular purpose herein, more than fifty percent (50%) of the interest of Members in current Net Profits. *Act § 17001(v).*

P. "Manager(s)" shall mean **Kin Hui, William Chu, or Philip Y. Kim.**
Act § 17001(w).

Q. "Member" shall mean (i) each person (other than any person who has withdrawn, been expelled, died, retired or dissolved) who has been admitted to Company as a Member in accordance with the Articles and the Agreement, and (ii) solely for purposes of determining rights under the Agreement to Net Profits, Net Losses, deductions, credits, similar items and distributions, each holder of Economic Interest. The definition of Member includes, when appropriate, both Class A Members and Class B Members. Any limitation placed on Class A Members or Class B Members is implied in the use of the word Member throughout this Agreement.
Act §17001(x), (x), 17, 303

R. "Membership Interest" in Company shall mean the entire ownership interest of a Member in Company at any particular time, including collectively Economic Interests, Voting Interests and Information Interests of such Member as provided in the Agreement and under the Act, together with the obligations of such Member to comply with all terms and provisions of the Agreement. A Membership Interest constitutes personal property. A Member or assignee of any Economic Interest of a Member has no interest in specific property of Company.
Act § 17001(z).

S. "Officer" shall mean any person elected or appointed pursuant to Paragraph 3.10.

T. "Percentage Interest" shall mean, i) for purposes of determining Voting Interests of a member, the percentage of a Member set forth opposite the name of such Member under the column "Member's Percentage Voting Interest" in Exhibit A hereto and, ii) for purposes of allocations of Net Profits and Net Losses to a Member, the percentage of a Member set forth opposite the name of such Member, respectively, in the columns headed "Member's Net Profits Percentage" or "Member's Net Losses Percentage" in Exhibit B hereto as such percentage interests may be applied under Paragraph 5.1 and adjusted from time to time pursuant to the terms of the Agreement. A Percentage Interest for only the above purposes shall be determined, unless otherwise provided herein, in accordance with the relative proportions of the Capital Accounts of Members, effective as of the first day of the Company's fiscal year but with all distributions under Paragraph 5.2, hereof to be deemed to have occurred on such day immediately prior to determination of Percentage Interest of a Member.

U. "Person" shall mean individuals, general partnerships, limited partnerships, other limited liability companies, corporations, trusts, estates, real estate investment trusts and any other association.

V. "Voting Interest" shall mean those rights of a Member described in Article III of the Agreement as they may be limited in the Agreement, the Articles and the Act.

W. "Regulations" shall mean, unless the context clearly indicates otherwise, the

regulations currently in force as final or temporary that have been issued by the U.S. Department of Treasury pursuant to its authority under the Internal Revenue Code of 1986, as amended.

X. "Return of Capital" shall mean any distribution to a Member to the extent of the positive balance in the Capital Account of the Member immediately before the distribution. *Act § 17001(aj).*

Y. "Secretary of State" shall mean the Secretary of State of California or his or her duly appointed delegate unless another state is mentioned in the same context.

Z. "Registered Office" shall mean the office maintained at the street address of the agent for service of process of the Company in California.

ARTICLE II

Members, Class of Members, Capital Contributions and Withdrawals, Membership Interests, Admissions, Certificates and Limitations on Liabilities and Responsibilities of Members

2.1 NAMES, ADDRESSES OF MEMBERS, CLASS OF MEMBERS, AND THEIR CAPITAL CONTRIBUTIONS

A. The Members shall be each of the persons executing the Agreement and making the initial Capital Contributions set forth opposite their respective names in Exhibit A. Each such person is admitted as a Member effective as of the beginning of the term of the Agreement. Members, their respective addresses, their respective aggregate Capital Contributions to Company, and their respective Voting Interests and Percentage Interests in Net Profits and Net Losses (Economic Interests) of Company are set forth on Exhibits A and B, as the exhibits may be amended from time to time.

B. There shall be two classes of Members. Class A and Class B Members. (b) (4) Each Class B Member shall be assigned to a particular Division or Divisions. Class B Member's interests shall terminate upon the occurrence of a Divisional Termination Event.

2.2 FORM OF CAPITAL CONTRIBUTIONS

(b) (4)

(b) (4)

2.3 ADMISSION OF ADDITIONAL MEMBERS

Members may admit to Company any person as an additional Member who will participate in the profits, losses, available cash flow, and ownership of the assets of Company on such terms as are determined by existing Members holding a Majority-In-Interest. Admission of any such additional Member shall require the written consent of the then existing Members holding a Majority-In-Interest, or more. Admission of any additional Member may result in a dilution of the Percentage Interests of the then Members in their Voting Interests and Economic Interests (Net Profits and Net Losses).

Act § 17303(a).

2.4 LIMITATIONS ON WITHDRAWALS OF CAPITAL CONTRIBUTION

(b) (4)

2.5 PERCENTAGE INTEREST OF MEMBER AND CERTIFICATES

The Membership Interest of Company held by each Member may be divided into a Percentage Interest to represent, respectively, voting power, allocation of Net Profits and allocation of Net Losses as reflected, respectively, on Exhibit A and Exhibit B as each exhibit may be amended from time to time. The Membership Interest in Company may be represented by a certificate of membership. The exact contents of a certificate of membership may be determined by action of the Members but shall be issued substantially in conformity with the following requirements:

a. Each certificate of membership shall be consecutively numbered beginning

with Number 1, as it is issued, shall be signed by the authorized representatives of Company.

b. Each certificate of membership shall state the name of Company, the laws of the state under which Company is organized, the name of the person to whom issued, the date of issue of the certificate, and the Percentage Interest represented by the certificate.

c. Each certificate shall contain a statement of the designations, preferences, qualifications, limitations, restrictions, and special or relative rights of the Interests represented thereby, set forth in full or summarized on the face or back of the certificates which Company shall issue. Or, in lieu thereof, the certificate may set forth that the Company shall furnish the statement or summary to any holder of the Interests upon request and without charge.

Act § 17105(a).

2.6 INTENTIONALLY OMITTED

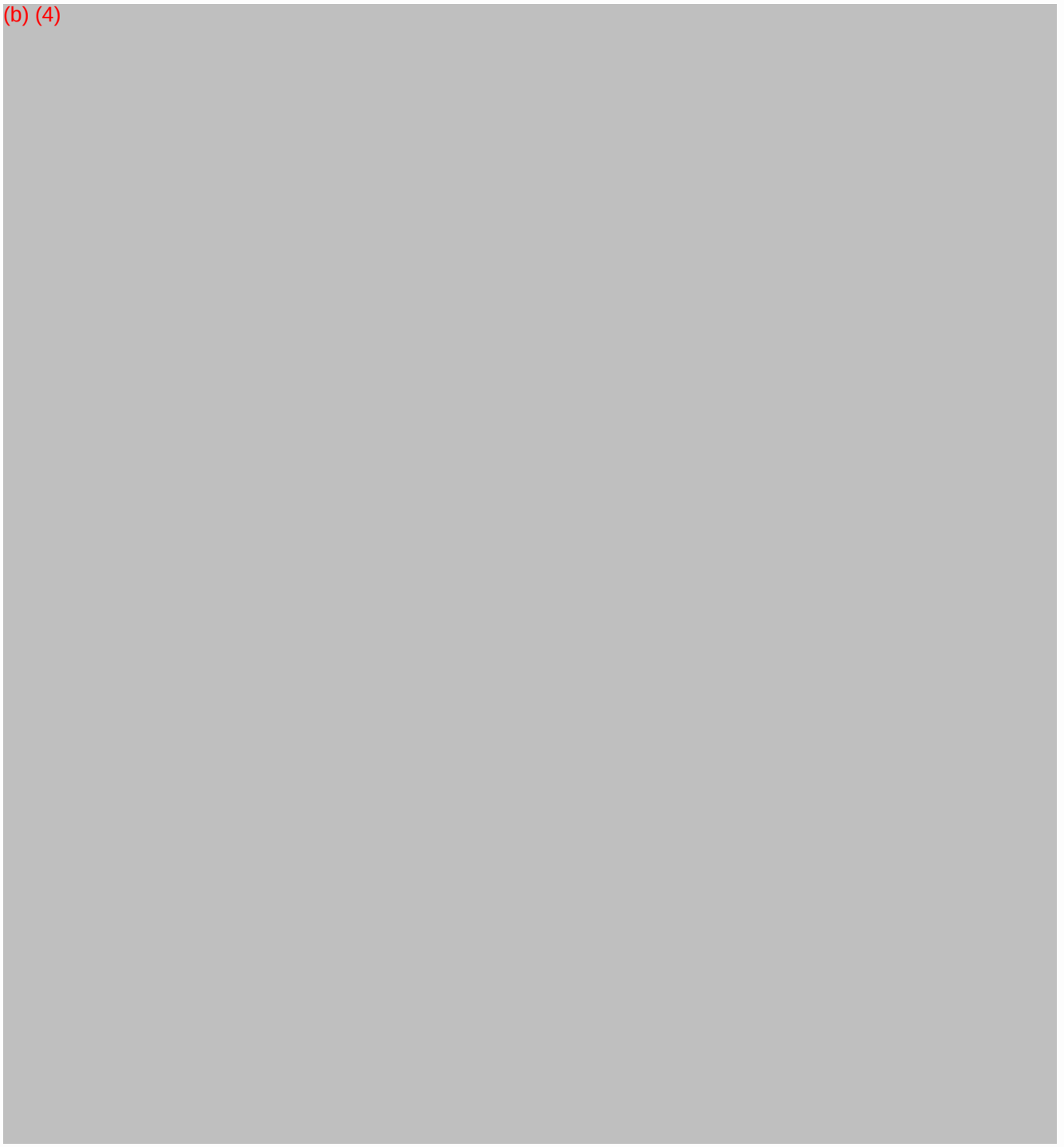
2.7 LIMITATIONS ON LIABILITY OF MEMBERS FOR DEBTS OF COMPANY

(b) (4)

2.8 LIABILITY OF MEMBERS TO COMPANY

(b) (4)

(b) (4)



2.9 INTENTIONALLY OMITTED

2.10 MEMBER REMUNERATION

No Member is entitled to remuneration for acting on Company business except for reasonable compensation under Act Section 17352(c) for winding up of affairs of Company. *Act § 17004(b).*

2.11 LEGAL REPRESENTATIVE OR SUCCESSOR OF A MEMBER

If a Member who is an individual dies or is adjudged by a court of competent jurisdiction to be incompetent to manage his or her person or property, the executor, administrator, guardian, conservator or other legal representative may exercise all rights of the Member in the purpose of settling his or her estate or administering his or her property.
Act § 17304.

ARTICLE III

Management and Control of Business Including Meetings

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

ARTICLE IV

(b) (4)

(b) (4)

(b) (4)

(b) (4)

ARTICLE V
Allocations of Net Profits and Net Losses and Distributions

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

ARTICLE VI

Accounting, Records, and Reporting

(b) (4)

(b) (4)

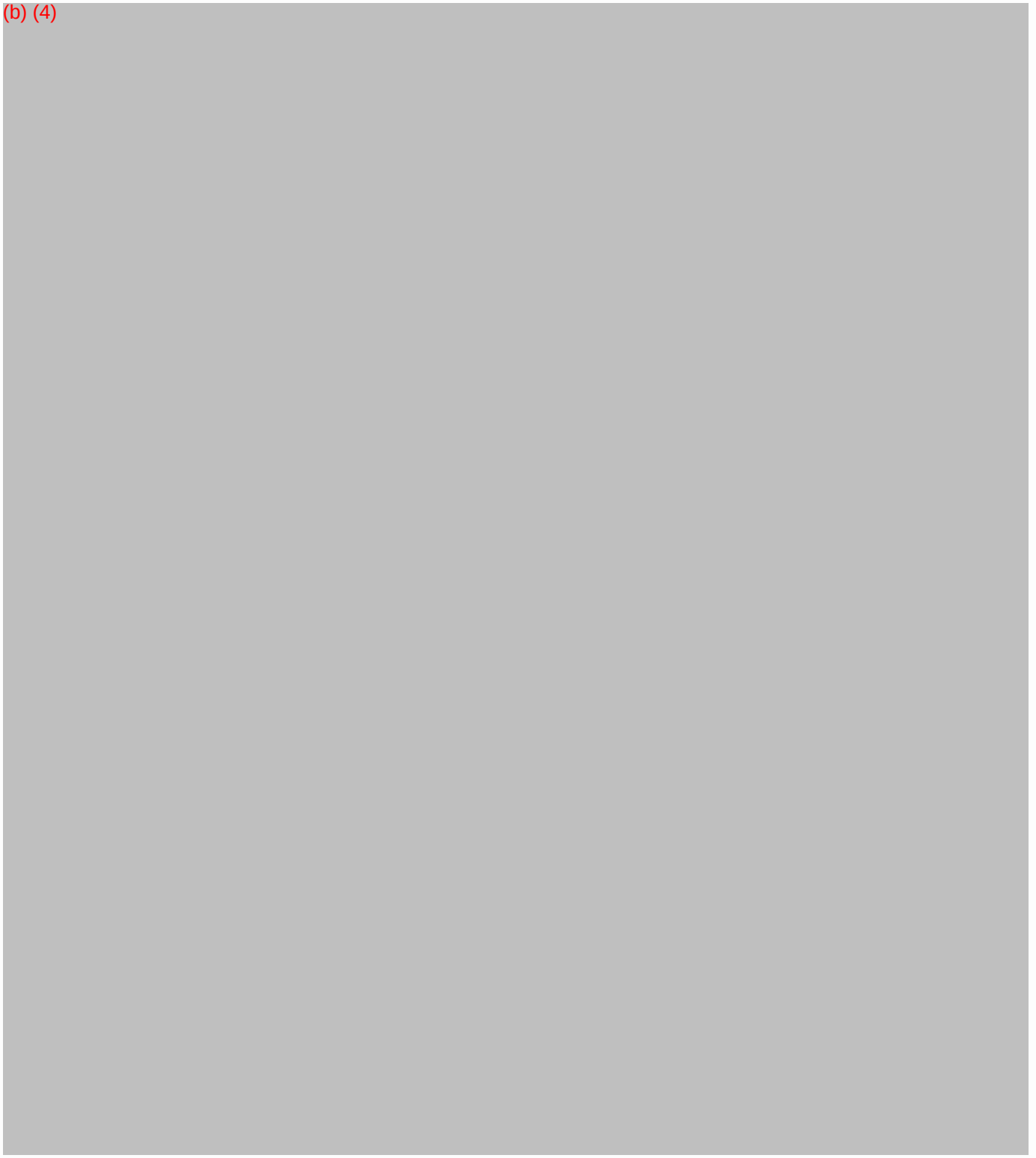
(b) (4)

ARTICLE VII

Transfer and Assignment of Interests

(b) (4)

(b) (4)



ARTICLE VIII

Dissolution, Winding Up and Disassociation Events

(b) (4)

8.2 FILING OF STATEMENT OF INTENT TO DISSOLVE COMPANY

As soon as possible following the occurrence of any of the events specified in Paragraph 8.1, Managers on behalf of Company shall execute a Certificate of Dissolution in such form as shall be prescribed by the Secretary of State and shall file the certificate as required by the Act. Upon the filing of the Certificate of Dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business. Its separate existence shall continue until the Certificate of Cancellation of articles of organization has been filed with the Secretary of State or until a decree dissolving the company has been entered by a court of competent jurisdiction. The Managers who filed the Certificate of Dissolution shall cause to be filed in the office of, and on a form prescribed by, the Secretary of State, a Certificate of Cancellation of Articles of Organization upon the winding up of the affairs of Company.

Act § 17356.

(b) (4)

(b) (4)

(b) (4)

(b) (4) [redacted]

ARTICLE IX

Indemnification

9.1 INDEMNIFICATION OF MEMBERS AND MANAGERS

To the greatest extent not inconsistent with the Act and the other laws and public policies of the State of California, Company shall indemnify against expenses and liabilities any Member or Manager made a party or who was threatened to be made a party to any proceeding by Company or another because such party is or was a Member or Manager, as a matter of right, against all liability incurred by such person in connection with any action, suit, or proceeding or any threatened, pending or complete action of suit or proceeding; whether civil, criminal, administrative, or investigative provided that it shall be determined in the specific case in accordance with the procedures set forth in Paragraph 9.6 that indemnification of such person is permissible in the circumstances because the person has met the standards of conduct for indemnification set forth in Paragraph 9.5.
Act § 17155.

9.2 INSURANCE FUNDING OF INDEMNIFICATION

To the greatest extent not inconsistent with the Act and other laws and public policies of the State of California, Company may purchase and maintain insurance or other financial arrangement for the benefit of any person who is or was a Member or Manager, employee or agent, against any liability asserted against or expenses incurred by such person in any capacity or arising out of such person's service with Company, whether or not Company would have the power to indemnify such person against such liability. (b) (4) [redacted]

[redacted]

[redacted];

(b) (4) [redacted]

No financial arrangement may provide protection for a person adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for intentional misconduct, fraud, or a knowing violation of law, except with respect to the advancement of expenses or indemnification ordered by a court.

Any insurance or other financial arrangement made on behalf of a person pursuant to this Paragraph 9.11 may be provided by the Company or other person approved by Managers, if any, or by Members, if no Managers exist.

ARTICLE X
Miscellaneous

10.1 ADDITIONAL DOCUMENTS AND ACTS

Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of the Agreement and the transactions contemplated hereby.

10.2 AMENDMENTS

All amendments to the Agreement will be in writing and approved by the vote of the Members holding a Majority-In-Interest.
Act § 17059, § 17103(b).

10.3 BINDING EFFECT

Subject to the provisions of the Agreement relating to transferability, the Agreement will be binding upon and inure to the benefit of Members, and their respective distributees, successors and assigns, but only to the extent that assignment and approval by all Members is in accordance with the Act, the Articles and the Agreement.

10.4 COMPLETE AGREEMENT

The Agreement and the Articles constitute the complete and exclusive statement of agreement among Members. The Agreement and the Articles replace and supersede all prior agreements by and among Members or any of them. The Agreement and the Articles supersede all prior written and oral statements and no representation, statement, or condition or warranty not

contained in the Agreement or the Articles will be binding on the Members or have any force or effect whatsoever.

10.5 EXHIBITS

All Exhibits attached to the Agreement are incorporated and shall be treated as if set forth herein.

10.6 GENDER AND NUMBER IN NOUNS AND PRONOUNS

Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires. Any reference to the Code, Regulations, the Act, California Statutes or other statutes or laws will include all amendments, modifications, or replacements of the specific sections and provisions concerned.

10.7 HEADINGS

All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of the Agreement.

10.8 MULTIPLE COUNTERPARTS

The Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument. However, in making proof hereof it will be necessary to produce only one copy hereof signed by the party to be charged.

10.9 NO THIRD PARTY BENEFICIARY

The Agreement is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns subject to the express provisions hereof relating to successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of the Agreement as a third party beneficiary or otherwise.

10.10 NOT FOR BENEFIT OF CREDITORS

The provisions of the Agreement are intended only for the regulation of relations among Members and Company. The Agreement is not intended for the benefit of a creditor who is not a Member and does not grant any rights to or confer any benefits on any creditor who is not a Member or any other person who is not a Member, a Manager, or an officer.

10.11 NOTICES

Any notice to be given or to be served upon Company or any party hereto in connection with the Agreement must be in writing and will be deemed to have been given and received at the earlier of (a) the time when personally delivered to the address specified by the party to receive the notice or (b) five (5) days after deposited in the United States Mail for First Class delivery. Such notices will be given to a Member at the address specified in Exhibit A hereto, as it may be amended from time to time. Any Member or Company may, at any time by giving 5 days' prior written notice to the other Members and Company, designate any other address in substitution of the foregoing address to which such notice will be given. A writing includes a facsimile transmission followed by deposit of the original communication in the United States Mail for First Class Delivery.

Act § 17001(ao), (as).

10.12 REFERENCES IN THE AGREEMENT

Numbered or lettered articles, paragraphs and subparagraphs herein contained refer to articles, paragraphs and subparagraphs of the Agreement unless otherwise expressly stated.

10.13 RELIANCE ON AUTHORITY OF PERSON SIGNING AGREEMENT

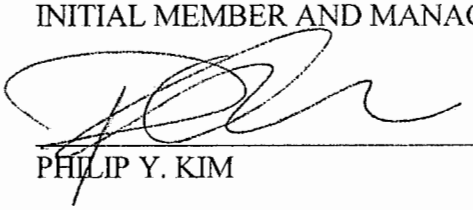
In the event that a Member is not a natural person, neither Company nor any Member will *(a)* be required to determine the authority of the individual signing the Agreement to make any commitment or undertaking on behalf of such entity or to determine any fact or circumstance bearing upon the existence of the authority of such individual or *(b)* be required to see to the application or distribution of proceeds paid or credited to individuals signing the Agreement on behalf of such entity.

10.14 SEVERABILITY

If any provision of the Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of the Agreement, such provision will be fully severable; the Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement; and the remaining provisions of the Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from the Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of the Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

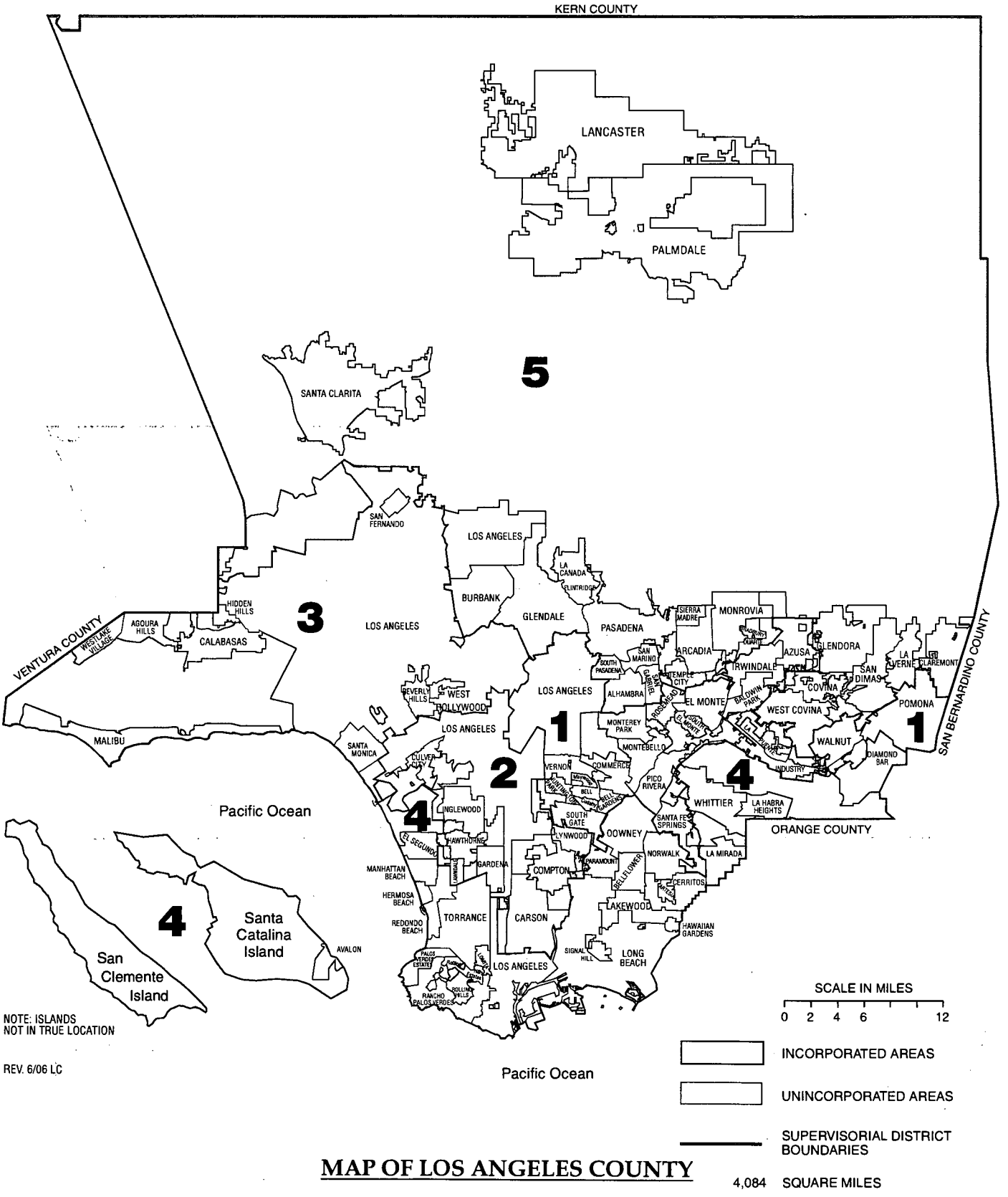
IN WITNESS WHEREOF, the initial member and manager of **INVEST L.A. REGIONAL CENTER, LLC**, A California Limited Liability Company, have executed the Agreement, effective April 8, 2010.

INITIAL MEMBER AND MANAGER:

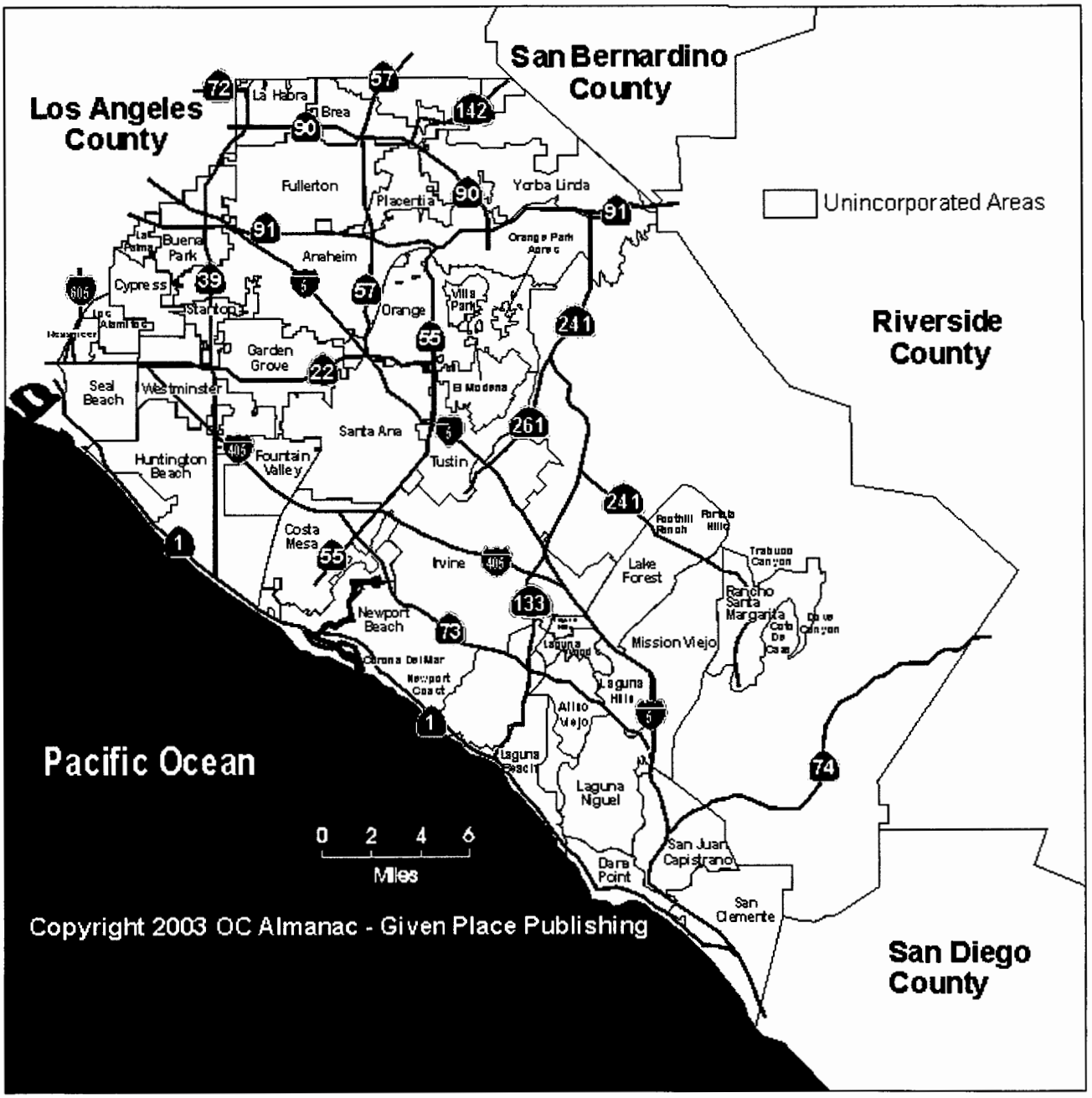


PHILIP Y. KIM

* * *



MAP OF LOS ANGELES COUNTY



MAP OF ORANGE COUNTY

Park Place EB-5, LP
Pasadena Project Phase 1
Business Plan

908 - 940 E. Colorado Blvd.
Pasadena, California 91106

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ATTACHMENT B – Economic Study
ATTACHEMNT C – Proposed Hotel Management Agreement
ATTACHMENT D – Overview of Joie de Vivre Hotels

INTRODUCTION

Park Place EB-5, LP will be part of a mixed-use commercial center, known as ***Colorado at Lake***, which is located at the corner of E. Colorado Blvd. and Lake Avenue in Pasadena, California. This development will consist of an upscale boutique hotel, restaurants, retail space, an office building, bank facilities, and parking garage (the "Pasadena Project"). The Pasadena Project will be undertaken in two phases. Phase I will include the renovation and conversion of a 142-room hotel, approximately 22,600 square feet of historic retail and rooftop restaurant/bar space, and a parking garage with 125 spaces. Phase II will include 25 more rooms in the hotel, approximately 10,000 square feet of retail space, 13,000 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

This business plan will be addressing Phase 1 of the Pasadena Project only. There currently exists a vacant 7 story historic building that was first built in 1926 as a hotel by the name of Constance Hotel. Constance Hotel in the 1970's was converted into a senior apartment complex. The hotel building is about 65,000 square feet. Adjacent to hotel is a one story, 10,000 square feet of existing retail stores. Park Place Commercial, LP acquired the hotel in vacant form and the adjacent one story retail in 2007. The general partner of Park Place Commercial, LP is Singpoli Pacifica, LLC. In 2008, Singpoli Pacifica, LLC along with its investors acquired the adjacent property to the Phase I Property. This building is part of Phase II of the Pasadena Project.

The entitlement application for the Pasadena Project was submitted fall of 2008. Entitlement and the Final Environmental Impact Report were approved in a public hearing held on October 20, 2010. Construction on Phase I is anticipated to start before December 31, 2010.

This business plan will focus primarily on the hotel property even though the final product will include some retail. The primary economic driving force for Phase I of the Pasadena Project will be the hotel. The retail portion of Phase I will be complimentary amenities to the hotel, such as restaurants.

PROJECT DESCRIPTION

Park Place EB5, LP is a California Limited Partnership formed under the laws of the State of California (the "Partnership") by its General Partner, Invest L.A. Regional Center, LLC, a California limited liability company, (the "General Partner"). The General Partner is a federally designated Regional Center under Section 610 of the Departments of Commerce, Justice and State, the Judiciary and Related Agencies Appropriations Act of 1993, as amended. Through the offering of up to 50 units of its limited partnership interests (individually, a "Unit" and collectively, the "Units"), the Partnership seeks to raise investment capital of up to (b) (4) (b) (4) immigrant investors under the Immigration Act EB-5 Immigrant Investor Pilot Program for the acquisition of up to a (b) (4) limited partnership interests in Park Place Commercial L.P., a California limited partnership.

Park Place Commercial, LP was formed in 2007 as a real estate investment company with the sole purpose to acquire, design and redevelop the real properties located at 908 - 940 E. Colorado

Boulevard in the City of Pasadena (the "Project"). It is an integral part of a development project known as ***Colorado at Lake*** which covers the entire street block located between Lake and Mentor Avenues, along the south side of Colorado Boulevard. Its vision is to return an existing historic resource, The Constance Hotel, to its original hotel use, and to create a sustainable pedestrian-friendly mixed-use project that will encourage economic growth and development east of Lake Avenue.

TARGETED EMPLOYMENT AREA

Pursuant to 8 Code of Federal Regulations (CFR) sections 204.6(h)(i) and (j)(6)(ii), the Business, Transportation and Housing Agency, the authorized entity in the State of California, has designated the geographic subdivision consisting of 26 contiguous census tracts that includes the Pasadena Project as a targeted employment area ("TEA)") for the purposes of alien entrepreneur visa requests. Accordingly, an immigrant investor seeking permanent residence in the United States needs only make a minimum capital investment of $500,000, instead of a minimum $1 million normally required under the Immigration Act of 1990 (the "Immigration Act"). **See Attachment A**.

JOB CREATION

The Immigration Act EB-5 Immigrant Investor Pilot Program further requires that each $500,000 investment must create full-time employment for at least ten U.S. citizens or other legal residents, other than members of the investor's family, for a period of two years. Based on economist Dr. Michael Evans's economic study using the IMPLAN Model, Phase I of the Pasadena Project will create (b) (4) . **See Attachment B**. Accordingly, the Project qualifies for a maximum of (b) (4) qualified immigrant investors that the Project plans to invite.

PROJECT AREA REVIEW AND NEIGHBORHOOD ANALYSIS

State of California

Within the past eight years, California has experienced the full spectrum of the economic cycle; first with a recession in the early 2000's followed by several years of recovery, resurgence, prosperity and now at the end of an economic recession. Beginning in midyear 2003, California entered into a time of economic recovery and growth. This time was marked by a decline in the State's unemployment rate, an increase in the employment base, and a strong increase in the State's gross domestic product fueled by a diversifying knowledge based economy. In conjunction with the strengthening of the national economy and a booming real estate market, California's economy prospered from mid-year 2003 through mid-year 2007. Beginning in the second half of 2007, the California economy slowed due to realities of a recession driven by the national mortgage credit crisis. This most recent recession lasted 20 months and officially ended in August 2009. The State of California is currently facing a $6.3 billion projected deficit for fiscal year 2009-2010 and a $14.4 billion gap between projected revenues and spending in 2010-2011, totaling a deficit of roundly $20 billion over the next two years. Going forward, it is projected that operating deficits after 2010-2011 will be approximately $20 billion each year.

Within the California economy overall, Southern California has a highly diversified economy supported by the entertainment, technology, and tourism industries. The following table highlights the primary positive and negative attributes of the California economy today.

Summary of the Positive and Negative Attributes Impacting the California Economy

Positive Attributes	Negative Attributes
"Knowledge-intensive" and diversified economy	High cost of living and doing business
World center of information and bio-technology	Increasing traffic congestion
Highly skilled and educated labor force	High housing costs
World class tourism destination	Challenged public education system
Uniquely scenic	Aging infrastructure
Cultural center of the West Coast	Shortfall in tax revenues

Los Angeles Area Regional Conclusions and Economic Outlook

Los Angeles County, otherwise referred to as the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), includes 88 incorporated cities, covers an area of 4,752 square miles, and as of July 2009, had an estimated population of approximately 12.9 million people. In the past 80 years, the county has evolved into a large commercial/industrial urban community and become the business and financial center of California and the Western United States. The regional economy has become more diversified with a larger number of people employed in services, home-based businesses, motion picture production, computer software development, and other professional services.

Los Angeles County typically acts as an excellent barometer for the performance of the greater Southern California lodging market. As the largest and most diverse of the major Southern California markets, individual hotel performance often greatly varies. However, when taken as a whole, the growing pains and opportunities of the Los Angeles County area often reflect those seen in other areas.

The national economy continues to find itself in a recession due to its troubled financial, housing, and automotive industries, as well as declining employment. It is still unclear if the economy has reached bottom and at what pace a recovery will follow. Unemployment will remain an issue in any recovery, with nonfarm employment declining by 4.1 percent in 2009 and forecasted to decline by nearly 2.0 percent in 2010 for Los Angeles County. By June 2010, unemployment in Los Angeles County reached 12.3 percent, one of the highest levels in over 20 years.

In terms of the Los Angeles hotel market, 2009 had been characterized by a significant decline in average daily rate amid a less drastic decrease in demand as represented by occupied room nights. This slowdown in the overall county lodging market continued as the economy began to falter in the latter part of 2007. These hotel submarkets either slowed in growth or reversed to a decline in terms of both occupancy and average daily rate, in the fourth quarter of 2008 and through 2009, and are expected to continue to do so but at a more moderate pace through 2010.

Conclusions

Los Angeles is home to a very large population base. Air access to the county is very good with Los Angeles International Airport and the numerous regional airports. Los Angeles is also the center of the entertainment industry and numerous media companies ensuring adequate press coverage. While the current economic environment has had a significant impact across all industries, Los Angeles continues to present a viable place to do business, and is expected to recover as economic signs become better.

Orange County Economic Outlook

Orange County, otherwise referred to as the Orange County Metropolitan Statistical Area (MSA), includes 34 incorporated cities, covers an area of 948 square miles, and as of July 2009, had an estimated population of approximately 3.1 million people. The county is famous for its tourism, as the home of such attractions as Disneyland and Knott's Berry Farm, as well as several beaches along its more than 40 miles of coastline.

UCLA economists expect continued slow growth in Orange County 2011. The UCLA Anderson Forecast predicts about 24,000 new jobs in Orange County in 2011 and 41,000 more jobs in 2012, which will bring down the county's unemployment rate from its current 9.6 percent to 8.5 percent.

According to Colliers PKF Consulting USA, business at Orange County hotels rose in July 2010, bringing welcome news to local tourism officials. About 84.4 percent of rooms were occupied in the month, up 7.6 percent from the same time in 2009.

Pasadena Overview

Best known for the annual Rose Bowl and Tournament of Roses Parade, the City of Pasadena was incorporated in 1886, making it one of the oldest suburbs of Los Angeles. Located ten miles northeast of downtown Los Angeles, the City of Pasadena is bordered by neighboring cities including La Canada Flintridge, South Pasadena, Arcadia, and Sierra Madre located to the east and south, Glendale and Los Angeles located to the west, and unincorporated Altadena located to the north.

The City of Pasadena encompasses more than 23 square miles. As an independent city, and part of the San Gabriel Valley, Pasadena is known for its historic architecture and many restored craftsman-style homes. Since 1980, the City of Pasadena has undergone an aggressive development program in an effort to attract major corporations. These efforts have been successful as industry leaders such as Jacobs Engineering, The Parsons Company, Avery Dennison, and the J.G. Boswell Company have made Pasadena their home.

<u>Old Town Pasadena</u>

The area of Old Town Pasadena is bordered by the 210 freeway, Arroyo Parkway, Green Street, and Pasadena Avenue and is approximately one square mile in size. Colorado Boulevard, the

main throughway and largely recognized as the route for the annual Tournament of Roses Parade has been redeveloped over the past ten years with retail outlets, entertainment venues, and restaurants. Tenants include Banana Republic, Cheesecake Factory, Mi Piace, Starbucks, Barnes & Noble, an AMC Movie Theater, and the Pottery Barn. The Project should be able to benefit from its location on Colorado Boulevard and Mentor Avenue proximate to Old Town Pasadena.

Employment

Historically, Pasadena has maintained a lower unemployment rate than that of Los Angeles County. This continues as of June 2010, when Pasadena's unemployment rate held at 9.4 percent, 3 percent lower than Los Angeles County.

A listing of the major employers in the Pasadena area is provided in the table below.

Pasadena
Major Employers

Employer	No. of Employees	Business
Jet Propulsion Laboratory	5,200	Aerospace
California Institute of Technology	3,600	Education
Huntington Memorial Hospital	3,000	Hospital
SBC	2,525	Communications
Pasadena City College	2,200	Education
Pasadena Unified School District	2,007	Education
Kaiser Permanente	2,000	Health Care
Parsons Corporation	2,000	Engineering/Construction
City of Pasadena	1,825	Government

Source: Pasadena Chamber of Commerce

New entrants in Pasadena include several technology and biotechnology companies which represent a sector that shows particular growth in Pasadena within recent years. Much of this is due to the presence of the California Institute of Technology, as well as the Jet Propulsion Laboratory.

Area Developments

The following list provides information on recent and proposed developments in the Pasadena area.

Paseo Colorado

Located at 300 East Colorado Boulevard, Paseo Colorado replaced the existing Plaza Pasadena indoor mall with an open-air urban village of approximately 560,000 square feet. Developed by TrizecHahn, $135 million in renovations transformed the site into a multiuse destination combining retail, restaurant, residential, and office components. The "village" is anchored by Macy's department store and includes a health club and a multiscreen cinema. Paseo Colorado held its grand opening in September 2001.

MTA Gold Line

The Metropolitan Transportation Authority completed the expansion of its light rail system into Pasadena in July 2003. The Gold Line has six stations in the Pasadena area. This new transportation system allows for easy access into downtown Los Angeles and other MTA-enabled locations.

Pasadena City Hall Retrofit and Restoration

Pasadena City Hall, built in 1927, underwent an $80 million restoration that included seismic strengthening, restoration of architecturally significant spaces, and improvements. The project began in June 2004 and was completed in July 2007.

Pasadena Conference Center Expansion

The City of Pasadena is currently in the process of renovating and expanding its conference center. The project consists of an exterior and interior renovation of the existing conference center, complete demolition of the Exhibition Hall and West Plaza, and the construction of a new 60,000 square foot Exhibition Hall, 25,000 square foot Ballroom, 28 new conference center breakout rooms, and 28,650 square foot Stressed Membrane Structure. This development project was completed in 2009 and is anticipated to attract additional room nights into the Pasadena hotel market going forward. While 2010 has been a difficult year, future bookings should reflect the significantly expanded facility and upgraded Pasadena hotel supply.

PROPERTY DESCRIPTION

Analysis of the Site Location

The Project is situated on a portion of a nine-tenths of an acre parcel. This parcel is part of a larger assemblage which will be utilized to develop the mixed use project. The mixed use project will include the hotel, an office building, retail, restaurants, and a parking garage.

The focus of this analysis is the existing seven-story retirement facility that will be converted into a mixed-use development to include a hotel, retail, and ancillary facilities.

The land uses surrounding the site are detailed below:

North: To the north are Colorado Boulevard and the 210 Freeway.

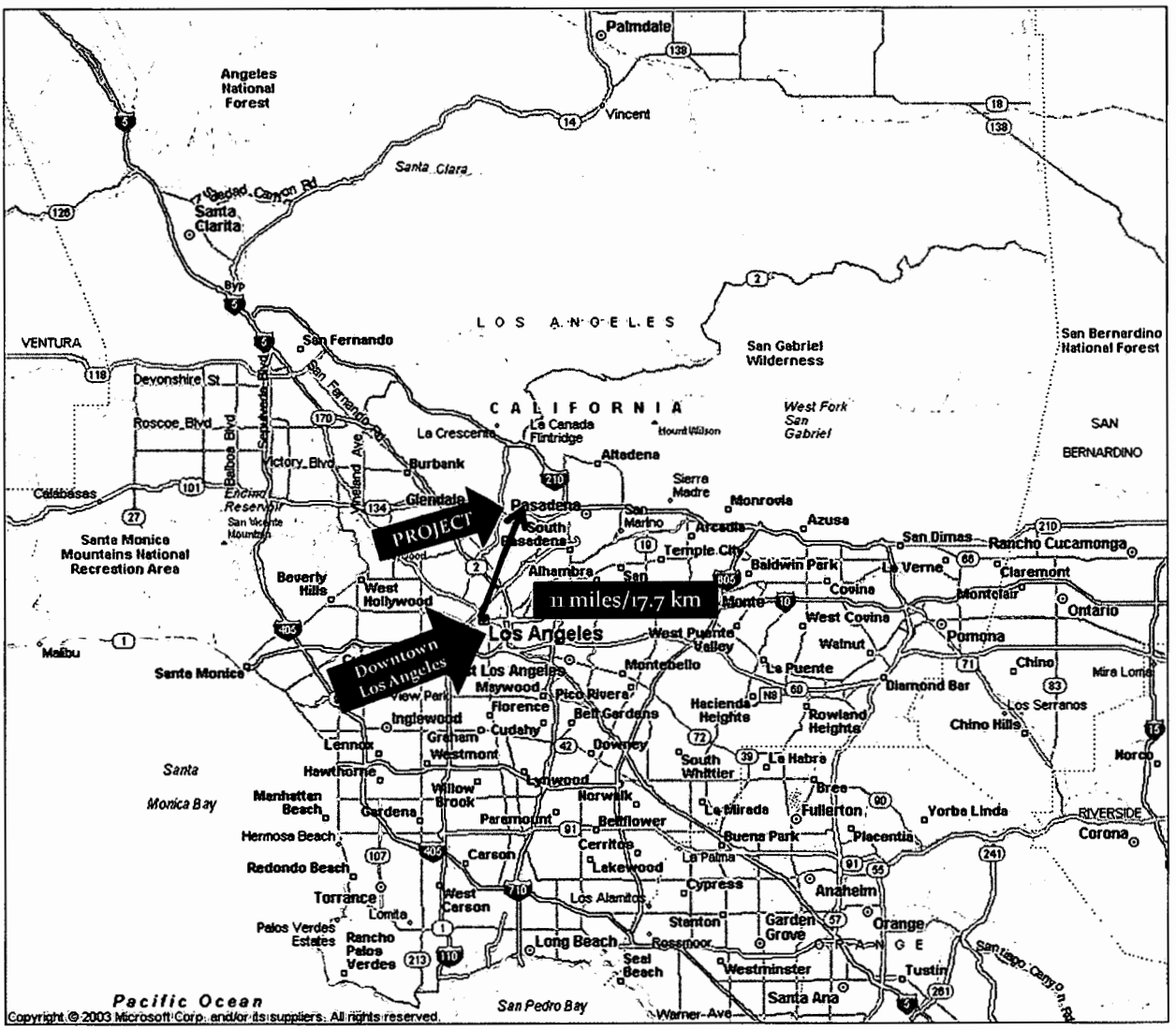
South: Directly south of the site is the Bistro 45 restaurant followed by Green Street and the South Lake Avenue District.

West: Directly to the west is the intersection of Colorado Blvd and Lake Avenue with Bank of America and Washington Mutual. Further west is the Playhouse District and Paseo Colorado.

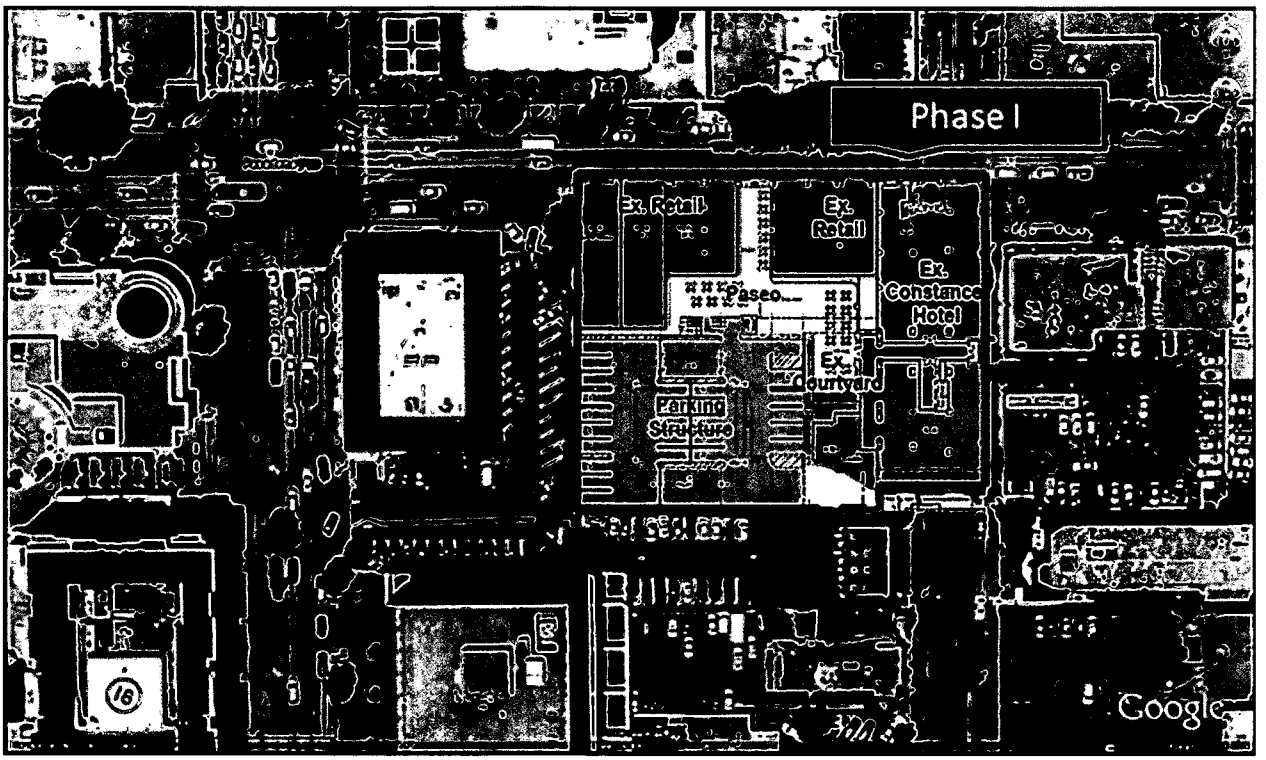
East: To the east of the site is Mentor Ave, followed by commercial space including Kaiser Permanente Vision Center, U.S. Post Office, and Countrywide Financial.

Overall, the Project's location relative to the area's primary demand generators is considered to be excellent. Situated on Colorado Boulevard and proximate to Lake Avenue, the Project will be positioned to take advantage of the surrounding commercial, retail, and entertainment developments.

Area Map



Aerial View



Relationship to Demand Generators

The Project will benefit from demand created by major retail tenants, restaurants and commercial office space situated in the South Lake Financial District, as well as its neighboring districts in Pasadena. It's positioning along Colorado Blvd. will allow the Project to capture drive-through demand. The Project is the closest hotel to the financial district in the competitive set. Considering that the Pasadena lodging market largely consists primarily of commercial travel, the Project's location creates a significant competitive advantage over the other hotels.

Relationship to Area Amenities

There are several amenities in the immediate market area, including Paseo Colorado, the Rose Bowl Stadium, and the Old Pasadena Historic District. In addition, the Project is located proximate to amenities in Southern California, such as Disneyland, Hollywood, and The Getty Center.

Competitive Analysis of the Site versus the Major Competition

Relative to the existing hotels in the market area, the Project will enjoy a visible location positioned on Colorado Boulevard, the main arterial thoroughfare that runs through Pasadena. In addition, the site's proximity to Pasadena's financial district creates a significant advantage considering that the market's largest occupancy segment is that of corporate travel. At the

intersection of Colorado Boulevard and Mentor Avenue, the Project is the closest hotel to the financial district within its competitive set.

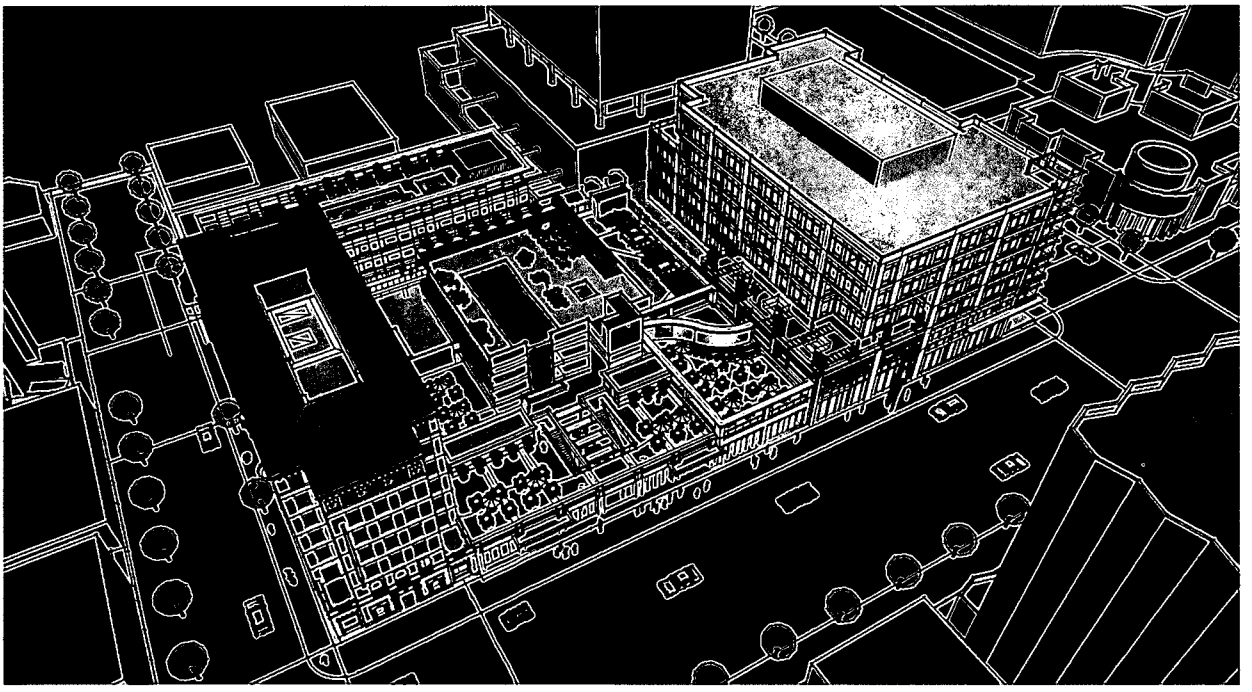
Site Conclusions

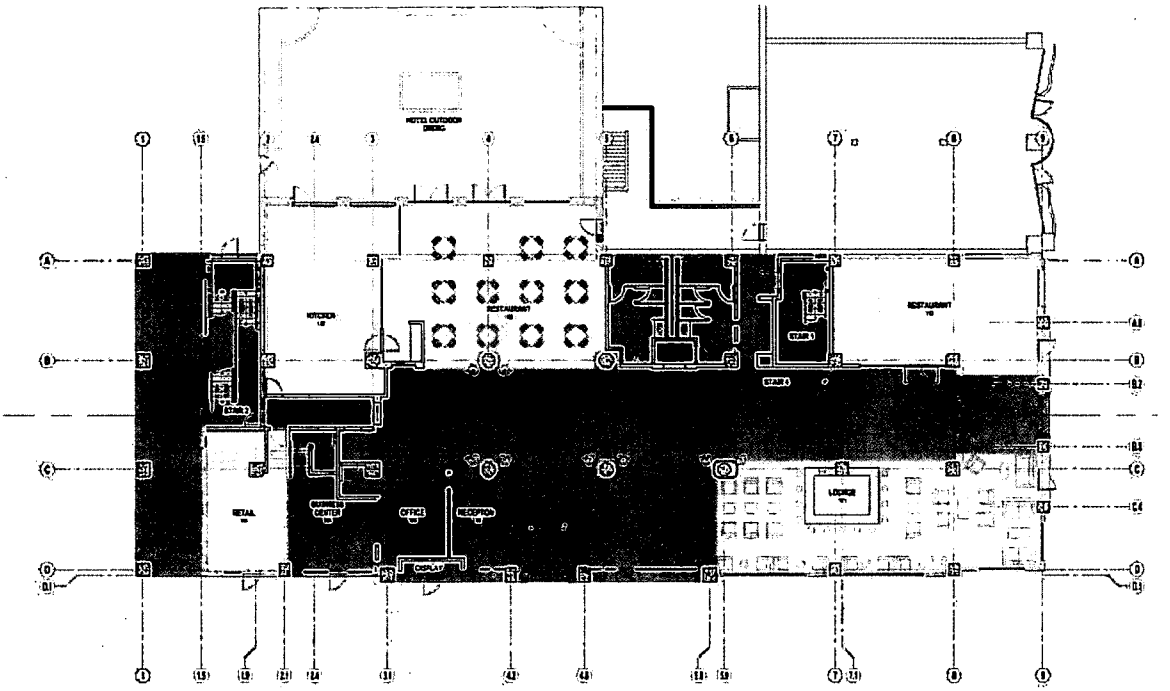
The site within the project area is well located with respect to demand generators in the local market. It is proximate to major retail and commercial business within the area and enjoys good visibility and location. Guests will enjoy easy access to the hotel with entry via Colorado Boulevard and Mentor Avenue. Its location relative to major demand generators, such as The Rose Bowl, Old Pasadena, and commercial office complexes will enable the proposed hotel to capture commercial, group and leisure demand.

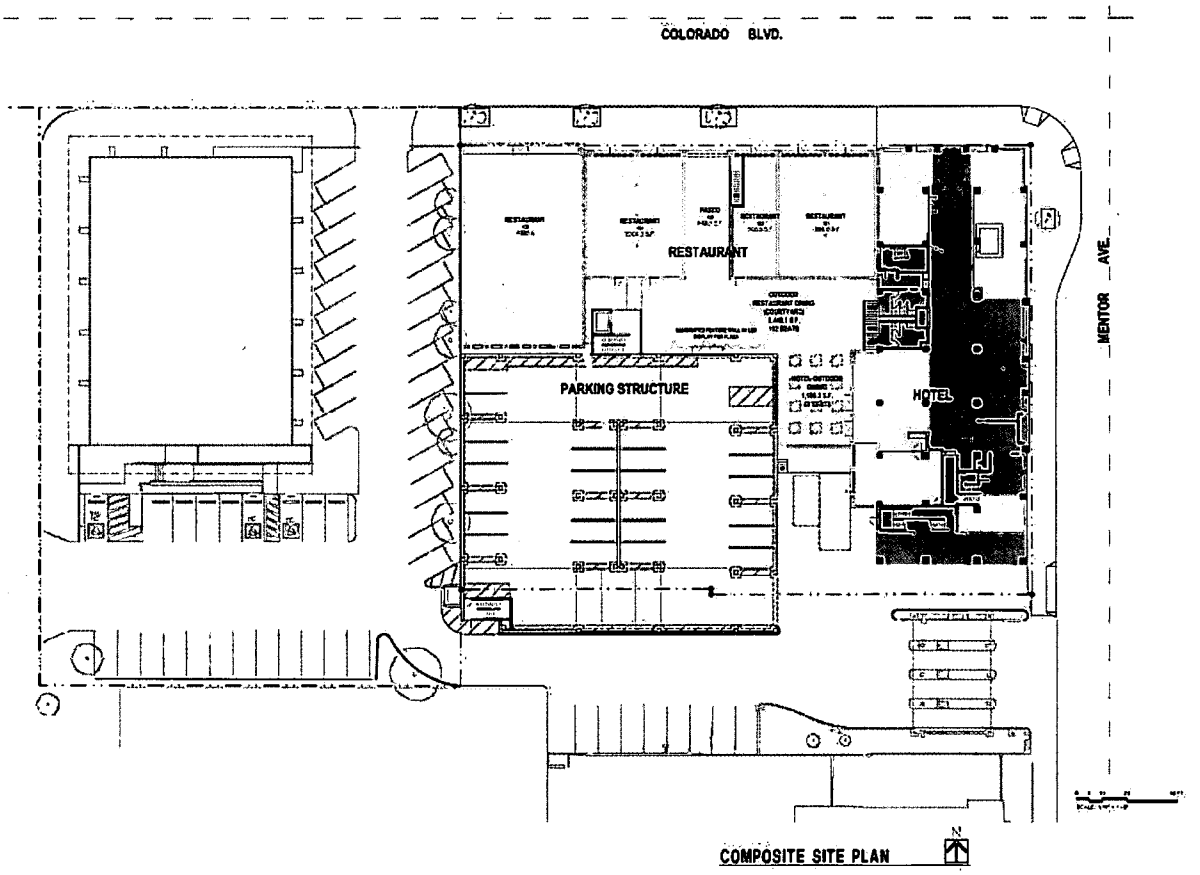
FACILITY DESCRIPTION

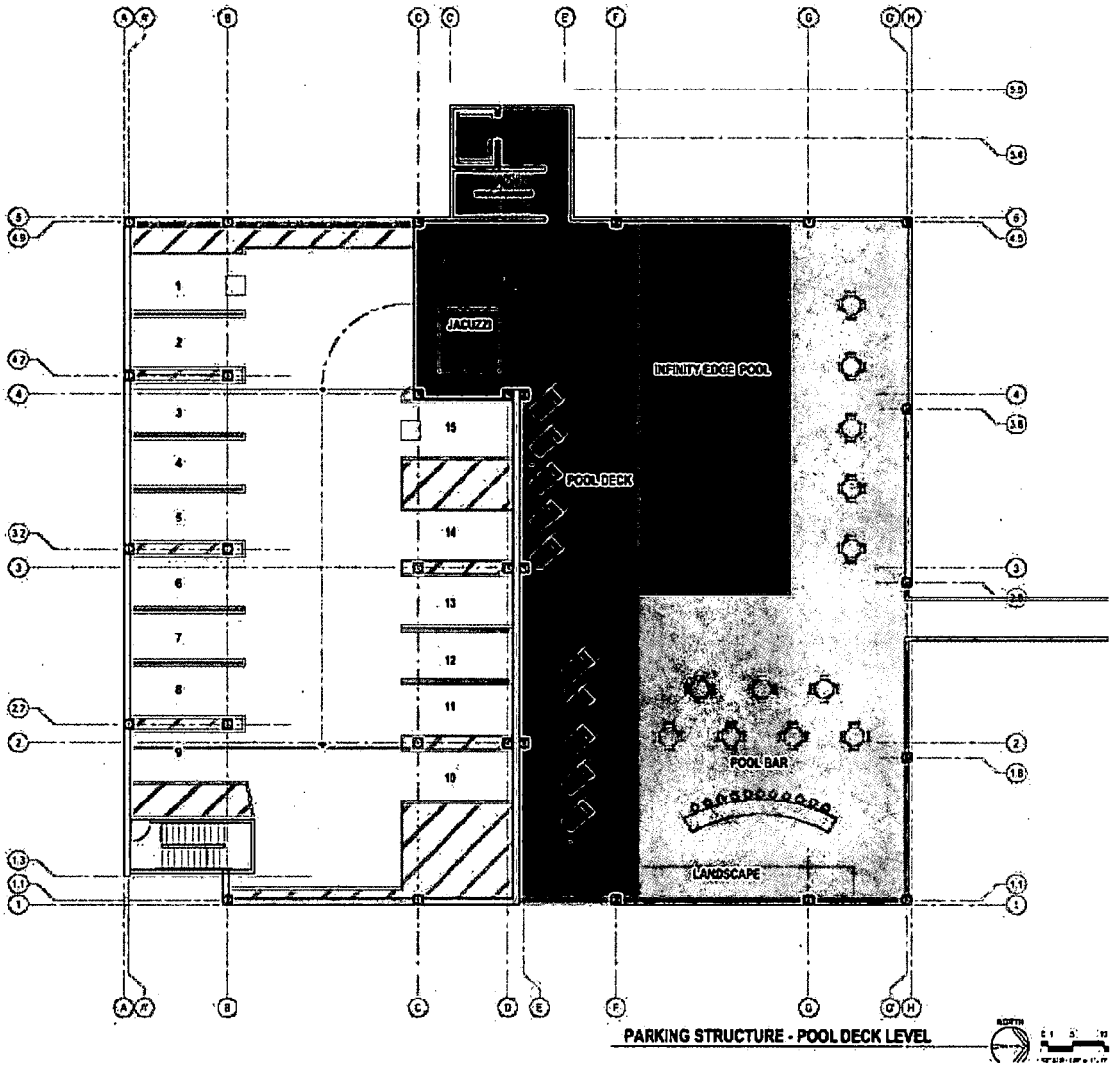
The Project is currently a vacant building. Following an (b) (4) renovation, the Project will be a 7-story structure featuring 142 boutique guestrooms. The property will be designed as a boutique hotel under Joie De Vivre Hotels management. The property will feature a bar and pool bar operated by the hotel, as well as leased space including Food & Beverage outlets, a nail salon, hair salon, and spa. Additional amenities will include an infinity pool and whirlpool, fitness center, business center, and 125-stall parking structure.

The following pages present the layout of the Project.




FLOOR PLAN - FIRST FLOOR


COLORADO BLVD.
RESTAURANT
PARKING STRUCTURE
HOTEL
MENTOR AVE.
COMPOSITE SITE PLAN



OVERALL QUALITY LEVEL OF FACILITY

The Project will be competing on the local level directly with four other hotels located in Pasadena, California. All of the hotels except for the Courtyard by Marriott, which is a focused-service property, are full-service hotels.

Proposed Constance Hotel
Competitive Hotel Facilities

Property	Number of Units	Meeting Space	Restaurant	Lounge
Sheraton Pasadena	376	11,000	Yes	Yes
Pasadena Hilton	296	27,000	Yes	Yes
Westin Pasadena	350	26,000	Yes	Yes
Courtyard by Marriott	314	6,000	No	Yes
Group Total	1,336	70,000		
Group Average	334	17,500		

Source: Colliers PKF Consulting USA and individual hotels

To appropriately position the Project within the competitive market, the hotel's overall quality level should be at or above that of the competitive hotels. The Project will be positioned as a boutique hotel that will target the surrounding market demand. The property's location on the border between a financial and recreational district makes it appealing to both corporate and leisure travelers. The Project property will contain a fitness complex, spa tenant, multiple dining tenants and in-house bar facilities, and business center in order to offer the services and amenities that cater to a corporate and leisure demand base. The proper utilization of retail space in the remainder of the hotel and the proposed office tower in Phase II should satisfy any additional needs for guest amenities and allow for optimal operating margins. The proposed scope of the development will include:

- Complete room renovation
- Lobby and meeting space renovation
- Addition of bar on ground floor
- Renovation of retail building and construction of second level
- Construction of fitness center and business center
- Construction of parking garage adjacent to hotel
- Construction of Infinity pool and Jacuzzi on roof of parking deck
- An update of building façade

The total redevelopment budget is as follows:

Summary of Renovation Budget

(b) (4)

Redevelopment of the Project will be managed by the Singpoli Group, an affiliate of the Pasadena Project. **See DEVELOPMENT TEAM and GENERAL CONTRACTOR.**

Guestrooms

Number of Guestrooms

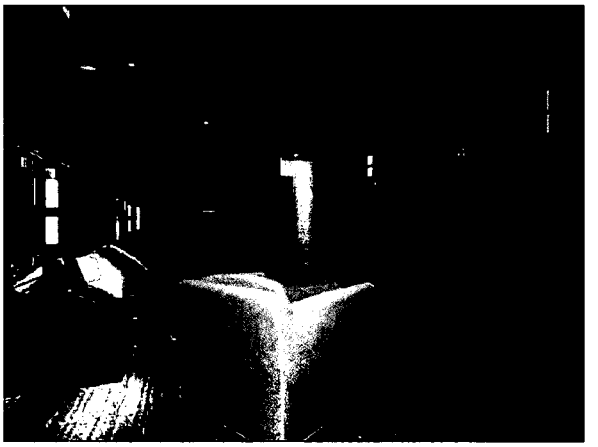
The Project will offer 142 guestrooms on floors two through seven. The four properties within the competitive market have an average room count of 334 guest rooms. Due to the positioning of the subject as a boutique property, a new concept within the Pasadena hotel market, the property will have a lower number of guestrooms, limited meeting space, and rely largely on surrounding retail space for its guest amenities. With a marginal addition to supply, the proposed hotel will have an opportunity to capture commercial, leisure, and group demand and achieve strong occupancy levels.

The guestroom mix will be comprised of 130 king and double-double rooms and 12 suites.

Guestroom Amenities

The Project is an existing structure with standard rooms ranging from 290 to 300 square feet while the suites are approximately 600 square feet. In-room amenities will include:

- 40" flat screen television
- Cable
- Movies on demand
- Coffee maker
- In-room safe
- Shower with 360 degree seated water spray
- Hairdryer
- Upscale bath amenities
- Luxury bedding package



Food and Beverage Facilities

The Project will contain a significant amount of retail and food and beverage space. The following table summarizes the proposed improvements and respective tenants.

Summary of Leased Space and Hotel Operation

Type	Operator	Interior	Exterior	Total
Leased Space				
French Restaurant	Iron Chef	2,191	1,106	3,297
Constance Café	Iron Chef	6,145	2,448	8,593
Nail Salon	Existing Tenant	2,196		2,196
Taste of Bangkok	Existing Tenant	2,196		2,196
Hair Salon	New Tenant	464		464
Spa	New Tenant	1,481		1,481
Total		14,673	3,554	18,227
Hotel Operations				
Bar	Hotel	1,382		1,382
Rooftop Pool Bar	Hotel		3,235	3,235
Total		1,382	3,235	4,617
Total Leased & Operated		**16,055**	**6,789**	**22,844**

Source: Park Place Commercial, LP

The Project will present a range of dining options, both hotel operated and third party. Catering will also be provided to nearby office buildings. Based on discussions with Colliers PKF Consulting USA, we have incorporated a lease rate of $4.00 per square foot for interior space per month, and $2.50 per square foot for exterior space, which are reasonable given existing market rents of $2 to $6 per square foot. The proposed tenant for the French restaurant and deli will be Yutaka Ishinabe who is recognized as the original French chef on the world famous Japanese TV program "Iron Chef". He will transform the Project's food and beverage operations into a high energy facility that complements existing fine dining restaurants such as Bistro 45.

Recreation

As an existing structure, the hotel facilities are limited by the current building program. The Project, however, will be enhanced by a series of amenities, including a fitness room, infinity pool and whirlpool located on the parking deck, and a tenant spa.

Amenities and Services

The subject will offer the following services and amenities:

- Valet parking;
- Valet laundry service;
- Concierge; and,
- Business Center.

Facility Summary

The Project is a well-located and the proposed renovation and conversion to a hotel will utilize the property's historical architecture. Overall, the Project will be well designed and will enjoy a strong competitive position within the market.

HOTEL OPERATOR AND AFFILIATION

The key to a successful hotel development is picking the right hotel operator. The Constance Hotel will be managed by Joie De Vivre Hotels ("JdV") based in San ~~Francisco~~. The management agreement is being negotiated. **See Attachment C** for the proposed contract with JdV and **ATTACHMENT D** for an overview of Joie De Vivre Hotels.

JdV is a collection of creative lifestyle businesses with annual sales revenues of around $240 million. The company manages more than 30 boutique hotels, more than 20 restaurants, and five spas in California. It is recognized for creating some of the most innovative hospitality services and products and designing one-of-a-kind properties.

As California's largest boutique hotel collection, JdV is becoming the hotel brand synonymous with the California travel experience, offering a wide range of urban, suburban, and waterfront boutique hotels that cater to leisure and business travelers in all market segments. Each property celebrates California through its innovative design, one-of-a-kind amenities, and personalized service. JdV has a combined 3,800 guestrooms in San Francisco, Marin County, San Francisco

East Bay, Silicon Valley, Santa Cruz, Big Sur, Sacramento, Sonoma County, Los Angeles, Venice Beach, Huntington Beach, and Laguna Beach.

In June 2010, JdV entered into a strategic partnership with Geolo Capital, a private equity investment firm started by John Pritzker, whose family helped launch the Hyatt Hotel Corp. JdV has access to an investment fund of $150 million to invest in hotel developments.

HOTEL MARKET ANALYSIS

Introduction

As a hotel includes a going-concern business as well as real property, the future market performance of a lodging facility is a direct function of the supply and demand for the hotel rooms within its market area. Accordingly, an analysis of the local area's hotel market is a key component of our projections of future performance.

Primary Competitors

In order to identify the competitive market of the Proposed Constance Hotel, we have engaged the leading hospitality consultant, Colliers PKF Consulting USA ("PKF"), to analyze the overall Pasadena hotel market. We selected four properties that we estimate will offer competition to the subject hotel. These competitive properties have been selected based on their size, facilities, location, similar market orientation, and rate structure. There are other lodging facilities located in the area, which were excluded from the Project's competitive market due to a lack of comparable rate structures, facilities, and/or market orientation. The following chart presents the competitive supply for the proposed property.

Competitive Supply

Map Code	Property	Number of Rooms
Subject	Proposed Constance Hotel	**142**
1	Sheraton Pasadena	376
2	Pasadena Hilton	296
3	Westin Pasadena	350
4	Courtyard by Marriott	314
	Competitive Market Total	1,336

Source: Colliers PKF Consulting USA

Following is a map detailing the location of each of the selected competitive hotels relative to the subject. Photographs and a more detailed description of each hotel are also provided. We have also pinpointed the Langham, Number 5, for information purposes. We have excluded this property from the competitive set because of its market positioning, including size, orientation, rate positioning, and target market.

Competitive Supply Map

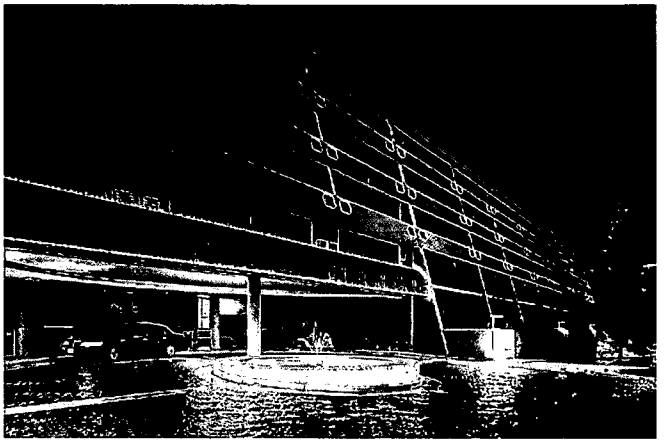
Competitive Property Number One
Sheraton Pasadena

Location	Description
Address: 303 Cordova Street Pasadena, CA 91101 Distance from the Project: 0.98 miles southwest	Date opened/Converted: 1975/2001 Guestrooms: 376, incl. 6 suites Stories: 5 Configuration: Interior corridor

Amenities

- Fitness Center
- Business Center
- Babysitting Service
- Heated Outdoor Pool
- 11,000 SF of Meeting Space
- Two Restaurants
- Room Amenities:
  - Computer Data Ports
  - Wet Bars in Suites
  - Coffee Makers
  - Cable Television & In-room Movies
  - High Speed Internet
  - Hairdryer
  - Iron/ironing board
  - Refrigerator
  - In-room Safe

Picture



Condition & Renovations

Property converted from Holiday Inn to Sheraton in 2001. Refrigerators were added to guestrooms and the fitness center was improved with new paint and flat screen televisions in 2005.

Historical Performance

In 2009, the Sheraton Pasadena performed above the competitive market in terms of occupancy and below in terms of average daily rate.

Hilton

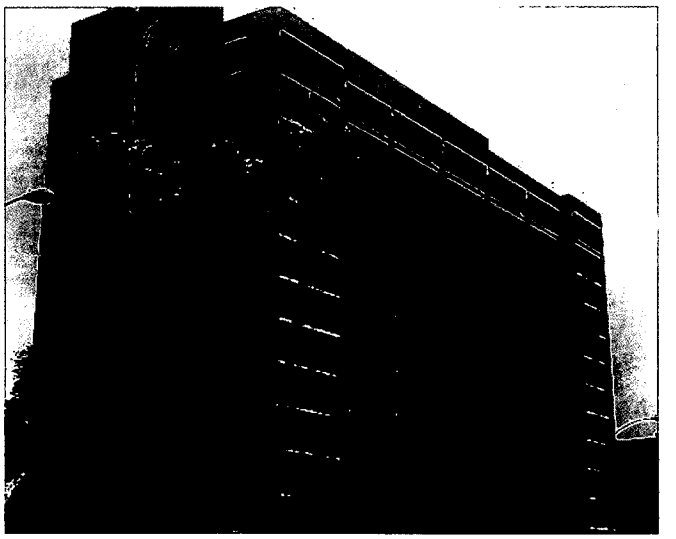
Competitive Property Number Two
Pasadena Hilton

Location	**Description**
Address: 168 South Los Robles Avenue Pasadena, CA 91101 Distance from the Project: 1.14 miles southwest	Date opened/Converted: 1970 Guestrooms: 296, incl. 11 suites Stories: 13 Configuration: Interior corridor

Amenities

- 27,000 SF of Meeting Space
- Trevo's Restaurant
- Swimming Pool and whirlpool
- Fitness Center
- Business Center
- Gift Shop
- Room Amenities:
  - Sweet Dreams Bed
  - Coffee makers
  - Min Bar
  - Iron/ironing board
  - Hairdryer
  - Web TV & Premium Channels
  - Smart Lamps

Picture



Condition & Renovations	**Historical Performance**
The Hilton Pasadena completed a $5 million renovation in August 2005. The lobby, Trevo's restaurant, and guestrooms were updated. In addition, a new bar was added to the property.	In 2009, the Hilton performed below the competitive market in terms of occupancy and above in average daily rate.

WESTIN
HOTELS & RESORTS

Competitive Property Number Three
Westin Pasadena

Location

Address: 191 North Los Robles Avenue
Pasadena, CA 91101

Distance from the Project: 1.18 miles southwest

Description

Date opened/Converted:	1989/2002
Guestrooms:	350, incl. 10 suites
Stories:	12
Configuration:	Interior corridor

Amenities

- Three restaurants
- 26,000 SF of Meeting Space
- Outdoor heated pool
- Westin WORKOUT Room
- Dry Cleaning Service
- Room Amenities:
  - Flat Screen Television
  - Internet Service
  - Hairdryer
  - Coffee Makers
  - Computer and Data Fax Ports
  - In-room safe

Picture

Condition & Renovations

The Westin was converted from a Doubletree in December 2002. The 350-room hotel completed an $11 million renovation in 2005. The floors, lobby and Living Room Bar have been updated, as well as the public spaces. The hotel has added a business center, Westin workout gym, and a new restaurant. Each guestroom has been outfitted with the signature Heavenly Beds, flat screen televisions, and redesigned bathrooms with Heavenly showers.

Historical Performance

In 2009, the Westin performed below the market average in terms of occupancy and above in terms of rate.

Competitive Property Number Four
Courtyard by Marriott

Location	Description
Address: 180 North Fair Oaks Avenue Pasadena, CA 91103 Distance from the Project: 1.69 miles southwest	Date opened/Converted: 2000 Guestrooms: 314, incl. 18 suites Stories: 6 Configuration: Interior corridor

Amenities

- 6,000 SF of Meeting Space
- Fitness Center
- Courtyard Café open for breakfast and dinner
- Outdoor pool and whirlpool
- Room Amenities:
  - Remote Control Television
  - High Speed Internet Access
  - Hairdryer
  - Coffee Maker
  - Iron/ironing board
  - Two-line telephone and voicemail
  - In-room Safe

Picture

Condition & Renovations

In 2005, the hotel replaced all bedding and mattresses. In 2007, the hotel spent $3-$4 million updating the soft goods in guestrooms and the wallpaper and carpeting in the public area.

Historical Performance

In 2009, the Courtyard performed above the competitive market in terms of occupancy and in terms of average daily rate.

Summary of Competitive Hotel Facilities

The hotels in the primary competitive set are characterized as full-service properties, except for the Courtyard, which is a focused-service property. These hotels have a range of facilities and amenities to target the corporate, leisure and group markets.

Additions to Supply

Although a few proposed additions to the lodging supply are in discussion or planning in Pasadena, the majority of them have remained in these various states for an extensive period of time and are therefore either speculative, in the preliminary planning stages, and/or differ from the proposed subject in terms of location and market positioning. There have been discussions regarding the addition of a W Hotel to the Pasadena market; however, the project is preliminary and has no definitive timeline.

Market Performance of the Competitive Market

According to PKF, the annual hotel room supply over the last five years has remained stable as there were no additional rooms entering the market. Occupancy decreased to 77.7 and 70.7 percent in 2008 and 2009, respectively, as the market and economy contracted from their expansion in the prior years. Average daily rate in this competitive market increased significantly in 2005 and 2006 as the economy continued to thrive. In 2007, rates saw a 1.0 percent decrease over the previous year, followed by a growth of 2.6 percent in 2008 to end the year at $151.85. In 2009, ADR decreased by 9.9 percent, combining with declines in demand to equate an 18.1 percent decrease in RevPAR. This wiped out the growths of the prior 5 years, with annual RevPAR declining 2.1 percent per year over the five-year period.

Rooms Demand for the Competitive Market

Demand for the primary competitive market is derived primarily from three segments. These segments include the corporate, leisure, and group markets. Presented in the following table is a summary of the 2009 mix of demand for the competitive market.

Competitive Market
2009 Mix of Demand

Market Segment	Room Nights	Ratio
Corporate	210,300	61%
Leisure	56,700	16%
Group	77,800	23%
Total	344,800	100%

Source: Colliers PKF Consulting USA

Projected Growth in Demand

The following table summarizes PKF's estimates of future supply, demand, occupancy, average daily rate, and RevPAR from 2010 to 2015.

Projected Market Performance of the Competitive Supply

Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2010	487,640	0.0%	346,200	0.4%	71%	$137.00	0.1%	$97.26	0.5%
2011	497,860	2.1	364,700	5.3	73	141.00	2.9	103.29	6.2
2012	539,470	8.4	389,800	6.9	72	148.00	5.0	106.94	3.5
2013	539,470	0.0	405,500	4.0	75	156.00	5.4	117.26	9.7
2014	539,470	0.0	417,600	3.0	77	164.00	5.1	126.95	8.3
2015	539,470	0.0	420,800	0.8	78	170.00	3.7	132.60	4.5
CAAG	2.0%		4.0%			4.4%		6.4%	

Source: Colliers PKF Consulting USA

Supply within the competitive market is projected by PKF to grow by 2.0 percent on a compounded average annual growth basis, due to the anticipated opening of the subject hotel in November 2011. Accommodated demand for the competitive market is also projected to increase at a compound average annual rate of 4.0 percent during the projection period after supply has stabilized. Market occupancy is projected to gradually increase to a stabilized level of 78 percent by 2015 as the economy recovers and market matures. Based upon the mix of demand by market segment, as well as the performance of individual hotels, we believe that this level of stabilized occupancy is both reasonable and attainable over the long-term.

ESTIMATED MARKET PERFORMANCE OF SUBJECT HOTEL

Stabilized Mix of Demand

Based on PKF's analysis, the following represents the stabilized market mix and penetration rate for the subject hotel.

Hotel Constance
Stabilized Mix of Demand and Market Penetration

(b) (4)

Overall Market Penetration

(b) (4)

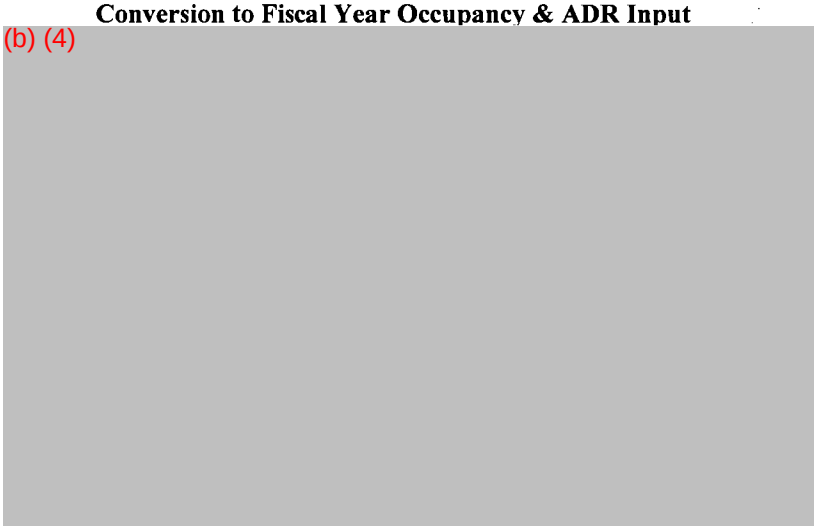
(b) (4)

Conversion to a Fiscal Year Basis

The foregoing analysis reflects the projected occupancy and average daily rate of the subject on a calendar year basis. However, our cash flow projections are based on fiscal years beginning November 1, 2011. Thus, it is necessary to convert the foregoing calendar year occupancy and average daily rate projections into this fiscal year period. The resulting conversion of both occupancy and average daily rate, as well as the resulting rooms revenue is summarized in the following table.

Conversion to Fiscal Year Occupancy & ADR Input

(b) (4)



STATEMENT OF ESTIMATED OPERATING RESULTS

For this business plan, we have used the *Uniform System of Accounts for Hotels*, recommended by the American Hotel and Motel Association, to classify income and expenses. In conformity with this system of account classifications, only direct operating expenses are charged to the operating departments of the Project. The general overhead items that are applicable to operations as a whole are classified as deductions from income and include administrative and general expenses, marketing expenses, utility costs, and property operations and maintenance. Additional costs for management fees, fixed charges, which include real estate taxes and insurance, and reserves for replacement are deducted to derive at the net operating income.

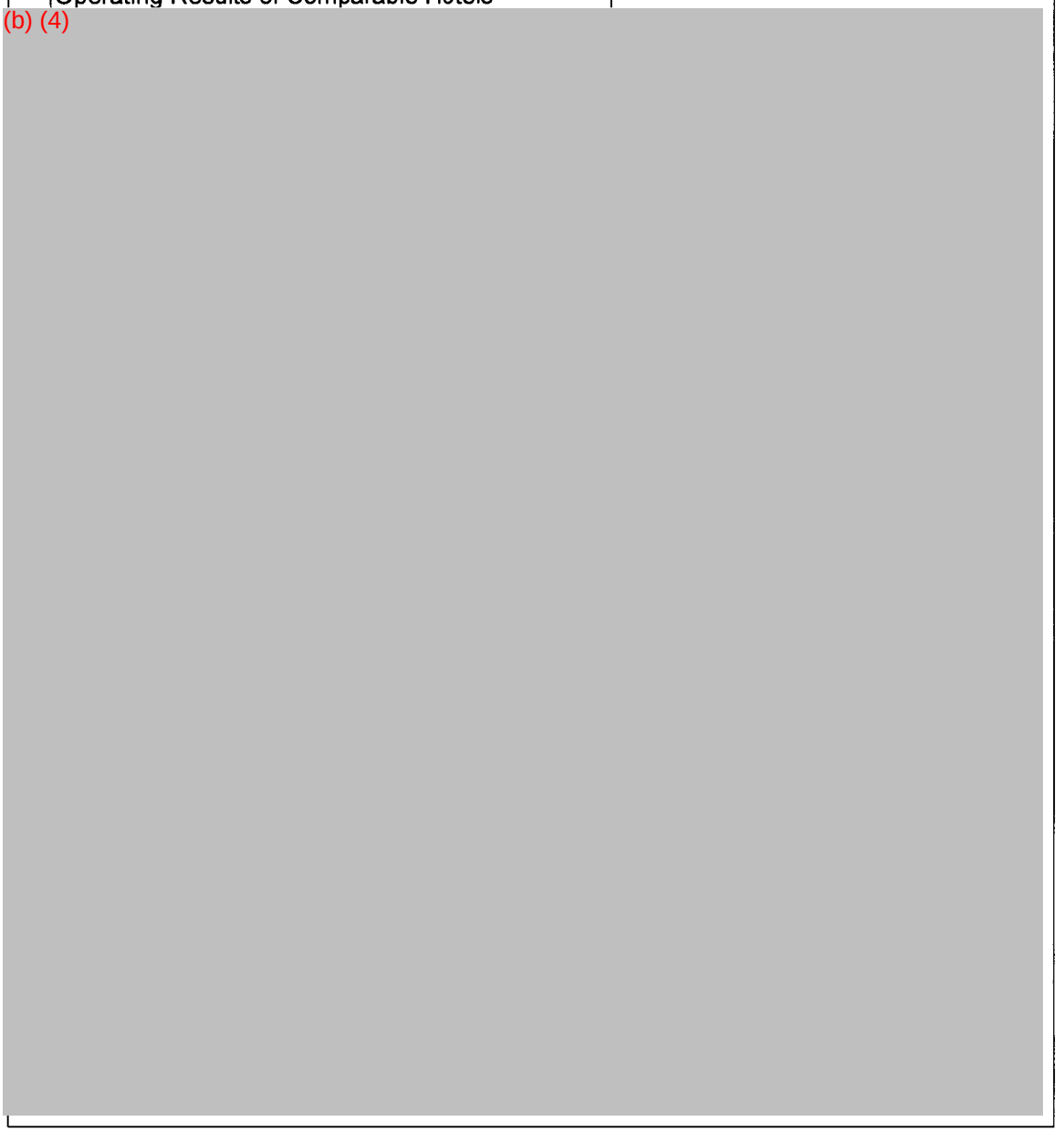
Comparable Hotels

As our consultant, PKF provided information on the operating performance of five other comparable facilities, without disclosing their identities. This information is primarily obtained from confidential statistics submitted in compilation of the Colliers PKF Consulting USA publication *Trends in the Hospitality Industry*. The comparable hotels consist of five boutique-style hotels located in California, which are considered comparable to the subject hotel in terms of their facilities and amenities. The five properties range in size from 140 to 171 rooms, with an average count of 142. All are located in California and four of the five properties are managed by boutique operators such as Kimpton and JdV.

The following summary is the weighted average data pertaining to the comparable hotels.

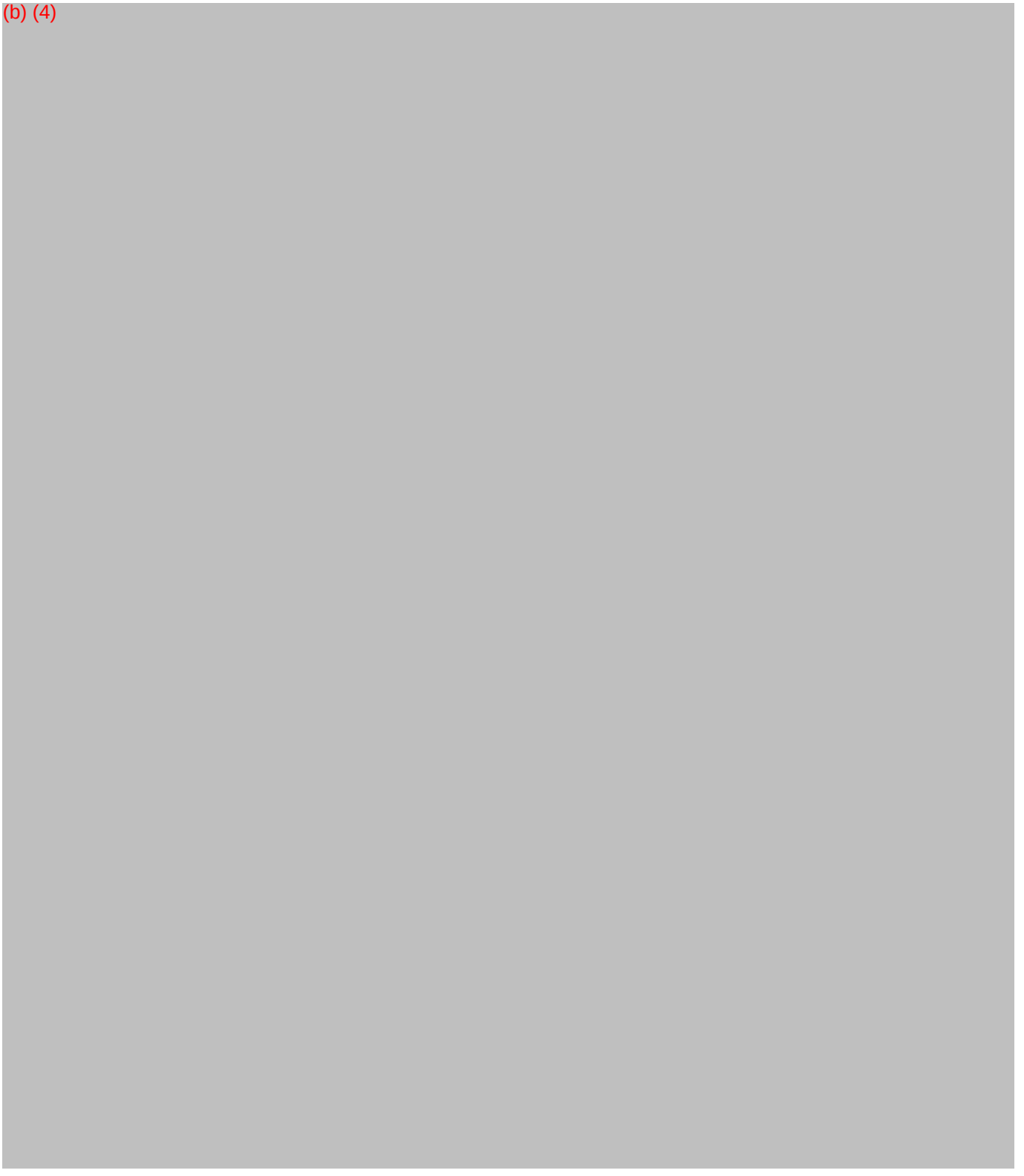
Proposed Constance Hotel
Operating Results of Comparable Hotels

(b) (4)



Estimate of Department Revenue and Expenses

(b) (4)



(b) (4)

(b) (4)

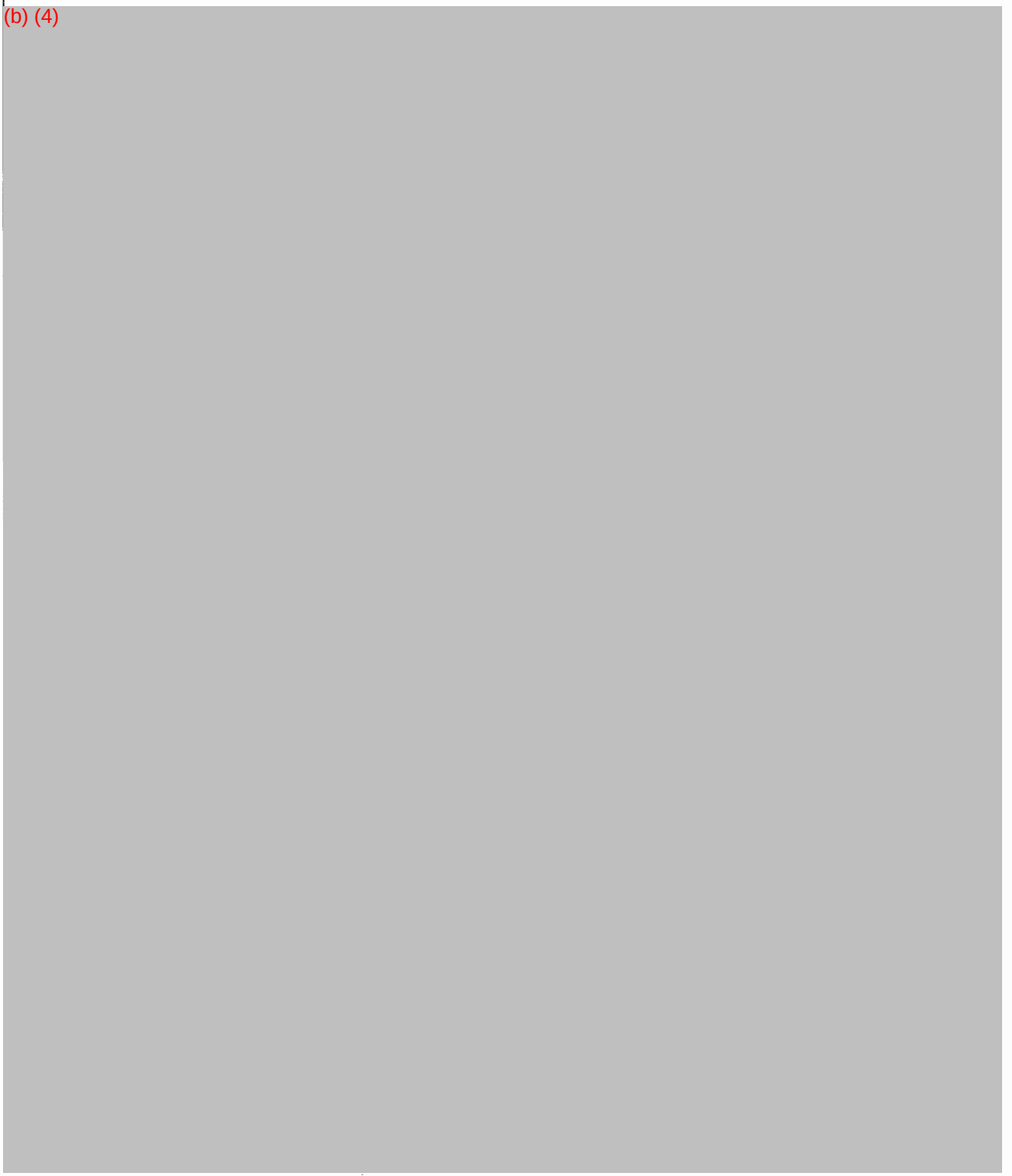
(b) (4)

STABILIZED YEAR OPERATING RESULTS

Presented on the following page is an estimate of the Constance Hotel's stabilized year operating results in current value 2010 dollars. This estimate is based on the foregoing analysis.

Proposed Constance Hotel
Representative Year of Operation

(b) (4)



Source: ***Park Place Commercial, LP***

ESTIMATED ANNUAL OPERATING RESULTS

The previous analysis provided for the income and expenses incurred in the operation of the subject in the representative year. In the following analysis, we provide estimated income and expenses for the subject during each year of the ten year projection period. Our estimate of the performance for the Project in the representative year is used as a basis for our analysis, considering the effects of inflation, business development, and varying occupancy.

Projection Period

For this business plan, we have used a projection period of ten years, representing the period from November 1, 2011 to October 31, 2020.

Inflation

To portray price level changes during the projection period, we have assumed an inflation rate of three percent throughout the projection period. This rate reflects the current long-term outlook for the future movement of prices and is consistent with the historical inflation rates. It should be noted that inflation is caused by many factors and unanticipated events and circumstances can affect the forecast rate. Therefore, the estimated operating results computed over the projection period can vary from the actual operating results, and the variations may be material. Our assumption of an annual inflation factor is intended only to portray an expected long-term trend in price movements over the projection period rather than of a point in time.

Operating Revenues and Expenses during the Projection Period

Operating revenues and expenses for the Project are projected using a computer model developed by Colliers PKF Consulting USA especially for use in hotel appraisal analysis. The estimated operating revenues and expenses are based on the same assumptions used to develop our stabilized year projection. Each item, however, is adjusted to reflect the varying impact of the fixed and variable component of each, i.e., the proportion of each that is affected by variations in occupancy. In addition, each item is adjusted for inflation as previously discussed.

Statement of Estimated Annual Operating Results during the Projection Period

The estimated annual operating results for the subject hotel from November 1, 2011 through October 31, 2020 are presented on the following pages, with 2020/21 assumed to be the year following the projection period. This forecast is based on the preceding stabilized year estimate, adjusted to reflect effects of inflation and the impact of fixed and variable components of each revenue and expense item. Selected key assumptions used to develop this forecast are summarized as follows.

- (b) (4)
-

(b) (4)

Proposed Constance Hotel
Projected Operating Results
Fiscal Years Beginning November 1

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

Source: ***Park Place Commercial, LP***

VALUATION

Capitalization Rate

The capitalization rate is simply the ratio of the net income of a property to the value or price that an investor would pay for the right to receive that net income. Influences most affecting the price an investor would pay are quality, quantity, and probable duration of the net income expectancy. Based on our knowledge of the Southern California real estate market, it is our opinion that an overall capitalization rate of (b) (4) is appropriate for the subject property. This rate properly reflects the return expectations for investors in this class of hotel given the location of the proposed property, facilities, and market positioning.

Stabilized Value Calculation - Direct Capitalization

Based on our projection of net operating income for a stabilized year of operation in 2010 dollars, and the selected overall capitalization rate of (b) (4), the value of the Project as if stabilized is calculated to be as follows.

Valuation - Direct Capitalization

(b) (4)

MANAGEMENT

The Partnership will rely entirely upon the experience of the General Partner in identifying and managing all investment opportunities for the Partnership.

General Partner's Management Team

Kin Hui, **President** - Mr. Hui will contribute his expertise in real estate development and construction.

Mr. Hui is the owner and operator of a group of real estate investment companies based in Arcadia, California. This group is involved mostly with major commercial, office, and retail properties in both Los Angeles County and Orange County. Mr. Hui is the general partner of a major development in downtown Pasadena, California. He is also a co-owner and managing partner of 2 North Lake Tower, a Class A multi-story office tower in Pasadena. The acquisition of this property by Mr. Hui's group ranked as the second largest brokered office deal in Los Angeles County and one of the largest in Southern California in 2009.

Mr. Hui has been active in the acquisition, development and management of real properties in Southern California since early 1990's. He is the founder and CEO of Singpoli Construction since 1992, a founding partner and President of Pacific Design Group since 1997, a Managing

Partner of Singpoli Investment, LLC since 1992 and the Managing Member of Singpoli Pacifica, LLC since 2007.

A holder of a California General Contractor license, Mr. Hui obtained a Bachelor of Science degree from Woodbury University with major in Interior Designs and minor in Business Administration.

***William H. Chu CPA*, Treasurer** - Mr. Chu will be contributing his expertise in finance, banking, accounting and management matters.

Mr. Chu joined Singpoli in 2009, after a distinguished banking career that spanned from New York, Little Rock, San Francisco, Los Angeles to Las Vegas, having served as President and Chief Executive Officer of First Asian Bank, United Pacific Bank and Los Angeles Community Development Bank, as well as a senior executive at East West Bank. A certified public accountant, Mr. Chu graduated from the University of Winnipeg in Canada and completed his MBA degree at the University of Southern California.

Aside from managing Singpoli Construction, Mr. Chu is actively involved in the other Singpoli Group companies that specialize in real estate investments, property developments, real estate syndications and secured project financing.

***Philip Y. Kim*, Corporate Counsel** - Mr. Kim's primary role will be related to real estate and legal matters.

Mr. Kim is a licensed California attorney specializing in real estate transaction and litigation, corporate management, and business litigation. He graduated from the University of California Los Angeles with a Bachelor of Science degree in Mechanical Engineering in 1993 and he received his law degree from Trinity Law School in 1998.

Mr. Kim is the president of AmerEstate Realty, Inc. a commercial and residential brokerage company specializing in the Los Angeles County area. He is also the Chief Administrative Officer for Singpoli Construction and general counsel to various corporations.

***Vincent S. Chan*, Secretary** - Mr. Chan's involvement will focus on strategic planning and legal matters. Mr. Chan is a licensed California attorney and an investor.

Mr. Chan received his Bachelor of Science degree in Industrial Engineering from Northwestern University in 1977 and his MBA from UCLA in 1979. After graduating from UCLA, he worked as the assistant to the chairman of a Hong Kong group with business interests in construction materials, real estate development and hotels. Mr. Chan then started his own business in Hong Kong importing, wholesaling and retailing giftware and floral materials. Mr. Chan returned to the U.S. in 1989 and has since accumulated valuable experience in a wide range of businesses through investing in real estate, laundries, restaurant, auto repair, and construction. Mr. Chan has arranged overseas capital to invest in U.S. businesses including real estate and a retail concept start-up.

In 2006, Mr. Chan earned his Juris Doctor degree from Concord Law School and was admitted to practice law in California. Mr. Chan is currently of counsel to Curd, Galindo & Smith, LLP of Long Beach California.

DEVELOPMENT TEAM

Developer

Singpoli Group - Extensive real estate investment, construction and development experience in Southern California since 1992.

Architects

RTKL, Inc.

- One of the largest architectural firms in the world.
- The City of Pasadena uses RTKL as its consultant.
- RTKL was the architect on the Paseo Colorado project in Pasadena.

Pacific Design Group (Design Architect)

Entitlement Legal Counsel (Hogan, Rosen, Becham, & Coren, LLP)

Richard McDonald, Esq. - former Chair of the Pasadena Planning Commission.

Historic Preservation Consultant

Peyton Hall, FAIA

- Well known and well respected historic preservation expert in Los Angeles.
- Worked on numerous projects in Pasadena.

Engineering

Psomas Engineering - One of the largest and most experienced civil engineering firms in the world.

Hotel Operator

Joie de Vivre Hotels

- Largest boutique hotel operator in all of California.
- Considered one of the best employers to work for in the San Francisco area.

GENERAL CONTRACTOR

Singpoli (Hop Kin) Construction and Decoration (Nevada), Inc.

Singpoli Construction is a provider of professional construction services through the entire life cycle of a construction project. From initial concept to post-construction administration, Singpoli Construction's team actively manages every step to ensure the highest standards of delivery. Over the years Singpoli Construction has developed an organic teamwork approach that brings together planners, owners, architects, engineers and trade contractors as one seamless entity working towards common goals. Its strength in project management has enabled the company to complete many projects on time, within budget, and meeting or expecting the client's expectation - the ultimate yardstick of project success. In the process, it has managed to build solid foundations of trust and commitment from all parties involved. The most telling validation of Singpoli Construction's work is the repeat business its existing clients bring to the company. The diverse group of clients includes the government of China, the Queen Mary recreation group in California, and the many Chinese American banks located throughout California.

GREEN PLAZA OVERVIEW
(Revised: November 2010)

INTRODUCTION

Invest LA Regional Center, LLC ("ILARC") is working on a project which involves a commercial property located at 2748 W. 8th Street, Los Angeles, CA 90005 ("Project"). The Project is a two-story vacant, partially completed, retail center (approx. 25,000 sf) with two levels of subterranean parking that has been foreclosed by the construction loan lender.

The Project is within a census tract that reflects a 17.4% unemployment rate based on the most recent census data. Therefore, this Project will qualify for a $500,000 unit investment within a Targeted Employment Area under the USCIS EB-5 Immigrant Investor Pilot Program.

ILARC will need approximately (b) (4) . Based on economist Dr. Michael Evans's economic study, this Project will create (b) (4) . The Project is estimated to provide an (b) (4) return on investment once stabilized.

PROJECT PROFORMA

The Project is a two-story vacant, partially completed, retail center (approx. 25,000 sf) with two levels of subterranean parking. Upon the acquisition of the subject property, construction (including deferred maintenance and tenant improvements) will be completed in conjunction with the leasing out of the retail spaces. Potential tenants include restaurants, hairstylist, pharmacy, insurance agency, rental consumer goods, tax preparer, electronic repairs, and dry cleaning store.

The Pro Forma analysis is based on contract rental income for the occupied units at the subject property, and our estimated market rental rates for the vacant units. Per a standard Triple Net lease all operating expenses are recoverable, with the exception of management fees and reserves. The effective gross income (EGI) estimate is based on a stabilized vacancy and collection loss (b) (4) The Vacancy and Collection Loss Allowance is deducted from Potential Gross Income to arrive at Effective Gross Income.

For the purpose of this analysis, property taxes are estimated in accordance with California's Proposition 13 Tax Initiative. According to the County Auditor's Office, there are assessments in the amount of approximately (b) (4) applicable to the Project.

In our analysis, we have utilized an insurance expense of (b) (4) which is considered inline with the typical expense within the Project marketplace.

A summary of the analysis is stated in table form as follows:

Subject Property:	2748-2780 W. 8th Street
Building Area (sf)	25,373

INCOME	Total $	$/Sq. Ft. Annually	Monthly
(b) (4)			

(b) (4)

CAPITAL CONTRIBUTION AND RETURN

The amount of capital that will be needed for this Project will be (b) (4)

It is anticipated that this Project will be completed either entirely through EB5 investors or a combination of private investment and EB5 investors. (b) (4)

Economic Impact of Renovating, Constructing, and Operating a Mixed-Use Commercial Building at Colorado Blvd and Lake Ave in Pasadena, CA as part of an EB-5 Regional Center for Los Angeles and Orange Counties

Prepared for:
Invest L. A. Regional Center, LLC
Los Angeles, CA

Prepared by:

Michael K. Evans
Evans, Carroll & Associates, Inc.
2785 NW 26th St.
Boca Raton, FL 33434
mevans@evanscarrollecon.com

November 1, 2010

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1. Executive Summary

- Invest L.A. Regional Center, LLC plans to develop an EB-5 regional center for Los Angeles and Orange Counties in California. One of the projects, described in this report, is the construction and development of a mixed-use commercial center, known as Colorado at Lake, which will be located at the corner of E. Colorado Blvd. and Lake Ave. in Pasadena, CA.

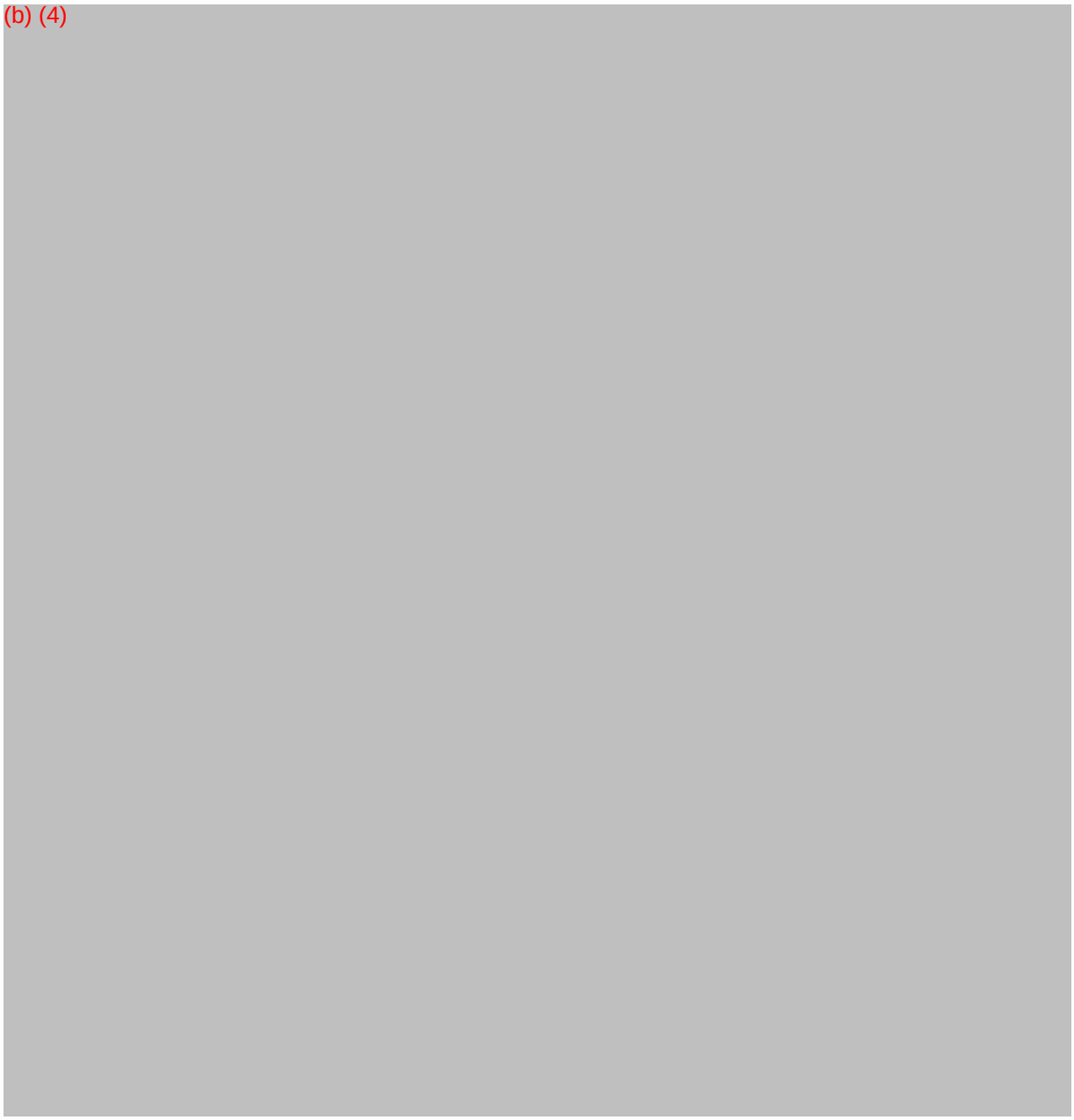
- An existing hotel and retail space will be renovated, and new construction will include an upscale boutique hotel, restaurants, retail space, an office building, bank facilities, and parking garage. The project will be undertaken in two phases. Phase I will include a 142-room hotel, 3,677 square feet of retail space, 18,923 square feet of restaurant space, and a parking garage with 125 spaces. Phase II will consist of the demolition of the existing Bank of America building and the construction of a new office tower with ground floor retail space. There will be 25 more rooms in the hotel, 10,000 square feet of retail space, 15,726 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

(b) (4)

(b) (4)

[1] USCIS does not accept or credit creation of direct temporary "construction jobs" within a business plan or economic job creation forecasts activities which involve a limited duration construction phase of less than 2 years unless the scope, complexity, and the ongoing construction phase must be fully sustained for all the construction phase jobs for 2 years or more with respect to the size, scope, nature, engineering/technology challenges and breadth of the project--for example a massive-scale nuclear power facility, or major Dam or a giant oil refinery, or similar type of massive and expansive and major engineering project. Shorter term construction jobs less than three years in duration have been determined to be of such a short term in nature as to not be sustained and to decrease and disappear as the initial construction activities wind down to completion. Such shorter term construction jobs in many locations are seasonal at best. Nevertheless, for all capital investment expenditures for the construction phase, all capital-induced "down-stream" support activities and "indirect" jobs impacted and associated with the construction activities such as suppliers, transportation, engineering and architectural services, maintenance and repair services, interior design services, manufacturing of components and materials, etc., may be factored into the calculations for creation of indirect jobs.

(b) (4)



(b) (4)

(b) (4)

(b) (4)

3. Organization and Scope of Report

Invest L.A. Regional Center, LLC, plans to demolish an existing building and construct several new buildings that will contain various mixed-use commercial functions. The work will proceed in two phases. The first phase will include a hotel, retail stores, restaurants, and a parking garage. The second phase will include additional hotel rooms, office space, a bank, retail stores, restaurants, and a parking garage.

Section (4) shows the location and description of the proposed building, including preliminary floor plans and designs. Section (5) presents and discusses the key economic parameters of Pasadena and Los Angeles County. Section (6) provides a guide explaining how the IMPLAN model works for those not familiar with this methodology. Section (7) explains how the direct and indirect jobs are calculated.

Section (8) shows how the direct job estimates are determined for each component of the project. Section (9) presents the economic impact tables for Phase I, and Section (10) presents that information for Phase II. In all cases, the increase in direct, indirect, and induced employment, output, and labor income are shown for approximately 30 industry classifications. Section (11) shows the overall economic impact on the complete regional center, assuming five projects of similar size and scope, for Los Angeles and Orange counties.

4. Location and Description of Proposed Building

The project will be located at the corner of E. Colorado Blvd. and Lake Ave. in Pasadena, CA, and is known as Colorado at Lake. The location is shown in Figure 1, and the floor plans for Phases I and II are shown in Figures 2 and 3. Based on plans furnished by the developer, the two phases of the project will have the following components:

Phase I will consist of the renovation of one area of existing retail space to provide a newly created paseo, resulting in 3,667 SF of retail space and 18,923 SF of restaurant space. This restaurant space will consist of 10,995 SF of indoor restaurant space, plus 1,106 SF of outdoor seating in renovated space, plus an additional 6,822 SF of outdoor restaurant space in an area of new construction. Hence there will be 22,600 SF of new construction. Phase I will also include a 142 room (key) hotel, and 125 parking spaces with valet service. The hard construction cost budget for Phase I is estimated at (b) (4)

Phase II will consist of demolishing 18,235 SF of office space and 6,560 SF of bank space, and new construction for the following components:

25 room addition to the hotel
69,720 SF of office space
8,010 SF of bank space
9,905 SF of specialty retail space
1,000 SF of restaurant space on the first floor
12,000 SF of restaurant space on the second floor, plus 2,726 SF of outdoor seating
320 parking spaces, no valet services

The project will be located at the corner of E. Colorado Blvd. and S. Lake Avenue, in CT 4634, as shown in Figure 1. The location of Pasadena in Los Angeles County is shown in Figure 2.

Figure 1. Location of Colorado and Lake Project in Pasadena

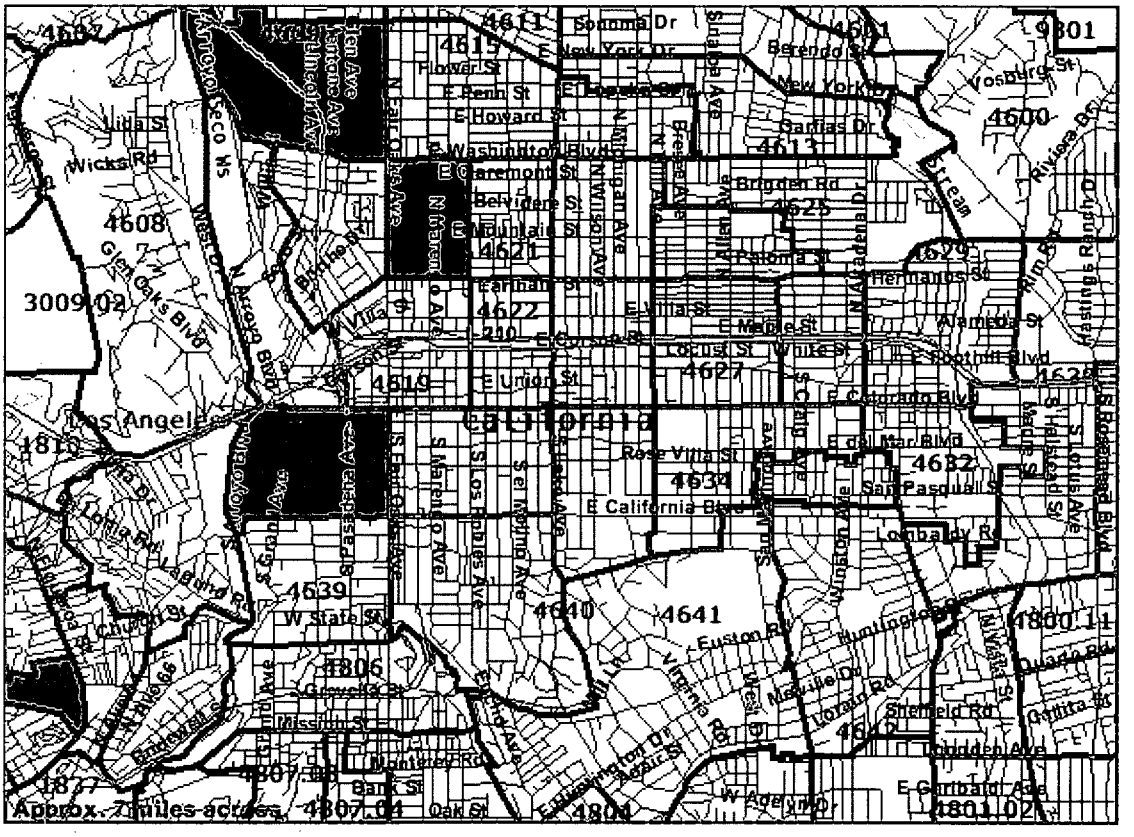


Figure 2. Location of Pasadena in Los Angeles County

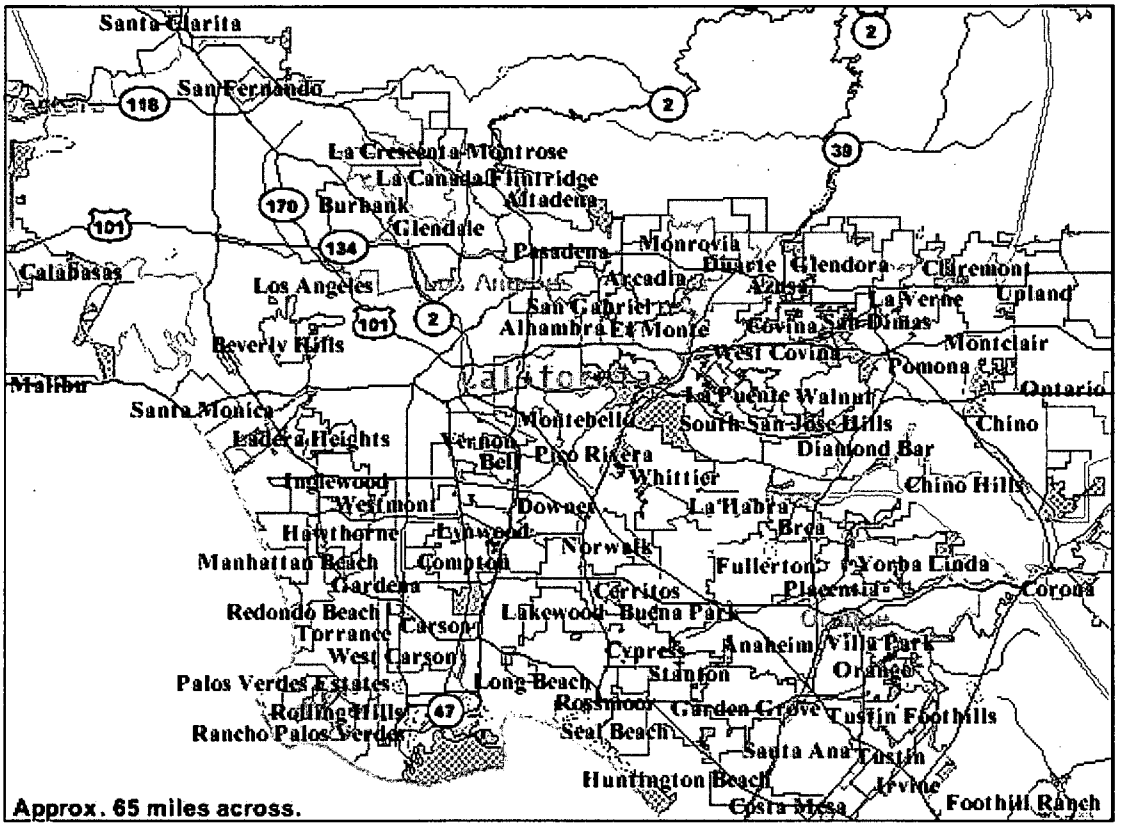
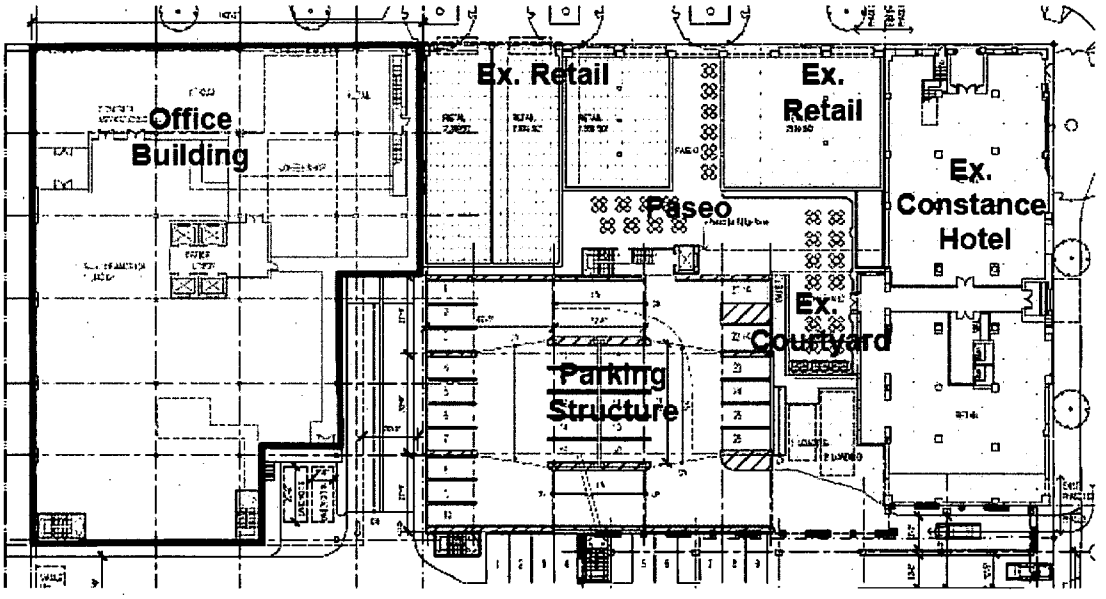


Figure 3. Floor Plans of Colorado at Lake Project



The project plans to restore the 1926 Constance Hotel and replace small businesses lining the 900 block of East Colorado Blvd. with new stores, restaurants, and offices. The first phase will include the renovation of the historic eight-story building – most recently the Pasadena Manor retirement home – on the southwest corner of Colorado and Mentor Avenues – to be renovated into an upscale boutique hotel. Phase II will expand the hotel, enlarge the public plaza, include additional parking spaces, and add an office building and a bank. The project is expected to bring more tourist and pedestrian activity to the neighborhood, which borders the Playhouse and South Lake districts.

5. Economic Parameters for Pasadena, and Los Angeles and Orange Counties

Table 1 compares the key economic parameters of Pasadena with those for Los Angeles County and the overall U.S. economy.

Table 1. Key Economic Parameters for Pasadena, Los Angeles County, and the U.S.

Category	Pasadena	%	L.A. County	%	Total U.S.	%
EMPLOYMENT STATUS						
Population 16 years and over	111,408	100.0%	7,617,775	100.0%	238,764,455	100.0%
In labor force	71,748	64.4%	4,998,989	65.6%	157,465,113	65.9%
OCCUPATION						
Civilian employed population 16+	66,284	100.0%	4,650,036	100.0%	146,266,253	100.0%
Management & professional	31,862	48.1%	1,589,067	34.2%	51,064,301	34.9%
Service occupations	11,729	17.7%	815,366	17.5%	25,084,498	17.1%
Sales and office occupations	14,415	21.7%	1,226,053	26.4%	37,252,708	25.5%
Farming & fishing	0	0.0%	9,799	0.2%	997,997	0.7%
Construction & maintenance	3,462	5.2%	384,658	8.3%	13,612,976	9.3%
Production & transportation	4,816	7.3%	625,093	13.4%	18,253,773	12.5%
INDUSTRY						
Civilian employed population 16+	66,284	100.0%	4,650,036	100.0%	146,266,253	100.0%
Agriculture & mining	0	0.0%	16,647	0.4%	2,653,081	1.8%
Construction	3,836	5.8%	302,193	6.5%	10,777,675	7.4%
Manufacturing	4,004	6.0%	538,989	11.6%	16,381,624	11.2%
Wholesale trade	1,780	2.7%	180,565	3.9%	4,383,802	3.0%
Retail trade	5,842	8.8%	509,493	11.0%	16,994,717	11.6%
Transportation & utilities	1,473	2.2%	258,560	5.6%	7,595,843	5.2%
Information	3,085	4.7%	206,192	4.4%	3,527,777	2.4%
Finance, insurance, real estate	5,058	7.6%	302,566	6.5%	10,112,239	6.9%
Professional & administrative	11,581	17.5%	542,861	11.7%	15,242,426	10.4%
Education & health	19,780	29.8%	913,228	19.6%	31,757,530	21.7%
Arts, entertainment, hotels, food svcs	4,670	7.0%	455,042	9.8%	12,904,517	8.8%
Other private services	2,814	4.2%	279,829	6.0%	7,092,352	4.8%

Public administration	2,361	3.6%	143,871	3.1%	6,842,670	4.7%
INCOME AND BENEFITS						
Total households	50,625	100.0%	3,168,362	100.0%	113,101,329	100.0%
Less than $10,000	3,381	6.7%	194,271	6.1%	8,149,557	7.2%
$10,000 to $14,999	3,101	6.1%	184,485	5.8%	6,141,047	5.4%
$15,000 to $24,999	4,699	9.3%	345,478	10.9%	12,049,123	10.7%
$25,000 to $34,999	3,508	6.9%	308,425	9.7%	11,718,207	10.4%
$35,000 to $49,999	6,262	12.4%	404,628	12.8%	16,028,909	14.2%
$50,000 to $74,999	9,306	18.4%	555,761	17.5%	21,251,695	18.8%
$75,000 to $99,999	6,876	13.6%	369,361	11.7%	14,015,215	12.4%
$100,000 to $149,999	5,703	11.3%	428,563	13.5%	13,921,120	12.3%
$150,000 to $199,999	3,112	6.1%	179,830	5.7%	4,954,443	4.4%
$200,000 or more	4,677	9.2%	197,560	6.2%	4,872,013	4.3%
Median household income (dollars)	57,796	111.1%	55,499	106.7%	52,029*	
Mean household income (dollars)	91,260	127.6%	81,169	113.5%	71,498*	
With earnings	40,954	80.9%	2,661,068	84.0%	90,791,365	80.3%
Mean earnings	91,094	126.1%	80,697	111.7%	72,235*	
With Social Security	11,228	22.2%	685,562	21.6%	30,562,552	27.0%
Mean Social Security income	14,520	96.7%	14,208	94.7%	15,010*	
With retirement income	6,124	12.1%	362,899	11.5%	19,474,163	17.2%
Mean retirement income	47,044	219.8%	25,202	117.7%	21,407*	
Families	27,891	100.0%	2,119,091	100.0%	75,030,551	100.0%
Less than $10,000	1,053	3.8%	93,269	4.4%	3,211,198	4.3%
$10,000 to $14,999	1,627	5.8%	83,597	3.9%	2,404,943	3.2%
$15,000 to $24,999	2,704	9.7%	218,626	10.3%	6,148,998	8.2%
$25,000 to $34,999	1,311	4.7%	201,251	9.5%	6,827,538	9.1%
$35,000 to $49,999	3,050	10.9%	265,573	12.5%	10,239,597	13.6%
$50,000 to $74,999	4,429	15.9%	376,130	17.7%	15,144,495	20.2%
$75,000 to $99,999	4,054	14.5%	261,690	12.3%	11,047,974	14.7%
$100,000 to $149,999	3,261	11.7%	321,604	15.2%	11,568,389	15.4%
$150,000 to $199,999	2,353	8.4%	141,667	6.7%	4,251,923	5.7%
$200,000 or more	4,049	14.5%	155,684	7.3%	4,185,496	5.6%
Median family income (dollars)	71,291	112.5%	61,937	97.7%	63,366*	
Mean family income (dollars)	115,645	138.7%	89,253	107.1%	83,351*	
Per capita income (dollars)	39,833	144.4%	27,655	100.2%	27,589*	
Median earnings for workers	32,429	108.6%	29,026	97.2%	29,868*	
Median earnings for male full-time	46,770	102.7%	41,079	90.2%	45,556*	
Median earnings for female full-time	46,268	130.4%	37,126	104.7%	35,471*	
PERCENTAGE BELOW THE POVERTY LEVEL						
All families	13.30%	137.1%	12.40%	127.8%	9.7%*	
All people	16.70%	126.5%	15.20%	115.2%	13.2%*	

All figures are for 2008. Source: American Fact Finder, U.S. Census

* % for Pasadena and L.A. County shown in red are relative to U.S. averages. Other % are relative to the total in that category.

The percentage distribution of employment by industry shows that Pasadena has a far lower proportion of workers in manufacturing, trade, and transportation, with a far higher proportion in professional and administrative services, and in education and health care.

All measures of income shown here are higher than the U.S. average; they are also higher than L. A. County. The median household income is 111% of the national average, compared to 106% for L.A. County, and median family income is 113% of the national average, compared to 98% for L.A. County. The mean values are much larger, skewed by a heavier concentration in the upper income brackets. For example, 14.5% of all families in Pasadena have incomes of $200,000 or more, compared to 7.3% for L.A. County and 5.6% for the U.S. As a result, mean family income is 138.7% of the national average. Per capita income is even higher in Pasadena, at 144.4% of the national average.

The income distribution is skewed at both ends. In spite of having a much higher proportion of wealthy families, the measures of poverty in Pasadena are also well above those for L. A. County and the U. S. The poverty rates of 13.3% for all families and 16.7% for all people in Pasadena are both well above the national average figures of 9.7% and 13.2% respectively.

Table 2. Comparison of Key Employment and Income Figures for Los Angeles County, Orange County, and the U. S.

Category	Los Angeles County	%	Orange County	%	United States	%
EMPLOYMENT STATUS						
Population 16 years and over	7,617,775	100.0%	2,337,803	100.0%	238,764,455	100.0%
In labor force	4,998,989	65.6%	1,591,924	68.1%	157,465,113	65.9%
Civilian labor force	4,994,626	65.6%	1,588,791	68.0%	156,225,077	65.4%
Employed	4,650,036	61.0%	1,493,038	63.9%	146,266,253	61.3%
Unemployed	344,590	4.5%	95,753	4.1%	9,958,824	4.2%
Armed Forces	4,363	0.1%	3,133	0.1%	1,240,036	0.5%
Not in labor force	2,618,786	34.4%	745,879	31.9%	81,299,342	34.1%
OCCUPATION						
Civilian employed population 16 +	4,650,036	100.0%	1,493,038	100.0%	146,266,253	100.0%
Management & professional	1,589,067	34.2%	580,997	38.9%	51,064,301	34.9%
Service occupations	815,366	17.5%	235,231	15.8%	25,084,498	17.1%
Sales and office occupations	1,226,053	26.4%	409,560	27.4%	37,252,708	25.5%
Farming, fishing, & forestry	9,799	0.2%	5,145	0.3%	997,997	0.7%
Construction, maintenance, repair	384,658	8.3%	105,021	7.0%	13,612,976	9.3%

Production & transportation	625,093	13.4%	157,084	10.5%	18,253,773	12.5%
INDUSTRY						
Civilian employed population 16 +	4,650,036	100.0%	1,493,038	100.0%	146,266,253	100.0%
Agriculture & mining	16,647	0.4%	7,953	0.5%	2,653,081	1.8%
Construction	302,193	6.5%	97,407	6.5%	10,777,675	7.4%
Manufacturing	538,989	11.6%	206,777	13.8%	16,381,624	11.2%
Wholesale trade	180,565	3.9%	56,445	3.8%	4,383,802	3.0%
Retail trade	509,493	11.0%	172,500	11.6%	16,994,717	11.6%
Transportation & utilities	258,560	5.6%	51,157	3.4%	7,595,843	5.2%
Information	206,192	4.4%	31,894	2.1%	3,527,777	2.4%
Finance, insurance & real estate	302,566	6.5%	128,192	8.6%	10,112,239	6.9%
Professional & administrative	542,861	11.7%	202,287	13.5%	15,242,426	10.4%
Educational services & health care	913,228	19.6%	271,439	18.2%	31,757,530	21.7%
Arts, entertain, hotel, food svcs	455,042	9.8%	146,404	9.8%	12,904,517	8.8%
Other private services	279,829	6.0%	77,906	5.2%	7,092,352	4.8%
Public administration	143,871	3.1%	42,677	2.9%	6,842,670	4.7%
INCOME AND BENEFITS						
Total households	3,168,362	100.0%	971,559	100.0%	113,101,329	100.0%
Less than $10,000	194,271	6.1%	36,999	3.8%	8,149,557	7.2%
$10,000 to $14,999	184,485	5.8%	32,725	3.4%	6,141,047	5.4%
$15,000 to $24,999	345,478	10.9%	70,400	7.2%	12,049,123	10.7%
$25,000 to $34,999	308,425	9.7%	67,084	6.9%	11,718,207	10.4%
$35,000 to $49,999	404,628	12.8%	108,623	11.2%	16,028,909	14.2%
$50,000 to $74,999	555,761	17.5%	169,426	17.4%	21,251,695	18.8%
$75,000 to $99,999	369,361	11.7%	132,957	13.7%	14,015,215	12.4%
$100,000 to $149,999	428,563	13.5%	170,289	17.5%	13,921,120	12.3%
$150,000 to $199,999	179,830	5.7%	89,267	9.2%	4,954,443	4.4%
$200,000 or more	197,560	6.2%	93,789	9.7%	4,872,013	4.3%
Median household income (dollars)	55,499	106.7%	75,078	144.3%	52,029	
Mean household income (dollars)	81,169	113.5%	101,611	142.1%	71,498	
Families	2,119,091	100.0%	686,756	100.0%	75,030,551	100.0%
Less than $10,000	93,269	4.4%	17,554	2.6%	3,211,198	4.3%
$10,000 to $14,999	83,597	3.9%	12,372	1.8%	2,404,943	3.2%
$15,000 to $24,999	218,626	10.3%	40,254	5.9%	6,148,998	8.2%
$25,000 to $34,999	201,251	9.5%	42,856	6.2%	6,827,538	9.1%
$35,000 to $49,999	265,573	12.5%	69,736	10.2%	10,239,597	13.6%
$50,000 to $74,999	376,130	17.7%	113,702	16.6%	15,144,495	20.2%
$75,000 to $99,999	261,690	12.3%	98,470	14.3%	11,047,974	14.7%
$100,000 to $149,999	321,604	15.2%	137,959	20.1%	11,568,389	15.4%
$150,000 to $199,999	141,667	6.7%	73,999	10.8%	4,251,923	5.7%

$200,000 or more	155,684	7.3%	79,854	11.6%	4,185,496	5.6%
Median family income (dollars)	61,937	97.7%	85,985	135.7%	63,366	
Mean family income (dollars)	89,253	107.1%	113,509	136.2%	83,351	
Per capita income (dollars)	27,655	100.2%	34,252	124.2%	27,589	
Median earnings for workers	29,026	97.2%	34,949	117.0%	29,868	
Median earnings for male	41,079	90.2%	52,305	114.8%	45,556	
Median earnings for female	37,126	104.7%	42,346	119.4%	35,471	
PERCENTAGE BELOW POVERTY LEVEL						
All families	12.40%	127.8%	6.80%	70.1%	9.70%	
All people	15.20%	115.2%	9.90%	75.0%	13.20%	

Please note that in this table, the black numbers in the percentage column are relative to the group totals, while the red numbers are the percent of the U.S. average figures.

Los Angeles County is large enough that the proportions of employment by industry tend to mirror the overall U.S. economy with only minor exceptions. The major divergence occurs in information services, which includes movie-making; that sector employs 4.4% of the workforce, compared to 2.4% nationally. The proportions of the workforce are about 1% above the national average for professional services; arts, entertainment, and leisure; and other private services. Proportionately fewer workers are found in agriculture, health care, and public administration.

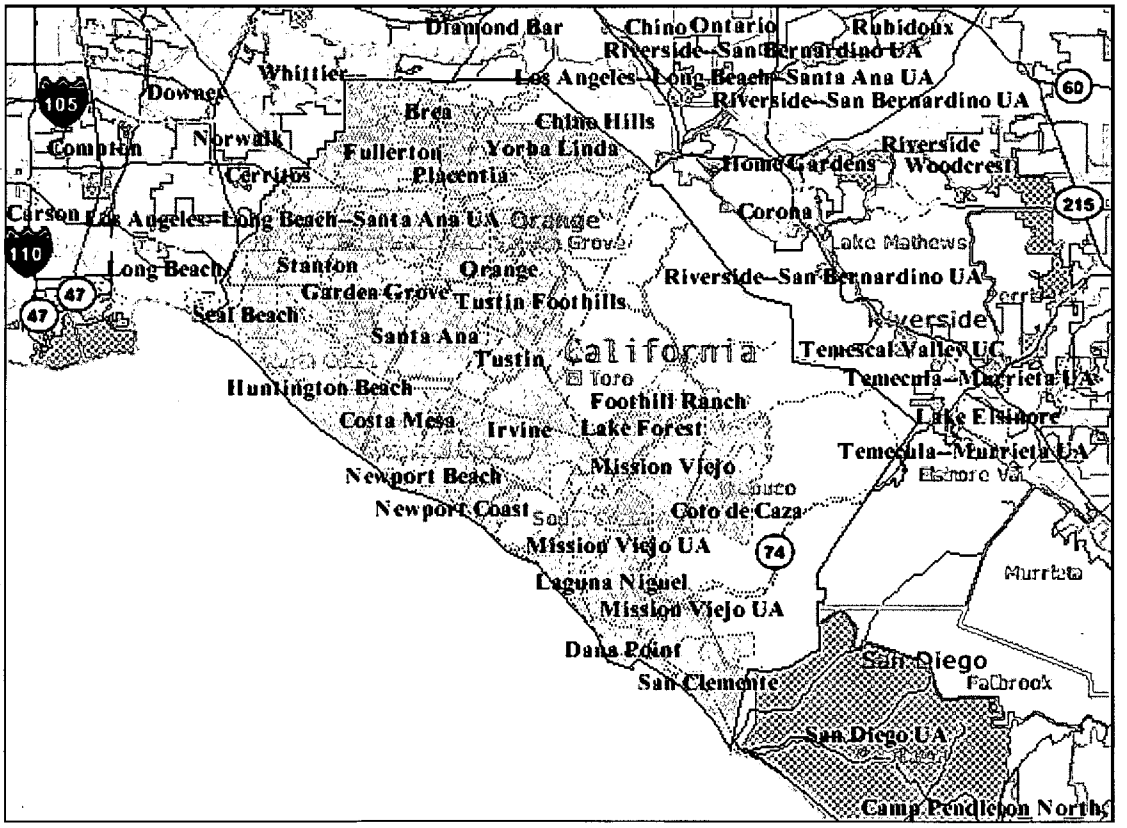
In terms of income distribution, the figures are only modestly skewed toward the upper end, with 6.2% of households earning over $200,000 per year, compared to 4.3% nationally. The proportions of households and families in the two lower income brackets are just about the same as the national average. Nonetheless, the poverty rates for all families and all people are 12.4% and 15.2%, compared to 9.7% and 13.2% nationally; the difference is the larger proportion of people in the $15,000 to $25,000 bracket. The mean and median levels of are about the same as the national average, but for households they are about 10% higher, indicating the relatively large proportion of single-people households earning well above average incomes.

Turning to Orange County, the biggest bulges relative to the national ratios occurs in manufacturing, where 13.8% of the workforce is engaged, compared to 11.2% nationally, and professional business services, where the ratio is 13.5% compared to 10.4% nationally. Other industries with higher than average proportions include and arts, entertainment, and leisure; and other private services. Similar to Los Angeles County, there are proportionately fewer jobs in health care and public administration.

On average, Orange County has a much higher average level of income and lower level of poverty than Los Angeles County. The income distribution

statistics show only about half as large a proportion of households and families in the lower two brackets, and twice as large a proportion in the upper two brackets. As a result, average and median income is about 142% of the national average for households, and about 136% for families. The poverty rates are only 70% of the national average for families and 75% for all people.

Figure 4. Location of Orange County



6. Guide to Using the IMPLAN model for USCIS Adjudicators

Note: this material has been prepared for USCIS Adjudicators who may not be familiar with input/output model methodology for the IMPLAN model. It can be skipped without loss of continuity by those readers who are already familiar with this approach.

Evans, Carroll & Associates, Inc. has used the IMPLAN model in over 50 studies to determine the economic impact of EB-5 and similar programs. This section explains in more detail how the IMPLAN model works, and why it is a valid approach for determining the economic impact for EB-5 regional centers.

The IMPLAN model calculates job creation for each category of economic activity. This model has been approved in many earlier applications by USCIS and is one of the two recognized models (the other one is RIMS II) that are generally used in these applications.

IMPLAN (and other input/output models) are based on the concept of a production function, which determines the quantities of inputs are required to produce a unit of output. The basic data are collected by the Commerce Department from a variety of sources, such as the Annual Survey of Manufacturers and various annual surveys of the service sector. The data are benchmarked to the Economic Census figures once every five years and then updated annually. These figures comprise a national input/output model.

The regional coefficients are then modified to take into account the proportion of goods and services required to produce one unit of output that are produced locally. These regional coefficients are based on data from the Economic Census.

For a manufacturing plant, for example, the raw materials required are measured by the input/output coefficients. Using the data for output per employee, these figures are then converted into new jobs created for indirect employees. The regional coefficients are then used to determine what proportion of these employees work in facilities in the local area. All these coefficients are imbedded in the IMPLAN model. The results shown in the tables submitted in this report are the end product of entering the inputs for direct jobs and solving the model for the indicated region.

For a service industry such as a hotel, office building, life sciences laboratory, retail store, or restaurant, the same concept is employed, except in this case most of the indirect jobs are also in a service occupation. In order for these businesses to function, they must hire lawyers, accountants, computer programmers, and administrators. They deposit their funds in banks and other financial institutions, creating new jobs in those industries. The buildings must be leased and the business must be insured, creating new jobs in those industries.

Once again, the new jobs created are based on the regional coefficients of the IMPLAN model.

An input/output model is not a forecasting model that takes into account varying economic conditions. Instead, input/output models are designed to be static models. At any given time – based on production data gathered by the Department of Commerce – it is ascertained that a given quantity of inputs are used to determine a unit of output. These coefficients are assumed to be the same regardless of whether there is a boom or a recession. For example, it takes the same amount of coal, scrap iron, limestone, machinery, and labor to produce a ton of steel regardless of the underlying business cycle conditions.

Input/output models have been used in thousands of applications to determine the economic impact of a given investment of a specific project; sometimes these are regional models, sometimes they are national models.

The use of input/output models in general, and IMPLAN in particular, represent the standard and accepted way of determining the increase in (i) employment and (ii) the economic impact of regional center projects. In addition to employment, economic impact is measured by increases in output and labor income (sometimes referred to as household earnings) that will be generated by a given increase in direct jobs or expenditures for a given project. Output and labor income capture all of the factors listed in 8 C.F.R. Section 204.6(m)(3)(iv) such as "increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction."

The calculation of the employment multipliers is accomplished as follows:

1. The first step is to determine employment per dollar of output for each industry. There are 440 industries in the IMPLAN input/output matrix, but in this report these are generally aggregated into about 30 industry classifications. The figures for industry output and total employment are taken from Census data and vary for each county.

2. The figures for employment per dollar of output are then multiplied by various coefficients in the model, representing direct, indirect, and induced effects. The column for direct effects has a coefficient of 1 for the specific industry and 0 for all other industries. The column for indirect effects is based on the technical coefficients of production (e.g., how much coal is required to produce one ton of steel). These coefficients range from 0 to 1.

3. The column for induced effects is based on the proportion of household income that is spent in that industry. Usually the figures would be higher for health care and retail trade and lower (or zero) for manufacturing industries.

To illustrate this, consider a very simple three-sector model in which we determine the employment multiplier for auto manufacturing. The three sectors are auto manufacturing, other manufacturing, and services.

	Output	Employment	Empl/Output
Auto mfg	100	10	0.10
Other mfg	2,000	250	0.08
Services	4,000	800	0.20

Employment Multipliers for Auto Manufacturing (in actual work, these would be taken from the IMPLAN model)

	Direct	Indirect	Induced
Auto mfg	1.00	0.05	0.08
Other mfg	0.00	0.25	0.40
Services	0.00	0.20	1.20

These figures are multiplied by the empl/output column to obtain the following results:

	Employment Effects		
	Direct	Indirect	Induced
Auto mfg	0.10	0.005	0.008
Other mfg	0	0.002	0.005
Services	0	0.040	0.240
Total	0.10	0.047	0.253

In this case, the employment multiplier would be calculated as (0.10 + 0.047 + 0.253)/0.10, which in this case is 4.0. The total number of jobs created by the new auto plant is then equal to 4.0 times the number of direct new jobs, which has been calculated outside the IMPLAN model.

In EB-5 regional center applications, the number of direct jobs is calculated outside the model. While there are a variety of methods for doing this, one standard method is to determine the number of square feet per employee. Then the number of employees is identically equal to the number of square feet divided by square feet per employee. Another method is to calculate the ratio of output to capital (from government statistics), multiply by the amount of investment to get the incremental change in output, and then divide by output/employee in the particular county or region. These methods are discussed in greater detail in the next section. Once the number of direct new jobs has been determined, the IMPLAN model is then used to determine the number of indirect and induced jobs.

Indirect jobs are those created when the new business purchases goods and services that are produced or sold locally. These are discussed in more detail in Section (8).

In the case of a restaurant, for example, some of the food might be purchased from local farms, or food manufacturing plants. The proportions are determined by the coefficients imbedded in the IMPLAN (or other input/output) model. These coefficients are based on actual data for purchased goods and services taken from the Economic Census, the Annual Survey for Manufacturers, and other similar sources compiled by the Commerce Department. The regional purchase coefficients are based on regional estimates prepared by the Commerce Department. These figures can be found on the BEA website.

In general, food purchases account for about 1/3 of total restaurant output. Thus if the restaurant generated $6 million in sales, $2 million would be spent on purchasing food. Some of this would be grown or produced locally, while some of it would be grown or produced outside the region, but sold locally.

Suppose, for example, that the restaurant purchased its desserts from a nearby bakery. In this example, suppose desserts account for 10% of the food bill, which means $200,000 worth of dessert would be purchased. That amount of activity would increase the number of employees at the bakery, both in terms of salespeople and in terms of bakers. The bakery would then buy sugar, flour, eggs, and other ingredients from other sources; here again, some would be local, and some would be out of the region. If the flour is purchased from a local source, then that would generate further jobs in growing and milling wheat, and so forth. The input/output table captures all of these relationships and converts them to the number of additional employees that are generated by the purchase of desserts. Similar calculations would be taken for all other food served at the restaurant.

The restaurant would also hire a cleaning service to launder the tablecloths and napkins, it would hire an accountant to keep track of its receipts and pay taxes, and from time to time it would need to hire plumbers, electricians, and carpenters to perform repairs. There are many other services they would also need to use. The input/output model shows the fraction of total sales expended in each of these categories. There are 440 categories in the latest input/output table, although not all of them apply to all categories.

Induced jobs are those created when the restaurant employees spend some of their paychecks on goods and services produced or sold locally. This would include expenditures on food, clothing, health care, entertainment, and a variety of other goods and services. These figures are based on consumer surveys showing the amount spent by individuals and families at different income levels in different locations, and are prepared by the Bureau of Labor Statistics.

All the calculations for the number of indirect and induced jobs are done by the computer program imbedded in the IMPLAN model, using these coefficients calculated from BEA and BLS data, which are then used to invert and

solve a matrix that contains 440 * 440 (equals 193,600) elements. Obviously all these elements cannot be reproduced in each report; however, a related table is found on the BEA website (http://www.bea.gov/bea/interactive.htm).

In the same manner, the IMPLAN model also generates predictions of output and labor (household) income for each industry category; these are referred to as the "derived monetary predictions" by USCIS. The coefficients that determine output and income are based on the same methodology used to generate the employment numbers; the figures are then multiplied by the output per worker, and labor income per worker. These figures are also taken from data found in the Economic Censuses and supplemented by the BLS.

All these calculations are part of the input/output algorithm, which is internal to the IMPLAN (or other input/output) model. Hence the pathway for determining the results is as follows:

1. Calculate the number of new direct employees for each new business.

2. Use the computer program algorithm that contains coefficients in the input/output model that determine the number of new employees per dollar of new sales for each industry category where the new business purchases goods and services produced or sold locally.

3. Use the computer program algorithm that contains coefficients in the input/output model that determine the number of new employees per dollar of new sales for each industry category where employees spend part of their paychecks on goods and services produced or sold locally.

4. Solve the entire input/output model to take into consideration secondary links (i.e., bakers purchase flour, which is grown from wheat) that create employment gains throughout the economy.

5. Use the gains in employment to determine the increase in output by multiplying employment by the average output/employee for all relevant industries.

6. Use the gains in employment to determine the increase in labor income by multiplying employment by the average compensation/employee for all relevant industries.

The IMPLAN model is a regional input/model developed and maintained by the Minnesota IMPLAN group, headquartered in Minneapolis. The basic model was originally developed by the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management.

The IMPLAN model has certain similarities with the RIMS (Regional Input/Output Modeling system) model developed by the Department of Commerce, but is generally thought to contain several superior features besides its greater ease and flexibility of use. These improvements can be summarized as follows:

1. The Commerce Department is not permitted to publish data in any category where there are less than three organizations in a given economic area. IMPLAN has developed an algorithm to fill in the missing numbers.

2. IMPLAN has introduced improved methods of accounting for flows of goods and services among counties.

3. IMPLAN permits aggregation of any subset of industries for calculation and tabular purposes. This is useful when results are desired for, say, 1-digit industries instead of the 509 industries actually found in the input/output table.

4. As seen in the tables throughout this text, IMPLAN estimates three separate effects, labeled "direct", "indirect" and "induced". The direct effects are those entered by the user. The other two columns represent the multiplier effects, but they are usually combined in other input/output models. Briefly, the indirect effect represents purchases made by businesses when their sales rise. For example, a restaurant might order more food produced or sold in the region, or an automobile plant might order more steel. The induced effect represents the additional household spending because income has risen. For example, restaurant workers would spend their paychecks on various goods and services, some of which are produced in the region. In general, then, the larger the region under consideration, the larger the multipliers would be.

The following material, taken from the IMPLAN manual, describes the input/output process in more detail.

Input/output analysis is a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all of the monetary market transactions for consumption in a given time period. The resulting mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy.

A descriptive model includes information about local economic interactions known as regional economic accounts. These tables describe a local economy in terms of the flow of dollars from purchasers to producers within the region. The initial IMPLAN data details all purchases, including imported goods and services. When regional economic accounts are created, imports to the region are removed from the initial data, allowing examination of local inter-industry transactions and final purchases.

The regional economic accounts are used to construct local level multipliers. Multipliers describe the response of the economy to a stimulus (a change in demand or production). The multipliers represent the Predictive Model.

Purchases for final use (final demand) drive an input/output model. Industries producing goods and services for consumption purchase goods and services from other producers. These other producers, in turn, purchase goods and services. These indirect purchases (or indirect effects) continue until leakages from the region (imports, wages, profits, etc.) stop the cycle.

The indirect effects and the effects of increased household spending (induced effects) can be mathematically derived as sets of multipliers. The derivation is called the Leontief inverse. The resulting sets of multipliers describe the change of output for each industry caused by a one dollar change in final demand for any given industry.

The input/output analysis framework is similar to a financial accounting framework that tracks purchases of and expenditures on goods and services in dollars. Input/output accounting traces the flow of dollars between businesses and between businesses and final consumers. An input/output accounting framework can be illustrated using classic financial accounting T-accounts, which include receipts (income) and expenditures (expenses) on each side of a "T", as shown below.

Final Consumption (or final demand) drives input/output models. Industries respond to meet demand directly or indirectly, by supplying goods and services to industries responding directly. Each industry that produces goods and services generates demands for other goods and services, and so on. Multipliers describe these iterations.

There are three different multipliers developed for predictive modeling: Type I, Type II, and Type SAM. We start with the transactions table and derive a coefficient by dividing each industry column by the column total. This coefficient matrix is also known as the ***A Matrix***.

The columns of the A Matrix are production functions. A production function shows where an industry spends, and in what proportions, to generate each dollar of output.

Receipts	Expenditures
Sales to industries	Purchases of goods and services
Sales to institutions	Local
Exports	Imported

Investment Payroll Taxes Profits Distributed Retained

Through algebraic manipulation of the A Matrix, we can derive the multipliers. The predictive model shows how output will change with a given change in final demand. The inverse is the matrix of multipliers.

Multipliers break the effects of stimuli on economic activity down into three components:

1. Direct effects are the changes in the industries to which a final demand change was made.

2. Indirect effects are the changes in inter-industry purchases as they respond to the new demands of the directly affected industries.

3. Induced effects typically reflect changes in spending from households as income increases or decreases due to the changes in production.

The Type I multiplier measures the direct and indirect effects of a change in economic activity. It captures the inter-industry effects only, i.e., industries buying from local industries.

The Type II multiplier captures direct and indirect effects in addition to the inter-industry effects; it also takes into account the income and expenditures of household. The household income and expenditures are treated as industries. This internalizes the household sector, including the induced or household spending effects.

The Type SAM multiplier uses all information about the institutions selected to be included in the predictive model. If only households are included, all information for industries, factors, and households are included.

The latest version of the IMPLAN model contains 440 separate industrial sectors. In preparing these calculations, the direct employment effects were entered for construction, retail outlets, hotels, office space, and residential

operations. The remaining sectors are then aggregated, generating a total of 25 to 30 sectors, which are reproduced in the tables in the following sections.

Each IMPLAN calculation is based on separate figures for a specific set of counties, which is determined by the location of the project and the likely flow of the workforce to the new businesses that are in operation. The size of the multipliers for any county depends in part on its size; a very small county would have a smaller multiplier because a larger proportion of the goods and services would be purchased outside the county. A very large county, such as Cook County in Chicago, would have a larger multiplier.

There is always a tradeoff here in the following sense. The more contiguous counties that are included – i.e., the larger the overall area – the higher the multiplier is likely to be, and hence the higher the number for indirect and induced job creation. On the other hand, making the area larger than it should be overstates the result and vitiates its usefulness.

The Census publishes data on county-to-county workflow. In most cases, most of the people who work in a given county also live there. The question is how to identify those other counties that provide a significant proportion of the workers, because they will spend part of their paychecks at home, which means those counties should also be included in the multiplier calculations. In general, the multipliers are likely to be the most accurate when they include those counties whose residents represent 90% to 95% of the county workforce. In this case, since Los Angeles County is such a large county, no other counties are used to determine the economic multipliers.

7. Methodology for Calculating Indirect Job Gains

In spite of the explanation of the IMPLAN model given above, some USCIS adjudicators have raised questions about how that model is used to determine the increase in the number of indirect jobs. That is an important issue because, unlike the direct job count, which can be verified by USCIS from various payroll and withholding documents, the calculation of indirect jobs cannot be verified directly but depends on mathematical calculations.

The general concept is based on the coefficients in the input/output model itself (the same methodology applies to IMPLAN, RIMS II, or any other generally recognized and accepted input/output model). In any given year, the government calculates how much input is used for a given production of output. The detailed figures are taken from the Economic Censuses taken once every five years; the figures are then updated from various annual supplements.

Basically the process has two steps, each of which is described next in greater detail. The first is to determine the amount of output, and hence the number of jobs, required to produce a given amount (say $1 million) of the final

product or service. These are national coefficients. The second is to determine what proportion of those goods and services are purchased within the local region (the regional purchase coefficients, or RPCs).

In the case of a manufacturing process, the national coefficients are based on production functions: how much coke per ton of steel, how much steel per motor vehicle, how much flour for a loaf of bread, and so on. However, most of the jobs are created in the service sector, where Commerce Department data are used to determine, for example, how much restaurants spend on laundry services, how much airlines spend for attorneys, and so on. These figures are based on information contained in the various Economic Censuses. The national coefficients would also determine, for example, how many architects and engineers would be hired for a construction project of a given scope and size, and how many new employees at financial institutions would be required to handle the additional cash flow generated by the new business. Both of these are discussed below in greater detail.

Even after these coefficients are determined, however, the regional purchase coefficients (RPC) must still be estimated. If, for example, a trucking firm spends 1% of its revenue on accountants, how much of that money is spent on local firms, and how much is spent outside the region?

That answer depends on various factors. The most important is the amount of the good or service produced within the region. If a trucking firm, for example, were located in a small county with no accountants, obviously it would not spend any of that money locally. That sets a lower limit but is not generally the case. Instead, a balancing algorithm is used.

Suppose, for example, that all the firms producing, distributing, or selling goods and services in a given county spent $10 million on accounting services. Also, suppose that total billings of all accountants in the county were $20 million. In that case, local accountants could handle all the local business, plus business from neighboring counties. If, on the other hand, total accountant billings in the county were only $5 million, local firms could not spend more than half of the money on local accountants.

Of course it is possible that there are adequate resources in the county but local firms choose to use companies outside the county; perhaps prices or service is better. No input/output model can account for such anomalies. On the other hand, given transportation costs, it would be highly unusual for a firm to be located in a given location and not serve the nearby businesses, instead choosing only those clients who were farther away.

The IMPLAN model – and other regional input/output models – assigns regional purchase coefficients (RPCs) in all cases where the local industry purchases goods and services from local firms. This matrix could have as many

as 440 * 440 = 193,600 elements, although in practice many of them are zero. Large counties with a wide variety of businesses have more non-zero elements than small counties with relatively few businesses.

In general, the RPCs tend to be close to zero for most manufactured goods, and close to unity for most services. While there are many exceptions to this rule, most firms will use financial, professional, business, and health care services that are located in that county or contiguous areas.

To take just one example of many, consider the number of new jobs created by architects and engineers for a new construction project of any given size. Most construction cost manuals, such as those published by R. S. Means, indicate that those costs are usually about 5% to 9% of the total job. According to the national IMPLAN file, the figures are 9.2% for commercial construction and 4.5% for industrial construction.

These figures can be compared with the proportions of architects and engineers in the specific counties that are used to determine the economic multipliers. For Los Angeles County, the IMPLAN model shows proportions of 8.4% for commercial and 4.3% for industrial construction, indicating that 91% of the architects and engineers for commercial jobs and 95% for industrial jobs are hired locally. These figures are fairly typical of other locations and regions; except for "signature" buildings designed by famous names, most architects and engineers live in the same region as the buildings that are being constructed.

To summarize to this point, the number of indirect jobs as a proportion of direct jobs depends on (a) the national relationships, and (b) the regional purchase coefficients. In our presentation of the individual projects later in this report, we generally provide further discussion of those industries with the largest number of indirect jobs. However, there are a few industries that produce relatively large numbers of jobs in almost all cases, and these can be generally discussed at this stage in order to avoid repeating this information several times. The industries discussed here include banking, real estate, legal and accounting, architects and engineers, other professional services, employment services, other business services, restaurants, and government. In all of these cases, the vast majority of workers are hired locally. Our comments for the rest of this section are based on the assumption of a $10 million investment.

Banking and credit: On an aggregate basis, for every $10 million in deposits, using the very broadly defined M3 measure of the money supply, there is about 1 new banking employee. As a rough rule of thumb, the size of M3 is roughly equal to the size of GDP. Hence we would expect about 1 new financial services employee (excluding real estate) for every $10 million increase in output, as calculated from the IMPLAN model.

Real estate: Additional real estate employees are based on two factors. One is the leasing activity of the new building. The other is the increase in residential real estate activity as people get new jobs, either within the area or by moving into the area; that factor varies depending on whether the new business is likely to cause people to move into the area. On a lease basis, a $10 million investment is likely to result in a building of 80,000 square feet. If it leases for $40/square foot, that would be $3.2 million in annual lease payments, and with a 6% commission would generate $192,000 in revenues, which would account for about 2 new real estate employees (the figure would be less for industrial buildings).

The increase in employment would also result in some real estate activity as workers moved into better housing in the same location, or moved in from other areas; that movement would depend on how large the area is, and therefore how many people might move in to fill the new jobs. In a normal year, there are about 7 million sales of new and existing homes for a labor force of about 140 million, or 5%. Hence if the total increase in direct employment were 200, that would imply 10 real estate transactions; if home price sales average $200,000 and a 6% commission applies, that would be $12,000 per home or a total of $120,000, which would support 1 to 2 new real estate jobs.

Legal & Accounting: Each of these accounts for about 1% of total employment; so if there were a total increase of 200 direct jobs, we would expect an average of 4 new employees in this classification.

Architects & Engineers: almost all of these jobs stem from the new construction activity. This category has already been discussed above; for a $10 million construction project, which would create about 80 new construction jobs, we would expect about 7 new jobs in architects and engineers for a commercial project and 3 to 4 new jobs for an industrial project. In areas where construction costs are higher, say $200 per square foot, we would expect to find only about 5 new jobs for a commercial project and 2 new jobs for an industrial project.

Other professional services: This category includes employees in consulting, scientific research and development, advertising, and management, as well as several other smaller, specialized categories. In general, consulting, management, and all other professional services each account for about 1% of total employment, and R&D and advertising account for about ½% of total employment, for a total of about 4% of total employment. This figure will vary widely depending on the degree to which consultants and R&D are used by the new business.

Employment services: On a national average basis, 1 out of every 45 people is employed by this industry. Here again, the figures will vary widely depending on (a) the proportion of people who are hired through employment agencies, and (b) the proportion of the work that is outsourced to employment

services. The new jobs in this category are primarily those tasks that are outsourced, although employment agencies that find people new positions represent a significant proportion of this category.

Business support services include office management, travel arrangement, security, credit bureaus, telemarketing, and back-office jobs that are outsourced, such as direct mail, copying, and duplicating services. The back-office services would vary widely depending on the type of new business; retail stores, for example, would print and distribute more advertising brochures than a manufacturing operation. On a national average basis, these jobs account for about 1% to 2% of total employment, depending on the type of business.

Building support services, which includes janitorial services, lawn maintenance, and waste management. For an office building of 80,000 square feet, the cost would be approximately $2/sq ft per year for maintenance, or $160,000, which would support about 3 new jobs; here again, the figure would be lower for industrial buildings.

Restaurants: This category reflects business meals. Of course the number of business meals depends greatly on the type of business; lawyers, accountants, and consultants will have more business meals than manufacturing plants or water treatment facilities. On a national average basis, Commerce Department figures show that total restaurant sales in 2007 were $580 billion, while consumer expenditures at restaurants were $500 billion. However, that figure also includes tips, which are not included in restaurant sales. After subtracting 15% for tips, that indicates about $425 billion in food and beverage purchases by consumers, indicating about $155 billion for business expenses. With a labor force of approximately 140 million, that is equivalent to about $1,100 per employee. Hence if 200 new direct jobs were created, business meal expenses would rise an average of $221,000, which would imply about 4 new indirect jobs in the restaurant industry. These figures are generally higher when direct jobs are created for office buildings and professional services, and also for hotels where some of the food service operations are outsourced.

Government: The increase in public sector employees represents the amount funded by increased real estate taxes. For a construction project with $10 million in hard costs, the total value is likely to be between $15 and $20 million when furniture, fixtures, equipment, and land values are included. Using a national average property tax rate of 1% would raise taxes by $150,000 to $200,000, which would create 3 to 4 new jobs in the public sector. This ratio is closely correlated with the actual real estate tax rate on nonresidential property and equipment in various locations.

These general ratios will be applied to the indirect job figures generated by the IMPLAN model in the remainder of this report, with additional comments where the estimated numbers vary substantially from these guidelines.

8. Estimates of Direct Jobs Created

A. Introduction

This section of the report contains the estimates for direct job creation for each major phase of the project. The summary figures for each of these components have already been presented in Section A. The following comments apply to the direct job estimates that will be presented:

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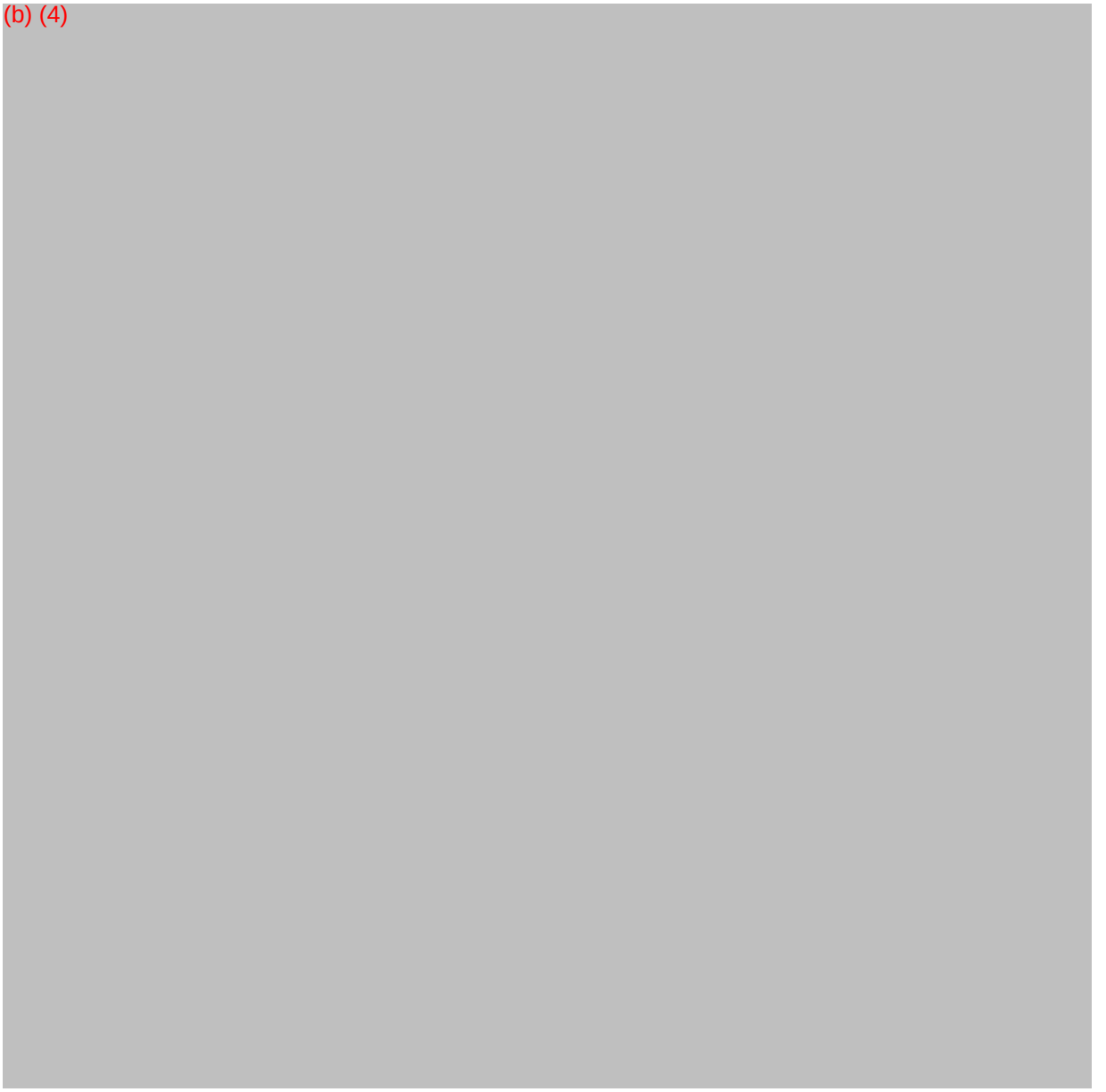


(b) (4)

[redacted]

Before proceeding further, we note that the definition of "direct jobs" used in this report should not be confused with the concept of direct job creation measurable by Forms I-9, payroll records, or other similar documentation as set forth in 8 C.F.R. § 204.6(j)(4)(i)(A). That section contemplates jobs created by the actual employees of the new commercial enterprise, specifically in the non-regional center context.

When economists use the term "direct" jobs in the context of an econometric methodology such as IMPLAN, what is meant are jobs created directly by revenues (which in the EB-5 Pilot Program results from an immigrant investor's investment). For example, where a regional center-based new commercial enterprise comprised of immigrant investors renovates a building it purchased, the employees of the various unaffiliated tenants of that building would be considered "direct" jobs in the context of an econometric report. However, those jobs are not "direct" in the sense set forth in 8 C.F.R. § 204.6(j)(4)(i)(A) where the new commercial enterprise is itself the employer that can provide Form I-9 or other similar documentation on its own employees. The tenants' employees are not "direct" employees of the regional center-based new commercial enterprise.

To be clear, this report does set forth the number of jobs that are likely to be created by the new commercial enterprises. However, as 8 C.F.R. § 204.6(j)(4)(iii) clearly states, the proof of job creation in the context of regional centers is not Forms I-9, payroll records, or similar documentation, but rather "reasonable methodologies" such as this report.

B. Direct Construction Jobs

For EB-5 purposes, only hard construction costs can be used to determine construction jobs. While design and management costs are important, they are included in the indirect jobs category in the IMPLAN model, so including them as direct jobs would represent double-counting. Furniture and equipment costs are not included because they would probably be purchased outside the area. Purchase of insurance policy and permits do not create more direct jobs, although there could be a slight indirect effect. Escalation costs reflect higher costs for wages, not more employees. Similarly, the owner's contingency reflects higher than expected costs rather than the creation of more jobs.

Figures for hard construction costs have been provided by the developer. The total construction cost budget for Phase I is estimated at (b) (4) .

Based on IMPLAN data updated to 2010 levels, the estimated output per construction worker for this mix of business in Los Angeles County is estimated to be $(b) (4) direct construction jobs will be created from the construction phase of this project, assuming that phase of the project took one year to complete.

Phase II is expected to be about (b) (4) direct construction jobs, assuming that phase of the project took one year to complete.

C. Hotel Operating Jobs

The floor plans indicate approximately 66,000 square feet for the hotel rooms. Since there will be 142 rooms (keys), that equals about 465 square feet per room, which includes common areas such as hallways, stairs, elevators, and utility rooms but not meeting rooms or banquet facilities. In general, these types of common areas occupy about 25% of the total space, so the rooms would average about 350 square feet, in line with the average for upscale hotels.

The number of employees per room for an upscale hotel is discussed next. According to various surveys of the hotel industry, the average number of employees per hotel room recently was 0.612. Furthermore, this figure has not changed very much over the years; earlier surveys also estimate it to be in the 0.6 to 0.7 range for U.S. hotels. However, while this survey covers a wide range of hotels, ranging from low-end motels to upscale hotels, and is a good starting point for our analysis, it does not fully apply to luxury resorts, where the ratio is 1.6 employees per room, as shown in a recent survey published in USA Today.

Evans, Carroll & Associates has calculated the likely breakdown of the 61 employees per 100 hotel rooms for a standard hotel with a 75% occupancy rate, which is the national average; these figures can then be adjusted upward to reflect hiring practices at upscale and luxury hotels. The maid service figure is based on each maid cleaning 12 rooms per day; in some hotels, the figure is as high as 15 rooms per day, but that is unusual. This figure declines as the size of the room increases, and is estimated to be 8.3 rooms per day for luxury establishments. The front desk figure for a standard hotel assumes 4 people for each of 3 shifts; this figure also includes receptionists and people who answer the phone.

A recent survey of luxury hotel chains in the U.S., including the Mandarin Oriental, St. Regis Hotel, Ritz Carlton, and Four Seasons chains, found an average hotel room of 430 square feet, and an average of 1.7 employees per room except for the Ritz Carlton, which is slightly less luxurious at a rate of 1.2 employees per room. It is assumed that at a luxury hotel there are 6 people per shift at the front desk, and the addition of concierge and bellhop personnel throughout the day and night. The food service figures have been expanded to include room service and an extensive trade in meeting and banquet facilities. Three employees are available on each shift for customer relations instead of one. Similarly, three employees instead of two are available per shift for management, security, engineering, and inside maintenance, and janitorial services and outside maintenance. In addition, two employees per shift are added for reservations and for meeting and banquet facilities. These results are summarized in Table 3.

Table 3. Hotel Employees Per 100 Rooms

Category	Budget	Standard	Upscale	Semi Luxury	True Luxury
Maid Service	6	8	10	11	12
Front Desk	6	12	15	18	18
Doormen	0	3	3	4	6
Bellhops	1	0	4	6	8
Parking Valets	0	0	3	6	8
Concierge	0	0	3	6	6
Food Service	3	14	20	30	45
Customer relations	3	3	6	7	9
Management	3	6	6	7	9
Security	3	6	6	7	9
Engineering/inside maint	4	6	6	7	9
Janitor/outside maint	3	3	6	7	9
Reservations	0	0	3	6	6
Meeting & Banquet	0	0	0	3	6
Total	32	61	91	120	160

Further calculations are included to demonstrate that (a) this will be an upscale hotel, and (b) it will employ 91 people per 100 rooms. The cost per room puts this hotel very near the median figure for all upscale hotels. As shown in Table 4, the median cost per room for an upscale hotel is $121,600. (b) (4)

(b) (4)

(b) (4)

D. Retail and Restaurant Operating Jobs

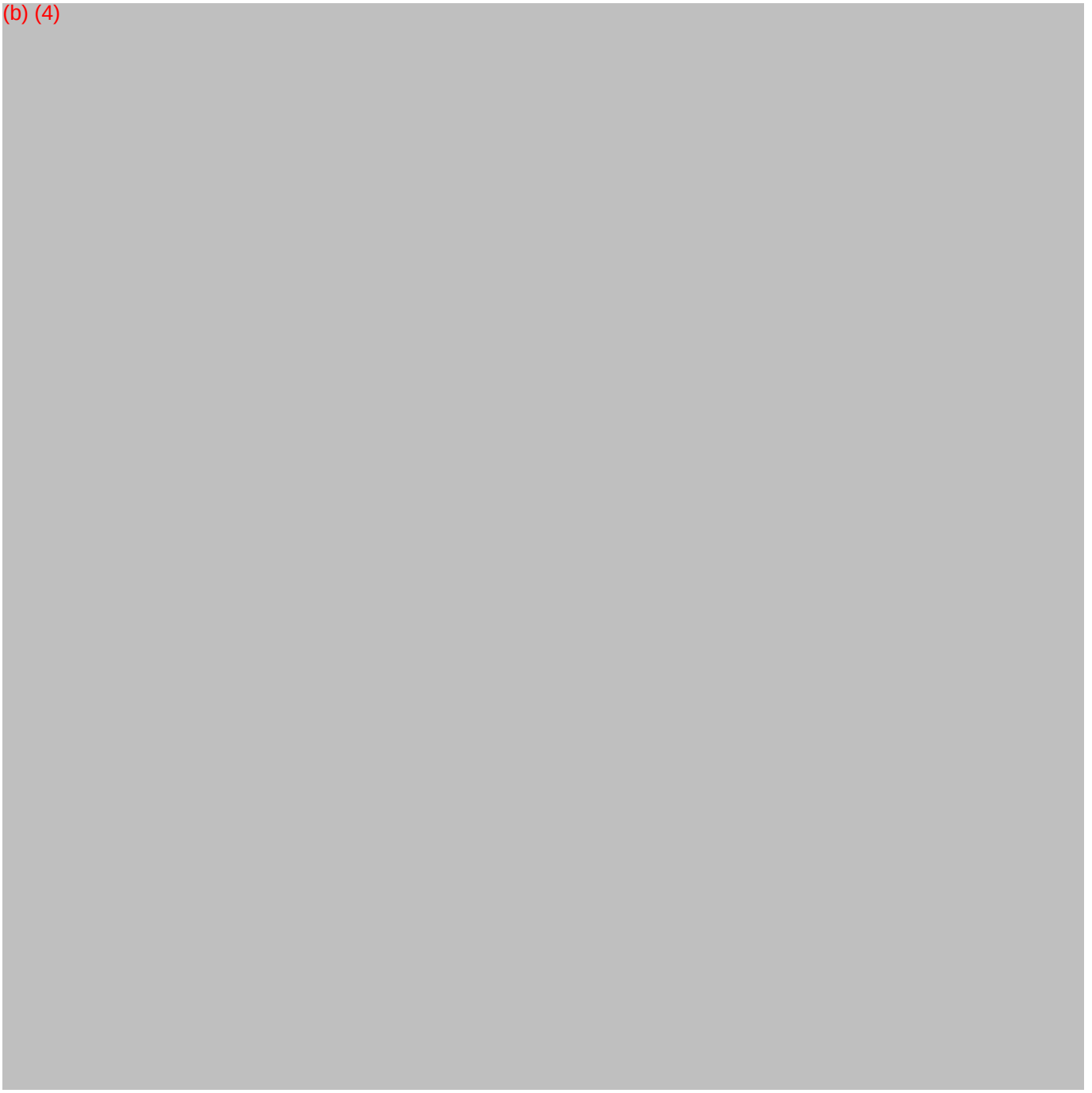
The methodology for calculating employees/square foot uses the identity that employees per square foot equals sales per square foot divided by sales per employee. Figures are available from Census and the IMPLAN model on sales per square foot by county. Figures on sales per square foot by type of establishment on a national basis are available from the Bizminer survey data.

However, figures are not available for sales per square foot by county, and must be calculated by ECA. In general, sales per square foot would probably be higher in high-income urban areas than in low-income rural areas. Also, to a certain extent, higher sales per square foot would probably result in more employees per square foot, although only partially. The following discussion explains how these ratios are calculated.

Figures are available for sales/employee by retail sectors for each county, so we can determine (for example) that sales at clothing stores in Los Angeles County are 37.3% above the national average. That information can be used to determine how much that would increase employees per square foot.

(b) (4)

(b) (4)



E. Office Building Jobs

The number of employees per square foot for office buildings can be taken from data supply by the U.S. Energy Information Agency. As part of its comprehensive study on energy use, the Energy Information Agency prepares annual estimates on the amount of energy used by type and size of commercial

building. This study also estimates the number of mean square feet per worker by type of building. Their figure for office buildings, 434 square feet per worker, is used in this study. Since some figures for other types of buildings are also used here, the complete table from the EIA study is given below, in Table 6.

Table 6. Estimates of Square Feet per Worker by Type of Building

	Number of Buildings (thousand)	Total Floorspace (million square feet)	Total Workers in All Buildings (thousand)	Mean Square Feet per Building (thousand)	Mean Square Feet per Worker	Mean Hours per Week
All Buildings*	4,645	64,783	72,807	13.9	890	61
Building Floorspace (Square Feet)						
1,001 to 5,000	2,552	6,789	9,936	2.7	683	57
5,001 to 10,000	889	6,585	7,512	7.4	877	61
10,001 to 25,000	738	11,535	10,787	15.6	1,069	67
25,001 to 50,000	241	8,668	8,881	35.9	976	72
50,001 to 100,000	129	9,057	8,432	70.4	1,074	80
100,001 to 200,000	65	9,064	11,632	138.8	779	89
200,001 to 500,000	25	7,176	6,883	289.0	1,043	100
Over 500,000	7	5,908	8,744	896.1	676	115
Principal Building Activity						
Education	386	9,874	12,489	25.6	791	50
Food Sales	226	1,255	1,430	5.6	877	107
Food Service	297	1,654	3,129	5.6	528	86
Health Care	129	3,163	6,317	24.6	501	59
Inpatient	8	1,905	3,716	241.4	513	168
Outpatient	121	1,258	2,600	10.4	484	52
Lodging	142	5,096	2,457	35.8	2,074	167
Retail (Other Than Mall)	443	4,317	3,463	9.7	1,246	59
Office	824	12,208	28,154	14.8	434	55
Public Assembly	277	3,939	2,395	14.2	1,645	50
Public Order and Safety	71	1,090	1,347	15.5	809	103
Religious Worship	370	3,754	1,706	10.1	2,200	32
Service	622	4,050	3,667	6.5	1,105	55
Warehouse and Storage	597	10,078	4,369	16.9	2,306	66
Other	79	1,738	1,819	21.9	956	63

However, an additional adjustment should be made. The 434 square feet per person assumes that the professionals in those offices need space for customer accommodations, which is indeed the case for lawyers and

accountants. However, considering the emphasis in this report on high-tech manufacturing and renewable fuels, part of the building will probably be used for scientific research, computer programming, and information technology jobs. For these jobs, the number of square feet per employee is substantially smaller, and the number of employees larger, since it is not necessary to have reception areas, conference rooms, and other similar amenities for customers.

Data available on 10 web sites of companies who specialize in research and development reveals the following number of square feet per employee: 250, 215, 219, 230, 250, 200, 200, 300, 300 and 250 -- for an average of 245 square feet per employee. Hence a 100,000 square foot office building housing those types of businesses would have 408 employees, or 77% more than the example given above.

In terms of office staffing and space requirements for computer programmers, the layout would probably be similar to a company such as Amazon or Google. Amazon states that it allocates 180 to 250 square feet per programming employee, although the higher number is reserved for senior level personnel. Google states that it allocates 150 to 200 square feet per programming employee. Other similar office arrangements, based on Internet data, also show figures of 150 to 200 square feet per employee.

Based on these available data, we estimate that there would be an average of 250 square feet for computer programmers, design specialists, research and development workers, and their managers. We have also assumed that half of the office space would be occupied by these occupations.

Hence the number of employees occupying this office building will be as follows, based on the assumption that half the space would be occupied by offices of lawyers and accountants, and half would be occupied by computer designers and programmers and research and development personnel.

(b) (4)

[redacted]

F. Banking Operating Jobs

Two surveys, once by the American Bankers Association and the other by the U. S. government, both put the number of square feet per banking employee at 450. While this figure may seem high, it includes a relatively large proportion of the total space for the open area where consumers deposit and withdraw

funds. By comparison, three different surveys for brokerage offices put the number of square feet per employee at 230, 221, and 250; we have taken the conservative estimate of 250 for these calculations. Some of these surveys were conducted by Cushman & Wakefield real estate brokers, and others were reported in the Real Estate Journal. Since this will be a branch bank, we assume 250 square feet per employee. (b) (4)

G. Parking Garages Jobs

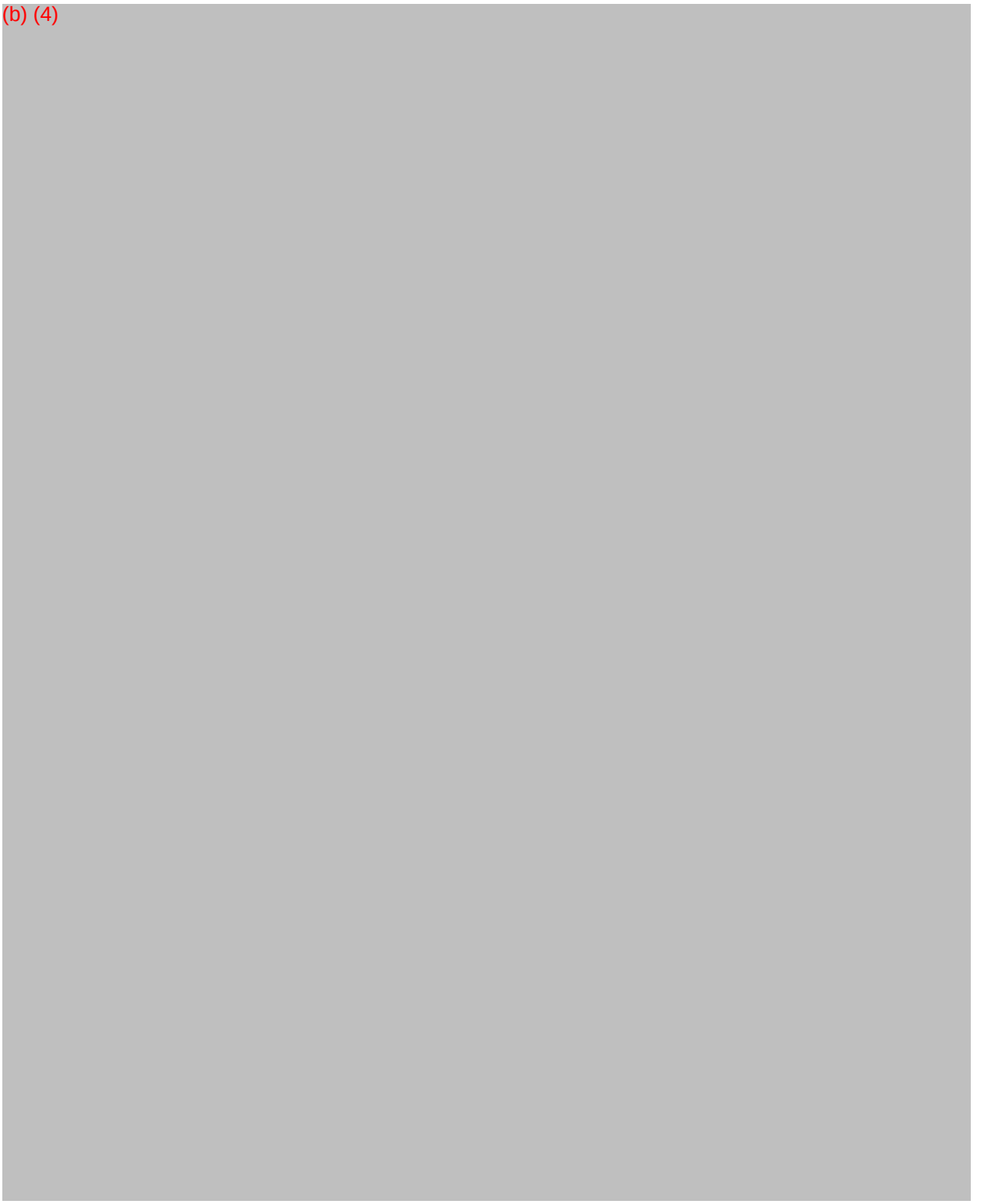
For the number of direct jobs at the parking garage, we first need to determine the annual revenue, then divide by the revenue per full-time equivalent employee for parking garages in Pasadena, which is $62,000, based on data from the IMPLAN model and the economic census. A study of public sector parking garages in Pasadena, taken when the daily maximum rate was $6, indicated an average daily revenue of $5.68. The daily maximum has since risen to $9, so assuming proportionality, that would indicate an average daily rate of $8.52. We assume this garage will be competitive with the public garages in Pasadena and hence will charge the same rates and receive the same revenue.

(b) (4)

H. Summary of Direct Jobs, Phases I and II

The number of permanent new direct jobs is summarized in Table 7 for ease of exposition.

(b) (4)



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(b) (4)

Appendix: Resume of Dr. Michael K. Evans

mevans@evanscarrollecon.com

CURRENT AND PREVIOUS POSITIONS

• Chairman, *Evans, Carroll & Associates, Inc.*, 1980-present (previously Evans Economics)

Economic consulting firm specializing in EB-5 immigration analysis, economic impact studies of development projects and new construction, models of state and local tax receipts, impact of current and proposed government legislation, and construction of econometric models for individual industries and companies.

• Chief Economist, *American Economics Group*, 2000-present.

Built a comprehensive state modeling system that provides economic analysis for a variety of consulting projects (see below).

• Clinical Professor of Economics, Department of Managerial Economics and Decision Sciences (MEDS), Kellogg Graduate School of Management, Northwestern University, 1996-99.

Taught courses in macroeconomics and business forecasting. Wrote textbooks for both courses.

• Winner of Blue Chip Economic Indicator Award for most accurate macroeconomic forecasts during the past four years, November 1999

• Founder and President, *Chase Econometric Associates*, 1970-1980

• Assistant and Associate Professor of Economics, Wharton School, University of Pennsylvania, 1964-69. Co-developer of the original Wharton Model.

• Visiting Professor, Radford University, (Radford, VA), 1987

Chairman of Institute for International Economic Competitiveness

• Visiting Lecturer, Hebrew University (Jerusalem), 1966-67

Built econometric model of the Israeli economy

Ph. D. in Economics, Brown University. Dissertation, "A Postwar Quarterly Model of the United States Economy, 1948-1962". A. B. in Mathematical

Economics, Brown University

PREVIOUS ACTIVITIES AND EDUCATION

- Contributing Editor, *Industry Week*

Wrote a column in each issue on economic and financial trends as they impact the manufacturing sector.

- Editor, *The Evans Report*

Weekly newsletter discussing economic trends and financial markets. Pioneered the concept of the Monthly Tracking Model to incorporate recent economic releases into the overall economic forecast, including methods to predict these economic data.

- Consultant, *National Printing Equipment and Supply Association*

Prepares quarterly forecasts of shipments of printing equipment and graphic arts supplies by product line, based on an econometric model constructed for NPES. Also prepares analysis and forecasts of exports and imports by principal product line.

- Consultant, *APICS -- The Educational Society for Resource Management*,

In 1993, designed and developed the *APICS Business Outlook Index*, which uses survey data collected by the Evans Group to measure current production, production plans, shipments, employment, new orders, unfilled orders, inventory stocks, and the comparison of the actual to desired inventory/sales ratio to predict short-term changes in manufacturing sector activity. The results of this survey appeared every month in *APICS: The Performance Advantage*

- Consultant, *American Hardware Manufacturing Association*

Wrote a separate weekly edition of the Evans Report analyzing recent trends in the hardware and housing industries, including forecasts of the hardware industry based on an econometric model developed for AHMA.

- Board of Economists, *Los Angeles Times*

Wrote column every 6 weeks (5 other economists on the Board)

- Columnist, *United Press International*

Wrote twice-weekly column, "Dollars and Trends"

- Consultant, Senate Finance Committee,

  Built the first large-scale supply-side model of the U. S. economy

- Consultant, Environmental Protection Agency and Council on Environmental Quality

  Estimated inflationary impact of government regulations

- Consultant, National Aeronautics and Space Administration

  Estimate impact of R&D spending on productivity growth

- Consultant, U. S. Treasury

  Estimated impact of investment tax credit and accelerated depreciation on capital spending by industry

- Consultant, U. S. Department of Agriculture

  Built large-scale econometric model of agricultural sector of U. S. economy

- Consultant, Organization of Economic Cooperation and Development

  Built econometric model of the French economy

SAMPLE OF RECENT CONSULTING PROJECTS

For more information on these projects, see www.evanseb5.com

A. Economic Impact of EB-5 Immigrant Investor Programs and New Markets Tax Credits

- Determined the economic impact of opening and operating a slot-machine casino in Hanover, MD, as part of a proposed EB-5 regional center for the Baltimore metropolitan area.

- Calculated the economic impact of renovating and expanding a restaurant on Martha's Vineyard, MA, as part of an EB-5 regional center in that state.

• Determined the economic impact of assembling and installing solar panels for residences in the state of LA.

• Determined a Targeted Employment Area for Dallas, TX as part of a proposed EB-5 regional center for the Dallas area.

• Calculated the economic impact for various mixed used projects for a proposed regional center for the entire State of Texas, including shopping centers, office buildings, restaurants, assisted living centers, medical technology facilities, and other personal and business services.

• Calculated the economic impact for the construction and operation of several fast-food restaurants in 10 counties in central California.

• Calculated the economic impact for the renovation and expansion of a shopping mall in Greenville, SC.

• Calculated the economic impact of buying existing apartment buildings at deep discount prices, renovating and operating them, in 21 counties in FL.

• Calculated the economic impact of building and operating an institute for proton cancer therapy for a proposed EB-5 regional center in Brooklyn, NY.

• Calculated the economic impact of building and operating a mixed-use facility with medical offices, hotels, and apartments for a proposed EB-5 regional center in Queens, NY.

• Determined a Targeted Employment Area for Philadelphia, PA as part of a proposed EB-5 regional center for the Philadelphia area.

• Calculated the economic impact of a proposed office building and mixed-use facility for an EB-5 regional center in Dallas, Texas

• Calculated the economic impact for various mixed-use projects for a proposed EB-5 regional center in the greater New York City area, including an extended stay hotel, urgent care center, financial lending firm for alternative assets, retail stores, apartments, office space, warehouses, industrial "flex" space, entertainment centers, restaurants, conference and convention centers, nursing home and assisted living facilities, medical offices, medical technology facilities, and high-tech manufacturing.

• Calculated the economic impact of "green" hotels in 10 counties in Central California.

- Calculated the economic impact of generic projects in manufacturing, financial services, health services, hotels, and restaurants for a proposed regional center for the state of Florida.

- Calculated the economic impact of 12 different types of economic activity for an expansion of the Palm Beach Regional Center to five contiguous counties.

- Calculated the economic impact of a new auto parts plant in Alabama to supply parts to Kia automobiles.

- Calculated the economic impact of opening fast-food restaurants in Miami-Dade and Broward counties in FL.

- Calculated the economic impact of a mixed-use commercial center in Flushing, Queens County, NY.

- Calculated the economic impact of revitalizing and renovating part of the Brooklyn Navy Yard for "green" manufacturing facilities.

- Calculated the economic impact of 12 different types of economic activity for various counties in Charlotte and Sarasota counties, FL

- Calculated the economic impact of four new manufacturing and distribution companies in Palm Beach County, FL.

- Calculated the economic impact of developing a resort area and building residences in rural Tennessee.

- Calculated the economic impact of developing and operating a resort area in Southern Arizona.

- Calculated the economic impact of revitalizing the depressed East Side of Cleveland, Ohio, with new commercial and industrial buildings.

- Determined the nationwide economic impact of a $1 billion investment in Mississippi for a new hybrid motor vehicle plant.

- Determined the economic impact of expanding a shipyard in Southeastern Louisiana.

- Calculated the economic impact of a new shopping center in Buena Vista, California, and two other generic shopping centers in Los Angeles and San Bernardino counties.

- Calculated the economic impact of enhancing resort areas in eight rural counties in Colorado.

- Calculated the economic impact of the rehabilitation of Fitzsimons Village in Aurora, Colorado, by adding an office building with medical labs, hotel, shopping center, and residences.

- Determined the economic impact of a mixed-use commercial center for the Kansas City metropolitan area.

- Calculated the number of jobs created for a film production company in New York City.

- Calculated economic impact of small-scale rooftop solar panels in various counties in California.

- Calculated economic impact of 7 different types of proposed businesses for a proposed regional center in the Bay Area of California.

- Determined the economic impact of a new biological research park, office building, and logistics center in Wooster, Ohio.

- Calculated the economic effect of a mixed-use urban renewal project in Cleveland, Ohio.

- Calculated economic impact of dairy farm and cheese processing plant in Northern California.

- Determined economic impact of a shipyard, food processing plant, and semiconductor plant for a proposed regional center in Louisiana and Mississippi.

- Calculated the economic impact of a new gaming casino in Natchez, Mississippi.

- Calculated the economic impact of a retail shopping center in suburban Los Angeles County.

- Prepared an economic impact analysis for the "timber to homes" project for a proposed regional center in Colorado.

- Calculated the economic impact for a proposed regional center in Baltimore, Maryland that would include the rebuilding of depressed areas in East Baltimore and along the riverfront.

- Prepared the economic analysis for a proposed EB-5 regional center for the entire state of Florida that included impact calculations for 14 different types of industries.

- Prepared the economic analysis for a proposed EB-5 regional center in the San Francisco Bay area that included calculations for 10 different types of industries.

- Prepared economic impact calculations for proposed EB-5 regional centers in New York City and Northeastern New Jersey.

- Calculated the economic impact of a rehabilitated office building in Albuquerque, New Mexico, including the increase in high quality jobs.

- Calculated the economic impact of a rehabilitated skilled nursing center in East Los Angeles, California, including the impact on nearby census tracts.

- Calculated the economic impact of development of warehouse and light industrial manufacturing space in Las Vegas, Nevada.

- Calculated the economic impact of rehabilitation and expansion of a vacation and health spa in Sharon Springs, New York

- Calculated economic impact of revitalizing an old resort hotel and adding new facilities for Lake Geneva, WI.

- Calculated the employment and tax effects for a portfolio of projects undertaken under the New Market capital program.

- Calculated generic employment changes for proposed EB-5 project for an Inland Port in Palm Beach County, FL

- Calculated the economic impact of construction of El Monte Village in El Monte, CA.

- Built an input/output model of Guam to be used to calculate economic impact of EB-5 projects. Used this model to estimate impact of various proposed projects.

- Calculated the economic impact of moving the Social Security Administration building in Birmingham, AL, and revitalizing the surrounding neighborhood.

- Calculated the economic impact of rehabbing and expanding the Everett Mall in Everett, WA.

- Determined the economic impact of building a new medical center in Charleston, SC

- Calculated economic impact of expanding Sugarbush resort in VT. Study included expansion of existing facilities and addition of new facilities.

• Calculated economic impact for new market tax credit program in Portsmouth, N.H. Study included both overall economic impact, and the increase in employment and income and the decrease in the unemployment rate and incidence of poverty in individual census tracts.

• Calculated the economic benefits of EB-5 programs for foreign investors for a mixed-use construction project, including a hotel, retail stores, apartments, and a sports stadium in the Washington, D. C. metropolitan area

• Calculated the economic benefits of EB-5 programs for foreign investors for a mixed-used retail shopping center in the New York City metropolitan area.

• Calculated the economic benefits of EB-5 programs for foreign investors for proposed shopping centers in five separate counties in Southern California, including differential impacts of building the shopping centers in different counties.

B. Projects for State and Local Governments

• Constructed an econometric model for the State of New York and determined the change in employment, labor income, and tax revenues for 43 different tax changes proposed by the Governor's office.

• Constructed a detailed econometric model for the State of Pennsylvania to determine the economic impact of the complete panoply of state taxes levied; the model contains over 1,000 equations. In cooperation with American Economics Group, the model was developed to simulate the effect of changes in any state tax rate on households and businesses by income deciles, household status, age of individuals, size of households, and many other demographic variables. The change in business taxes can also be simulated for detailed industry classifications.

• Determined whether the Washington, D.C. water and sewer authority should accept a high bid for a new waste disposal system. Decision to reject has saved the authority over $200 million, as construction prices turned down sharply as predicted.

• Built an econometric model to determine the "tax gap" caused by Internet sales for the state of Minnesota.

• Determined appropriate levels of shelter grants individual counties in New York State, and for utility allowances in New York City. Reviewed and prepared testimony in ongoing court cases in these areas.

• Calculated the economic impact of the revitalization of downtown Milwaukee, Wisconsin.

C. Economic Impact of Casino Gaming

• Built an econometric model to predict the growth of the gaming industry over the next decade, and the economic impact of that industry on employment and tax revenues at the Federal and state levels.

• Estimated the economic impact of Indian casino gaming nationally and for the State of Wisconsin.

• Determined the economic impact of the Oneida Indian gaming casino on the Green Bay metropolitan area.

• Estimated the negative economic impact on the Milwaukee area if a new Indian gaming casino were to be built in Kenosha, Wisconsin.

D. Economic Impact of Smoking Bans and Higher Taxes

• Testified on economic impact of smoking bans in Canada; certified as an expert witness by the Court.

• Examined the impact of smoking bans on restaurant sales in several different locations in the U.S. to determine how much sales changed when these bans were imposed, and the differential effects depending on whether these bans were partial or total.

• Determined the cross-border effects on retail sales from differential rates in cigarette, gasoline, and alcohol excise taxes

• Determined the economic impact of higher cigarette taxes on minority group employment.

• Estimated the economic impact and loss of Federal and state tax revenues when higher cigarette prices lead to increased smuggling.

E. Consulting Projects for Travel and Tourism

• Built an econometric model to predict tourism trips and revenues for the major regions of the U.S. economy.

• Constructed econometric models to predict tourism in Las Vegas and Orlando.

• Using the IMPLAN model, predicted economic impact of tourism and travel expenditures for all counties in Pennsylvania.

F. Other Private Sector Consulting Projects

• Calculated the revenue gain at the Federal, state and local level generated by domestic manufacturing of Airbus parts and equipment.

• Calculated the economic impact of proposed EPA bans on fluoropolymer production.

• Estimated the size and economic importance of the fluoropolymer industry, and calculated economic impact of shutting down domestic production.

• Built an econometric model to examine how U.S. tax and regulatory policies help determine whether the gold mining industry would invest in the U.S. or other countries. Testified before Congress to help defeat legislation inimical to the mining industry.

• Built an econometric model to predict consumer bankruptcies, based on recent growth in consumer credit outstanding, the overall economic environment, and recent changes in credit regulations

• Estimated the economic impact of the ethanol subsidy on the U.S. economy and Farm Belt States, including the impact on the balance of payments, employment, and tax receipts. Testified before Congress to help pass legislation to extent subsidies to the ethanol industry.

• Built an econometric model to determine the impact of updating and improving the system of locks on the Upper Mississippi River on corn prices and exports, farm income, and the overall economy.

BOOKS PUBLISHED

Macroeconomics for Managers, Blackwell, 2003

Practical Business Forecasting, Blackwell, 2002

Economic Impact of the Demand for Ethanol, Diane Publishing Company, 1998

How to Make Your Shrinking Salary Support You in Style for the Rest of Your Life, Random House, 1991

The Truth About Supply-Side Economics. Basic Books, 1983.

A Supply-Side Model of the U. S. Economy, mimeo (prepared for Senate Finance Committee), 1980.

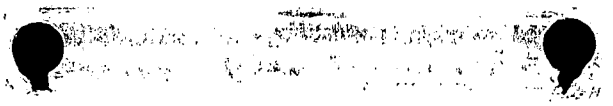
An Econometric Model of the French Economy: A Short-Term Forecasting Model. O.E.C.D, March 1969.

Econometric Gaming (with L. R. Klein and M. J. Hartley). Random House, 1969.

Macroeconomic Activity: Theory, Forecasting and Control. Harper & Row, 1969.

The Wharton Econometric Forecasting Model (with L.R. Klein), Economics Research Unit, Wharton School: University of Pennsylvania Press, 1967. Enlarged edition, 1968.

Over 30 articles in major academic journals and publications (list on request)



PRO FORMA MONEY LAUNDERING SUSPICIOUS CLIENT/MATTER REPORT FORM

FOR INTERNAL USE ONLY

1. **NAME OF CLIENT/S:**

   .....

   .....

   Aliases/Trading Names

   .....

   .....

2. **ADDRESS** (including postcode, telephone, fax and contact name):

   .....

   .....

   .....

3. **DATE OF BIRTH (or date of incorporation)**

   .....

4. **SUMMARY OF AND DATE OF INSTRUCTIONS FOR INVESTMENT TRANSACTION:**

   .....

5. **IF NOT ACTING AS PRINCIPAL**

   a) Name of Principal:

   .....

   b) Address of Principal:
   (including postcode, fax and contact name)

   .....

   .....

   .....

6. **EVIDENCE OF IDENTITY OF CLIENT**

   Attached
   YES/NO:.....

7. **VALUE OF INVESTMENT AND DESCRIPTION**

   .....

8. NAME AND ADDRESS OF INTRODUCER:

.....

.....

.....

(letter of introduction attached)
YES/NO.....

9. **SOURCE OF FUNDS**

Cash/Bank/Securities/Other:

.....

Amount, type, source and destination:

.....

Independent verifications obtained?

.....

10. ANY REASON FOR SUSPICION OF ILLICIT OR UNLAWFUL ACTIVITY:

.....

11. SCREENING CONDUCTED AGAINST OFAC SDN LIST AND RESULTS
YES/NO:.....

(a) Were any positive hits investigated and resolved; if so, description and date of resolutions

INVESTOR PROGRESS CHART

Name	Country of Origin	Commercial Enterprise	Amount of Investment	Date of Investment	I-526 Filing Date	I-526 Approval	Admission as LPR	I-829 filing date	I-829 approval

Regional Center Responsibilities
Per USCIS Instructions

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year[1], commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the Regional Center responsible for the normal operation, management and administration of the Regional Center.
2. Be prepared to explain how you are administering the Regional Center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.

---

[1] A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

3. Be prepared to explain the following:

    a. How the Regional Center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.

    b. How the Regional Center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the Regional Center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the Regional Center.

4. Be prepared to provide:

    a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:
        i. the petition was filed,
        ii. was approved,
        iii. denied, or
        iv. withdrawn by the petitioner, together with the date(s) of such event.

    b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.

    c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    e. For each alien investor listed in item 4.a., above, identify the following:

        i. the date(s) of investment in the commercial enterprise;

        ii. the amount(s) of investment in the commercial enterprise; and

        iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or Regional Center from when the investment was initiated to the present.

5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your Regional Center that have:
    a. received alien investors' capital, and in what aggregate amounts;

    b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;
    c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:
        i. The name and address of each "direct" job creating commercial enterprise.
        ii. The industry category for each indirect job creating investment activity.

6. Be prepared to provide:

    a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your Regional Center.
    b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your Regional Center.

7. The total aggregate sum of EB-5 alien capital invested through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

8. The combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

9. If applicable, the total aggregate of "preserved" or saved jobs by EB-5 alien investors into troubled businesses through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

10. If for any given Federal Fiscal Year your Regional Center did or does not have investors to report, then provide:

    a. a detailed written explanation for the inactivity,

    b. a specific plan which specifies the budget, timelines, milestones and critical steps to:

        i. actively promote your Regional Center program,

        ii. identify and recruit legitimate and viable alien investors, and

        iii. a strategy to invest into job creating enterprises and/or investment activities within the Regional Center.

11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your Regional Center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your Regional Center's hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.

12. Finally, please be aware that it is incumbent on each USCIS approved and designated Regional Center, in order to remain in good standing, to notify the USCIS within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:

- the name and contact information of the responsible official and/or Point of Contact (POC) for the RC
- the management and administration of the RC,
- the RC structure,
- the RC mailing address, web site address, email address, phone and fax number,
- the scope of the RC operations and focus,
- the RC business plan,
- any new, reduced or expanded delegation of authority , MOU, agreement, contract, etc. with another party to represent or act on behalf of the RC,
- the economic focus of the RC, or

- any material change relating to your Regional Center's basis for its most recent designation and/or reaffirmation by USCIS.

Kin Hui

231 West Foothill Blvd.,
Arcadia, CA 91006
626-3806476

Personal Profile

2007- Present: Managing Member of Singpoli Pacifica, LLC, the general partner of Park Place Commercial, LP and Boardwalk Capital, LP which jointly own a hotel and mixed-use development project located at the Southeast corner of two major arterials in the heart of downtown Pasadena – Colorado Boulevard and Lake Avenue, one of the most prestigious commercial zones in City of Pasadena. The estimated value on completion of the project is approximately $160 million.

2009 – Present: Managing Partner of Singpoli 2 N Lake, LLC, the company is also the owner and operator of 2 N. Lake tower in Pasadena which is located at the Northeast corner of Colorado Boulevard and Lake Avenue in Pasadena. Grosvenor Americas has sold its 2 N. Lake Ave. office tower to Singpoli for $52 millions in a transaction that ranks as the largest office deal in L.A. County 2009 and one of the largest in Southern California.

1992 – Present: Managing partner of Singpoli Investment LLC, which focuses on commercial real estate in Southern California. The firm was founded in 1992 to invest in distressed real estate properties.

1992 – Present: President of Singpoli Construction, which is one of the more prominent Asian developers in Southern California. Singpoli Construction was founded by the elder Mr. Hui in Hong Kong in the early 1980's. The construction portfolio included Internationally Recognized Projects such as Asian Games Village, Beijing International Convention Center; Hospitality projects such as Sunshine Hotel (5 Star) in Shenzhen, China, West Lake Hotel (5 Star) in Fuzhou; Public Construction such as Queen Mary Public Area, Los Angeles Pierce College Classroom; Office Buildings such as Columbia Office Building, Social Service Agency of Orange County, Golden Circle Office Tower in Santa Ana; Bank Construction clients include Wachovia Bank, East West Bank, China Trust

Bank(USA), First Commercial Bank(USA), Bank of East Asia, United Commercial Bank, First General Bank, Ever Trust Bank.

1997 – Present: Mr. Hui is also the president of Pacific Design Group, LLC, an architectural firm that serves a wide range of clients, including commercial, health care, and government organizations. Currently, Pacific Design Group LLC ("PDG") is the lead architectural firm of the U.S. Navy data centers in the west coast. Other noteworthy clients include IBM, Boeing, Southern California Edison, Adaptec, County of Orange, China Trust Bank USA, TVB (USA), Bank of America, City of Hope.

Education

1988–1991 Woodbury University California

- § B.S., Major in Interior Design
- § Minor in Business Administration

Licenses

California General Contractor License

Hobbies

Kin Hui is actively engaged in Breeding and Racing Thoroughbred Horses.

Community Service

Kin Hui Charity Foundation. The foundation is 501 (c) (3) tax-exempt non-profit corporation devoted to advancing charitable causes. The primary focus is to assist disadvantaged orphanages in meeting both daily needs, such as formula and diapers, and the medical care required for their special needs children.

WILLIAM H. CHU

ACADEMIC ACHIEVEMENTS

University of Southern California, Los Angeles, California
Master of Business Administration, August 2003

California State Board of Accountancy
Certified Public Accountant, March 1990

Arkansas State Board of Public Accountancy
Certified Public Accountant, April 1988

Institute of Chartered Accountants of Manitoba, Canada
Chartered Accountant, December 1984

University of Winnipeg, Manitoba, Canada
Bachelor of Arts Degree in Economics, October 1981

EXPERIENCE

Singpoli Pacifica, Arcadia, California
(a real estate investment company)
May 2009 to Present

Director and Chief Financial Officer

- Identified, evaluated and recommended acquisition of distressed commercial real properties in Southern California. Largest project to-date was a $52 million acquisition of a Class A office tower in the City of Pasadena.
- Arranged syndication of local and overseas investors and secured commercial mortgage financing for these acquisitions.

FIRST ASIAN BANK, Las Vegas, Nevada.
(a de Novo state-chartered Financial Institution opened in June 2007)
March 2007 to May 2009

Founder, Director, President and Chief Executive Officer

- Obtained bank charter approval from the state of Nevada and the FDIC in less than 4 months after initial submission of bank charter application.
- Assembled the executive management team, including the Chief Financial Officer and Chief Credit Officer, which resulted in the quick bank charter approval.
- Along with the Chief Financial Officer, developed the 3-Year Strategic Plan and Profit Plan required for the bank charter application.
- Assisted in the successful capital campaign that raised $13.5 million (minimum required capital to open was $12 million), with no institutional investors.
- Supervised the successful completion of tenant improvement at the Jones corporate headquarters and branch office in time to open on June 6, 2007 to become the true first Asian American community bank in the state of Nevada.
- Supervised the successful opening of the second branch office on Spring Mountain Road on September 12, 2007.

UNITED PACIFIC BANK, City of Industry, California.
(a $100 Million Financial Institution and a former affiliate of East West Bank)
April 2003 to February 2007

Director, President and Chief Executive Officer

- Regained regulators' confidence that led to the termination of four outstanding cease and desist orders and one board resolution within 30 months.
- Reconstituted the entire board of directors and management team upon rejoining the bank.
- Strengthened regulatory compliance including the Bank Secrecy Act and GLBA.
- Improved asset quality by reducing classified assets from 150% of Tier 1 capital to zero classification when the regulatory enforcement orders were terminated.
- Restored profitability by improving operational efficiency (reduced staff from 35 to 28), reduced loan loss provisions, improved interest margins and introduced new loan products including SBA and insurance premium financing.
- Received Preferred SBA Lender "PLP" status within 8 months.

LOS ANGELES COMMUNITY DEVELOPMENT BANK
(Not a Commercial Bank), Los Angeles, California.
January 2000 to March 2003

President and Chief Executive Officer

- Directed all the programs of this federal Department of Housing and Urban Development (HUD) funded ($435 million of combined grant and loan guarantee funds) organization, including direct lending, indirect lending for loans under $500,000, co-lending with commercial banks, and venture capital investment in the federally-designated Empowerment Zone in the City and County of Los Angeles.
- Regained public and private confidence in this program by developing and managing annual business plans that successfully "balanced" all the needs of this public and private partnership among HUD, County of Los Angeles, City of Los Angeles and special interest groups within the Empowerment Zone.

EAST WEST BANK (formerly East-West Federal Bank, f.s.b.)
San Marino, California.
(then a $2.2 Billion Financial Institution)
June 1994 to December 1999

Senior Vice President and Director of Retail Banking
July 1999 to December 1999

- Managed the strategic directions of the Bank's then statewide retail network of 22 branches, and the planned expansion of 8 additional branches from the merger with American International Bank in January 2000.
- Successfully implemented the consolidation of First Central Bank, a three-branch bank, into the Bank's branch network in August 1999.
- Continued to be an active member of the Bank's Senior Management Committee, Senior Loan Committee, and Asset Liability Management Committee.

Director, Senior Vice President and Director of Planning & Business Development
June 1994 to June 1999

- Created the commercial lending division for the Bank in 1994.
- Assisted in the charter conversion from a federal savings bank to a full service commercial bank in 1995. Instrumental as the "peace keeper" to put the rest of the savings and loan executives and staff at ease during this transition period to becoming a commercial bank.
- Led the successful conversion of the Bank's data processing system from Fiserv's mortgage banking system to M&I's (Marshall & Ilsley) commercial banking system.
- Active member of the Bank's Board of Directors, Senior Management Committee, Senior Loan Committee, and Asset Liability Management Committee.
- As head of the division, managed the credit and loan administration departments and three marketing teams that focused on commercial real estate, international trade finance, and business banking loan products.
- Successfully developed and implemented a growth plan that resulted in the origination of well over $1 billion of commercial real estate, business, and international trade finance loans since the creation of the division. Accomplishments included:
  - Developed and recruited over 100 commercial banking staff, including the recruitment of the Chief Credit Officer, head of the trade finance unit and the business banking unit, and the identification of a commercial branch manager for each of the then 22 retail branches.
  - Developed a "team" approach to commercial lending that cut down on the length of time required to close a business transaction. Loan closings were typically accomplished within 60 days, but were usually kept to 30 days or less.
  - As a collaborative team effort, developed the marketing concept that "bridges" the needs on both sides of the Pacific Rim. This led to successful banking relationships totaling over $200 million with local public companies doing business internationally, particularly in Asia, and high net worth individuals from Hong Kong, Taiwan and China who were investing and doing business in the US.
  - Successfully developed banking relationships generating over $2 million in annual trade finance related fee income with businesses that specialized in the importation of toys, garment, seafood and other food products, etc.
  - Oversaw the completion of over $135 million of credit enhancements for low-income housing revenue bonds while acting as the Bank's Compliance and Community Reinvestment Act (CRA) officer in 1994 and 1995.

UNITED PACIFIC BANK, Los Angeles, California.
(then a $60 Million Financial Institution and an affiliate of East West Bank)
November 1990 to May 1994

Director, President and Chief Executive Officer
January 1992 to May 1994

Accountable to the Board of Directors and shareholders for the planning and controlling of the overall safety and soundness of the Bank. Restored profitability, improved asset quality, and regained regulators' confidence within the first 12 months.

Director, Executive Vice President and Chief Operating Officer
November 1990 to January 1992

Worked with Chief Executive Officer to implement and meet business plan and budget. Directed and monitored all day-to-day banking functions, including lending, credit administration, trade finance, operations, accounting, finance, and regulatory compliance, through the supervision of and coordination with the Chief Credit Officer and Chief Financial Officer. Active member of the Directors' Executive Committee and Loan Committee.

SEYEN INVESTMENT INC., Los Angeles, California.
(a former affiliate of East West Bank)

Executive Vice President and Chief Financial Officer
June 1990 to October 1990

Sought and evaluated investment opportunities in Southern California, including the successful acquisition of East-West Federal Bank, f.s.b.

LIPPOBANK (formerly Bank of Trade), Los Angeles, California.
(a $150 Million Financial Institution)
July 1986 to June 1990

Senior Vice President and Chief Financial Officer
January 1990 to June 1990

Supervised the Finance Division, which included the Controller, Cashier, and Data Processing Departments. Coordinated all internal and external audits and regulatory examinations. Contributed to the construction of effective Asset/Liability Management models supporting a proper distribution of funds and cash management.

Vice President and Controller
July 1986 to January 1990

Addressed questions regarding generally accepted accounting principles, current tax laws, and industry practices. Collected, analyzed, prepared, and submitted financial information and compliance returns required by all levels of government. Collected, analyzed, and prepared monthly financial and operation reports for the Board of Directors.

WORTHEN BANK & TRUST CO., N.A., (now Bank of America)
Little Rock, Arkansas.

Manager, Planning & Control
February 1985 to June 1986

Directly responsible for financial reporting and General Ledger maintenance, resulting in accurate collection of data. Contributed to construction of effective budgets, forecasts, and control systems. Completed a 6-month training program in all areas of banking, with major emphasis on retail, international, and loan operations.

DELOITTE HASKINS & SELLS, CHARTERED ACCOUNTANTS
(now Deloitte & Touche), Winnipeg, Manitoba, Canada.

Staff Chartered Accountant and Computer Applications Specialist
August 1981 to February 1985

Supervised and administered all facets of auditing activities for clients ranging from owner-managed proprietorships to multi-national corporations. Directly responsible for the preparation and implementation of computer assisted audit techniques. Provided client assistance on microcomputer installations and system conversions.

COMMUNITY INVOLVEMENT

Appointed by former City of Los Angeles Councilman Richard Alatorre to the Eastside Citizen Advisory Committee for the Redevelopment Feasibility Study of El Sereno/Boyle Heights.

Founder and Organizer of the Greater San Gabriel Valley Community Development Corporation and Vice Chairman of its Loan Committee, which approved and made loans under $50,000 to businesses which did not qualify for conventional bank financing.

Founding Member of the Board of Directors of the Center for Asian Americans United for Self Empowerment (CAUSE).

Treasurer and member of the Board of Directors of the Chinatown Service Center, member of the Audit Committee and Chairman of the Finance Committee.

TEACHING EXPERIENCE

Undergraduate Teaching Assistant - *Banking and Finance*
Discussion Leader in Continuing Professional Development - *Accounting*
Discussion Leader in Basic Credit Training - *Understanding Business Cashflows*
Discussion Leader in Commercial Lender Training

Philip Y. Kim

25 E. Foothill Blvd. • Arcadia, CA 91006

INTRODUCTION

Philip Kim has been involved with real estate litigation and transaction for most of his legal carrier. His background in engineering makes him unique among attorneys working in real estate development. His engineering knowledge helps him bring a level of technical understanding that most attorneys lack. As a result, Mr. Kim has been very adept in the real estate transaction and development field.

Additionally, because of Mr. Kim's immigrant background and expertise in real estate, he has been selected to be one of the principals of a proposed EB-5 Regional Center covering the San Gabriel Valley, California area.

EXPERIENCE

- Law Offices of Philip Y. Kim (2007-Present)
  - Philip Kim is the principal of this law office that specializes in real estate transactions, real estate development, corporate governance, and general civil litigation. Mr. Kim has worked on multimillion dollar real estate transactions. Most recently, Mr. Kim worked on the syndication and purchase of a $52 million dollar high rise building in downtown Pasadena.

- AmerEstate Realty, Inc. (2007-Present)
  - Philip Kim is the president and principal of this brokerage company. The company handles both residential and commercial properties.

- Director of Singpoli Pacifica, LLC (2007-Present)
  - Singpoli Pacifica, LLC is the general partner of Boardwalk Capital, LP and Park Place Commercial, LP, which owns a commercial development property in Pasadena, California estimated value once completed to be $100 million. Mr. Kim is in charge of the overall project entitlement and development.

- Singpoli Construction (2006-Present)
  - Philip Kim has been the Chief Operating Officer. The duties include reviewing the policies and procedures of the company and advising and implementing such policies. Duties also include assisting to market and expand the busy reach of the company towards growth.

- Anderson & Kriger (2001-2006)
  - Mr. Kim was the managing attorney for the Orange County office of Anderson & Kriger. He mostly specialized in civil litigation. He supervised large construction defect cases. The largest case being a 100 plus home litigation against a residential developer in Rancho Cucamonga, California.

EDUCATION/PROFESSIONAL LICENSES

- University of California, Los Angeles, BS in Mechanical Engineering (1993)
- Trinity Law School, Juris Doctorate (1998)
- Admitted to Practice Law in California (1998)
- California Broker License (2007)

INTERESTS/LANGUAGES

- Loves all types of outdoor activities, especially basketball and baseball.
- Serves as a director with Kin Hui Charity Foundation. Mr. Kim has a heart for orphans. He has visited orphanages in China and is adopting a daughter from Korea.

philipkim@singpoli.com • phone: 626-566-1888 • fax: 626-566-1887

Philip Y. Kim

25 E. Foothill Blvd. • Arcadia, CA 91006

- Speaks fluent Korean.

philipkim@singpoli.com • phone: 626-566-1888 • fax: 626-566-1887

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of _____ page(s) is a full, true and correct copy of the original record in the custody of this office.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 16 2010

Debra Bowen

DEBRA BOWEN
Secretary of State

LP-1

File # 201009900015

State of California
Secretary of State

Certificate of Limited Partnership

A $70.00 filing fee must accompany this form.

Important – Read instructions before completing this form.

ENDORSED - FILED
in the office of the Secretary of State
of the State of California
APR 08 2010

This Space For Filing Use Only

Entity Name (End the name with the words "Limited Partnership" or the abbreviation "LP" or "L.P.")

1. NAME OF LIMITED PARTNERSHIP

PARK PLACE EB5, LP

Initial Designated Office Address (Do not abbreviate the name of the city.)

2. ADDRESS OF INITIAL DESIGNATED OFFICE IN CALIFORNIA	CITY	STATE	ZIP CODE
25 E. FOOTHILL BLVD.	ARCADIA	CA	91006

Initial Agent For Service of Process (If the initial agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the initial agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

PHILIP Y. KIM, ESQ.

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CA	CITY	STATE	ZIP CODE
25 E. FOOTHILL BLVD.	ARCADIA	CA	91006

General Partners (Enter the names and addresses of all the general partners. Attach additional pages, if necessary.)

5a. NAME	ADDRESS	CITY	STATE	ZIP CODE
LA International R.C., LLC	25 E. Foothill Blvd.	Arcadia	CA	91006

5b. NAME	ADDRESS	CITY	STATE	ZIP CODE

Additional Information

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

Execution (This certificate must be signed by all of the general partners. If additional signature space is necessary, the signatures may be made on an attachment to this certificate.)

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

4-6-10
DATE

SIGNATURE OF GENERAL PARTNER
By: Philip Y. Kim as Managing Member of General Partner

LA International Regional Center, LLC
TYPE OR PRINT NAME OF GENERAL PARTNER

SIGNATURE OF GENERAL PARTNER

TYPE OR PRINT NAME OF GENERAL PARTNER

OFFICE OF THE SECRETARY OF STATE

APPROVED BY SECRETARY OF STATE

PARTNERSHIP AGREEMENT
OF
PARK PLACE EB5, LP
A CALIFORNIA LIMITED PARTNERSHIP

This Agreement is made by and among Invest L.A. Regional Center, LLC ("ILARC," the "General Partner") and each of the persons set forth in Schedule A attached hereto and designated as Limited Partners (the "Limited Partners"). The Limited Partners and the General Partner(s) are collectively referred to as the "Partners."

ARTICLE I
FORMATION OF LIMITED PARTNERSHIP

Section 1.01. Formation. The undersigned hereby form Park Place EB5, LP, a California limited partnership, under the revised Uniform Limited Partnership Act of the State of California, as amended from time to time (the "Act"), to make investments in underperforming commercial properties and businesses in Los Angeles County, State of California that need capital for operations, rehabilitation, and/or development.

Section 1.02. Name. The name of the Limited Partnership is "Park Place EB5, LP, a California limited partnership." The General Partner may from time to time change the name of the Limited Partnership to adopt such trade or fictitious names as it may determine to be appropriate.

Section 1.03. Principal Office of the Limited Partnership. The principal office of the Limited Partnership shall be at 25 E. Foothill Blvd., Third Floor, Arcadia, California 91006 USA. The Limited Partnership may maintain offices at such other location as may be determined appropriate by the General Partner.

Section 1.04. Name and Place of Residence of Each Partner. The name, address, Capital Contribution, and number of Units of each of the Partners are designated on the attached **Schedule A**. The name and address of the General Partner is Invest LA Regional Center, LLC, a California limited liability company located at 25 E. Foothill Blvd., Third Floor, Arcadia, California 91006 USA.

Section 1.05. Term. The term of the Limited Partnership shall commence upon filing of the Certificate of Limited Partnership in the office of the California Secretary of State and shall continue until the Limited Partnership is dissolved, wound up, and terminated in accordance with the provisions of this Agreement and the Act.

Section 1.06. Designated Agents for Service of Process. The Limited Partnership elects and appoints Philip Kim, 25 E. Foothill Blvd., Third Floor, Arcadia, California 91006 USA as the designated agent for service of process.

ARTICLE II
DEFINITIONS

The following terms used in the Agreement shall have the meaning specified below:

Section 2.01. "Act" means the Uniform Limited Partnership Act of the State of California, as amended from time to time.

Section 2.02. "Additional General Partner" means a person or entity that serves as a General Partner in addition to ILARC.

Section 2.03. "Affiliate" means any person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control of the General Partners or Limited Partners.

Section 2.04. "Agreement" means this Agreement, as it may be amended from time to time.

Section 2.05. "Assignee" means a person who has acquired all or any portion of a Limited Partner's Interest in the Limited Partnership and has not been admitted as a Limited Partner.

Section 2.06. "Available Cash Flow" means funds provided from operation of the Limited Partnership, without deductions for depreciation, but after deducting funds used to pay all expenses and debts of the Limited Partnership, including administrative operational expenses, debt payments, capital improvements, and less the amount set aside by the General Partner, in the exercise of its sole discretion, for reserves.

Section 2.07. "Capital Account" means that as defined in Section 4.04 herein.

Section 2.08. "Capital Contribution" means the total amount of money or property contributed to the Limited Partnership by each Partner.

Section 2.09. "Capital Event" means the refinance, sale, exchange or other disposition of the businesses of the Partnership or any portion thereof, including but not limited to the Initial LP Project. Capital Event includes an involuntary conversion or condemnation of Partnership's real property or any portion thereof.

Section 2.10. "Class A Units" means Limited Partner units as reflected on Schedule A herein.

Section 2.11. "Class B Units" means General Partner units as reflected on Schedule A herein.

Section 2.12. "Closing Date" means the date when the subscription of limited partners shall end. The actual closing date shall be at the sole discretion of the General Partner however it shall not be more than 365 days from the date the first Subscription Agreement is received by the Limited Partnership.

Section 2.13. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

Section 2.14. "Deficit Capital Account" means the situation whereby the Limited Partnership has distributed to a Partner distributions in excess of such Partners capital contributions plus allocable share of income less allocable share of loss and any other charges allowable under this Agreement, resulting in such Partner's capital account falling below zero.

Section 2.15. "General Partner" means Invest LA Regional Center, LLC and/or any other entity or person admitted as a General Partner pursuant to the Agreement and their successors.

Section 2.16. "Initial LP Project" means an investment to acquire up to 36.98% limited partnership interest in a commercial property for redevelopment located at 908 to 940 E. Colorado Blvd., Pasadena, California 91106.

Section 2.17. "Interest" or "Limited Partnership Interest" or "Partnership Interest" means the ownership interest of a Partner in the Limited Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in the Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of the Agreement and the Act. The Limited Partnership Interests held by each Partner is set forth on the attached Schedule A.

Section 2.18. "Limited Partner" means each Limited Partner listed on Schedule A and any person admitted to the Limited Partnership as a Limited Partner.

Section 2.19. "Limited Partnership" or "Partnership" means the Park Place EB5, LP, a California limited partnership.

Section 2.20. "Management Fee" means an annual fee to ILARC calculated as 2% of all Capital Contributions of the Limited Partners which is more fully described in Section 7.02 hereof.

Section 2.21. "Net Proceeds from a Capital Event" means the net proceeds derived by the Limited Partnership from a capital event after payment or allowance for the expenses incurred in connection with such Capital Event and after payment or allowance for existing indebtedness, the discharge of any other expenses or liabilities of the Limited Partnership and the establishment of appropriate reserves, all as determined by the General Partner, in its sole discretion.

Section 2.22. "Partners" means collectively the General Partners and the Limited Partners, and a reference to a Partner shall be to any one of the Partners.

Section 2.23. "Partnership Business" means Partnership's investments in underperforming commercial properties and businesses in Los Angeles County, State of California that need capital for operations, rehabilitation, and/or development.

Section 2.24. "Partnership Interest" means the total of all ownership rights of a Partner in the Partnership, including a Limited Partner's right to vote on certain limited matters and the right to receive information concerning the business and affairs of the Partnership.

Section 2.25. "Person" means any natural person, partnership, corporation, association or other legal entity.

Section 2.26. "Positive Capital Account" means that the balance of a Partner's Capital Account is greater than zero.

Section 2.27. "Profit or Loss" means the income or loss of the Limited Partnership as determined by the method of accounting chosen by the General Partner and permitted by the Code.

Section 2.28. "Subscription Agreement" means the agreement signed by each Limited Partner in connection with their Capital Contribution to the Limited Partnership.

Section 2.29. "Syndication Fee" means a fee of Forty Thousand Dollars ($40,000) per each Unit acquired by the Limited Partners in connection with the Offering, which shall be paid to the General Partner by each Limited Partner and shall not constitute a Capital Contribution made by the Limited Partner.

ARTICLE III
PURPOSE, BUSINESS, AND POWERS OF THE LIMITED PARTNERSHIP

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Section 15.07. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one Agreement, binding on all of the parties hereto.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and your first above written.

GENERAL PARTNER:
Invest L.A. Regional Center, LLC

Kin Hui, Managing Member

LIMTED PARTNER _____:

By: _____

Name: _____

Date: _____

SCHEDULE A
As of October , 2010

This Schedule A may be amended from time to time by the General Partner to reflect current and up-to-date list of Limited Partners.

SUBSCRIPTION AGREEMENT

This Subscription Agreement is made by and between Park Place EB5, LP, a California Limited Partnership ("**Partnership**"), and the undersigned subscriber ("**Subscriber**" or "**Limited Partner**") who is subscribing for limited partnership interests in the Partnership ("**Partnership Interests**") pursuant to the terms of this Agreement.

RECITALS

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[redacted]

IN WITNESS WHEREOF, Subscriber has executed this Agreement on the date set forth on the signature page, and desires to take title in Partnership Interests of the Partnership organized by ILARC as General Partner:

_____
Name of Individual Subscriber

_____ Date: _____
Signature

Subscription Accepted this _____ day of _____, 20____

By: Park Place EB5, LP, a California Limited Partnership

By: _____
Kin Hui
Managing Member of Invest L.A. Regional Center, LLC, a California Limited Liability Company, General Partner of Park Place EB5, LP, a California Limited Partnership

ESCROW AGREEMENT

This Escrow Agreement is made as of the effective date (the "Effective Date") set forth on Schedule 1 attached hereto ("Schedule 1") by and among the purchaser identified on Schedule 1 (the "Purchaser"), Park Place EB5, LP, a California limited partnership (the "Seller") and _____, as escrow agent hereunder (the "Escrow Agent").

WITNESSETH

WHEREAS, Purchaser has offered to acquire __ unit(s) of limited partnership interest ("UNIT" or "UNITS") in Park Place EB5, LP, a California limited partnership (the "Partnership") pursuant to the terms of that certain Subscription Agreement entered into by Purchaser (the "Subscription Agreement"), the terms of which provide, among other things, that Purchaser (referred to as Subscriber in the Subscription Agreement) shall pay to the Partnership the subscription price of (b) (4) 0 per Unit (the "Subscription Price"). Subscription Price consists of the capital contribution per Unit to the Partnership (US$500,000.00) and the syndication fee ((b) (4) per Unit pursuant to the Subscription Agreement. The Subscription Agreement further provides that the Subscription Price be deposited into an escrow account established by the Partnership (the "Escrow Account") at the bank listed in Schedule 1 attached hereto (the "Bank");

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Appointment. Purchaser and Seller hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and Escrow Agent hereby accepts such appointment under the terms and conditions set forth herein.

2. Deposit of Subscription Price. Concurrently with the delivery of the Subscription Agreement (and the other documents attached thereto, including, without limitation, this Agreement) to the Partnership, duly executed by Purchaser, Purchaser shall either (i) deposit the Subscription Price, by way of wire transfer of immediately available funds, into the Escrow Account, or (ii) pay the Subscription Price to the Partnership by way of check, in which case the Partnership shall promptly deposit the Subscription Price into the Escrow Account. Upon confirmation by the Bank that the funds constituting the Subscription Price have cleared, Seller shall send written notice to Purchaser acknowledging receipt of the Subscription Price. The Subscription Price, plus all interest, dividends and other distributions and payments thereon received by the Bank, less any funds distributed or paid in accordance with this Agreement, are collectively referred to herein as the "Escrow Fund." Seller shall cause Escrow Agent to hold the Escrow Fund in a trust fund or other form of segregated account and shall invest, administer and distribute the Escrow Fund and all interest and earnings thereon in accordance with the terms of this Agreement.

3. Investment of Escrow Fund. During the term of this Escrow Agreement, the Escrow Fund shall be invested and reinvested by Escrow Agent in the investment indicated on Schedule

1 or such other investments as shall be directed in writing by Seller and Purchaser and as shall be acceptable to Escrow Agent. Subject to principles of test execution, Escrow Agent seeks to attain the best overall result for the Escrow Fund, taking into consideration quality of service and reliability. Periodic statements will be provided to Purchaser and Seller reflecting transactions executed on behalf of the Escrow Fund. Purchaser and Seller, upon written request, will receive a statement of transaction details upon completion of any securities transaction in the Escrow Fund without any additional cost.

Escrow Agent shall have no liability for any loss sustained as a result of any investment in an investment indicated on Schedule 1 or any investment made pursuant to the instructions of Purchaser and Seller or as a result of any liquidation of any investment prior to its maturity or for the failure of the parties to give Escrow Agent instructions to invest or reinvest the Escrow Fund.

4. Dispositions and Termination. Escrow Agent shall deliver the Escrow Fund upon, and pursuant to, either the joint written instructions of Purchaser and Seller or the written instructions singly from Seller under circumstances described in subparagraphs (i) and (ii) of this section. Upon distribution of all of the Escrow Fund by Escrow Agent in accordance with the procedures set forth in this Agreement, this Agreement shall terminate, subject to the provisions of Section 8.

The parties acknowledge and agree that Purchaser will be filing an I-526 Petition with the United States Citizenship and Immigration Services ("USCIS") in connection with Purchaser's proposed investment in the Partnership. Seller agrees to cause Escrow Agent to release the Escrow Fund as follows:

(i) Upon the written notification that Purchaser's I-526 Petition has been approved and provided that the Partnership has accepted Purchaser's subscription to purchase the Unit(s), Seller shall instruct the Escrow Agent and the Escrow Agent shall comply without further instruction from Purchaser, to promptly distribute the Escrow Fund to the following two separate accounts: (1) distribute the full capital contribution amount of US$500,000.00 per Unit to the Partnership and any remaining balance of the Escrow Fund including without limitation any interest and investment return accrued thereon by wire transfer to an account designated by Seller without further instruction from the Purchaser, and (2) distribute the syndication fee of (b) (4) per Unit to Invest L.A. Regional Center, LLC, a California limited liability company, the general partner of the Partnership, by wire transfer of immediately available funds to an account designated by Seller without further instruction from the Purchaser; or

(ii) Upon the written notification that Purchaser's I-526 Petition has been rejected or upon the Partnership's election not to accept Purchaser's subscription, Seller shall instruct Escrow Agent and the Escrow Agent shall comply to promptly distribute to Purchaser U(b) (4) per Unit of the Subscription Price, interest and investment return accrued thereon if any, less any escrow charges, by wire transfer of immediately available funds to an account designated by Purchaser.

For purposes of avoiding doubt, upon the occurrence of events described in sub-paragraph (i) of this section, all interest accrued and investment return earned on the Escrow Fund shall be paid to the Seller without further instruction from Purchaser.

5. Escrow Agent. Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. Escrow Agent shall have no duty to solicit any payments, which may be due it or the Escrow Fund. Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to Purchaser or Seller. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. In the event that Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto or by a final order or judgment of a court of competent jurisdiction.

6. Succession. Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving 10 days advance notice in writing of such resignation to the other parties hereto specifying a date when such resignation shall take effect. Any corporation or association into which Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all the escrow business of Escrow Agent's corporate trust line of business may be transferred, shall be Escrow Agent under this Agreement without further act.

7. Fees. Purchaser and Seller agree jointly and severally to pay Escrow Agent upon execution of this Agreement (if applicable) and from time to time thereafter reasonable compensation for the services to be rendered hereunder, which unless otherwise agreed in writing shall be as described in Schedule 1 attached hereto.

8. Indemnity. Purchaser and the Seller shall jointly and severally indemnify, defend and save harmless Escrow Agent and its directors, officers, agents and employees (the "Indemnitees") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) Escrow Agent's execution and performance of this Agreement, except in the case of any indemnities to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of any of such

Indemnitees, or (ii) its following any instructions or other directions from Purchaser or Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof.

9. TINs. Purchaser (if applicable) and Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") or any other taxing authority is set forth in Schedule 1. Upon execution of this Agreement, Purchaser and Seller shall provide the Escrow Agent with a fully executed W-8 or W-9 IRS form, which shall include Purchaser's (if applicable) and Seller's TIN. In addition, all interest or other income earned under this Agreement shall be allocated and/or paid as directed in a joint written direction of Purchaser and Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution.

In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by Purchaser and Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

10. Notices. All communications hereunder shall be in writing and shall be deemed to be duly given and received:

(i) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
(ii) on the next Business Day (as hereinafter defined) if sent by overnight courier; or
(iii) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to Escrow Agent pursuant to (ii) and (iii) of this Section 10, such communications shall be deemed to have been given on the date received by Escrow Agent. In the event that Escrow Agent, in its sole discretion, shall determine that an emergency exists, Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate.

"Business Day" shall mean any day other than a Saturday, Sunday or any other day on which Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

11. Security Procedures. In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement), whether in writing, by telecopy or otherwise,

Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule 2 hereto ("Schedule 2"), and Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for callbacks may be changed only in a writing actually received and acknowledged by Escrow Agent. Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Purchaser or Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Agreement acknowledge that these security procedures are commercially reasonable.

12. Miscellaneous. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any party, except as provided in Section 6, without the prior consent of the other parties. This Agreement shall be governed by and construed under the laws of the State of California. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-convenes or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of California. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising out of or relating to this Agreement.

No party to this Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth in Schedule 1.

_____ **as Escrow Agent**

By: _____

PURCHASER

By: _____

SELLER
Park Place EB5, LP, a California limited partnership

By: _____

Kin Hui
Managing Member of Invest L.A. Regional Center, LLC, a California Limited Liability Company, General Partner of Park Place EB5, LP, a California Limited Partnership

SCHEDULE 1

Effective Date:

Name of Purchaser:

Purchaser Notice Address:

Purchaser TIN:

Name of Seller: Park Place EB5, LP, a California limited partnership

Seller Notice Address: 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA
Tel: (626) 566-1881 Fax: (626) 566-1887

Seller TIN: (b) (3) (A)

Escrow Deposit: $

Escrow Account:

Name of Bank:
Address:

Account No.:

Investment: [specify]
[ ]

[ ] Such other investments as Purchaser, Seller, and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Purchaser and the Seller and accepted by the Escrow Agent.

Escrow Agent notice address:

Escrow Agent's compensation:

Escrow Agreement

SCHEDULE 2

Telephone Number(s) for Call-Backs and Person(s) Designated to Confirm Funds Transfer Instructions:

If to Purchaser:

Name / Telephone Number

1. _____/_____
2. _____/_____
3. _____/_____

If to Seller:

Name / Telephone Number

1. _____/_____
2. _____/_____
3. _____/_____

Telephone callbacks shall be made to each Purchaser and Seller if joint instructions are required pursuant to this Escrow Agreement.

DECLARATION OF WILLIAM H. CHU

I, William H. Chu, declare as follows:

1. I am a founding member of Invest L.A. Regional Center, LLC ("Invest LA"). Other members of Invest LA are Kin Hui, Vincent Chan and Philip Kim.

2. At this time, Invest LA has approximately (b) (4) committed to the operation of Invest LA until such time as when Invest LA will be funded on an ongoing basis by syndication fees from individual immigrant-investors and profit distributions from Invest LA-affiliated entities. None of the operating funds for Invest LA will come from equity capital of individual immigrant-investors.

3. To date, Invest LA has expended approximately (b) (4) which includes operational costs and expenses such as travel, consulting, and legal fees. We anticipate expending another (b) (4) before the end of 2010.

4. These expenses have thus far been funded with advances from Park Place Commercial, LP ("Park Place"), an affiliate partially owned and managed by companies controlled by Invest LA's founding member, Mr. Kin Hui. Park Place will continue to advance funds to Invest LA until it becomes financially independent.

I declare the foregoing to be true and correct to the best of my knowledge, under penalty of perjury.

Executed this First day of November, 2010.

William H. Chu

From: Origin ID: EMTA (213) 627-8997
Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 WILSHIRE BLVD STE 900

LOS ANGELES, CA 90017

FedEx Express

Ship Date: 02NOV10
ActWgt: 7.0 LB
CAD: 9061460/INET3090

Delivery Address Bar Code

SHIP TO: (213) 627-8997 BILL SENDER
Attn: EB-5 RC Proposal
USCIS - California Service Center
24000 AVILA RD FL 2
Room 2326
LAGUNA NIGUEL, CA 92677

Ref # 4233.01 - Invest L.A. RC, LLC
Invoice #
PO #
Dept #

CSC

AM NOV 03 2010

STAMP #18

TRK# 0201 7940 7665 5000

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CA-US
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800 Wilshire Boulevard, Suite 900
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tel 213 627 8997 | *fax* 213 627 8998
www.lskglaw.com

AL3106621 RECD CSC'10APR15 7:52

S&G File: 4223.01

April 13, 2010

Sent via Express Mail

U.S. Citizenship and Immigration Services
California Service Center
Attention: EB-5 RC Proposal
P. O. Box 10590
Laguna Niguel, CA 92607-0526

Re: **Application:** **Proposal for Regional Center Immigrant Investor Pilot Program, 8 CFR 204.6(m)**
Applicant: **Invest LA Regional Center, LLC**
Territory: **Los Angeles County, California**

Dear Officer:

Enclosed please find the following in connection with the Proposal for Regional Center pursuant to the Immigrant Investor Pilot Program, 8 CFR §.204.6(m):

- Form G-28
- Proposal and Business Plan
- Exhibits

Please advise us if you have any questions or require further information or documentation. At your earliest opportunity, please confirm receipt of this proposal.

Sincerely,

STONE & GRZEGOREK LLP

SHINO K. MILBY
LINCOLN STONE
LS/SM
Enclosures

OMB No. 1615-0105; Expires 04/30/2012

Department of Homeland Security

G-28, Notice of Entry of Appearance as Attorney or Accredited Representative

Part 1. Notice of Appearance as Attorney or Accredited Representative

A. This appearance is in regard to immigration matters before:

☑ USCIS - List the form number(s): EB5 Regional Center Application

☐ CBP - List the specific matter in which appearance is entered:

☐ ICE - List the specific matter in which appearance is entered:

B. I hereby enter my appearance as attorney or accredited representative at the request of:

List Petitioner, Applicant, or Respondent. **NOTE:** Provide the mailing address of Petitioner, Applicant, or Respondent being represented, and **not** the address of the attorney or accredited representative, except when filed under VAWA.

Principal Petitioner, Applicant, or Respondent			A Number or Receipt Number, if any	
Name: Last	First	Middle		☐ Petitioner
Invest L.A. Regional Center, LLC			N/A	☑ Applicant
				☐ Respondent

Address: Street Number and Street Name	Apt. No.	City	State	Zip Code
25 East Foothill Boulevard		Arcadia	CA	91006

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, USCBP, or USICE.

Signature of Petitioner, Applicant, or Respondent — **Kin Hui**, **Managing Member** — **Date** 4/12/2010

Part 2. Information about Attorney or Accredited Representative *(Check applicable items(s) below)*

A. ☑ I am an attorney and a member in good standing of the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia: California

I am not ☑ or ☐ **am subject to any order of any court or administrative agency disbarring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law (If you are subject to any order(s), explain fully on reverse side).**

B. ☐ I am an accredited representative of the following qualified non-profit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 1292.2. Provide name of organization and expiration date of accreditation:

C. ☐ I am associated with _____.

The attorney or accredited representative of record previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request *(If you check this item, also complete item A or B above in **Part 2**, whichever is appropriate).*

Part 3. Name and Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

Name of Attorney or Accredited Representative	Attorney Bar Number(s), if any
Lincoln Stone/ Shino Milby	CA 146597/ CA 217573
Signature of Attorney or Accredited Representative	Date
	4/13/2010

Complete Address of Attorney or Organization of Accredited Representative (Street Number and Street Name, Suite No., City, State, Zip Code)

STONE & GRZEGOREK LLP, 800 Wilshire Boulevard, Suite 900, Los Angeles, CA 90017

Phone Number *(Include area code)*	Fax Number, if any *(Include area code)*	E-Mail Address, if any
213.627.8997	213.627.8998	lincoln@lskglaw.com

INVEST L.A. REGIONAL CENTER, LLC
REGIONAL CENTER PROPOSAL AND BUSINESS PLAN

INTRODUCTION

The County of Los Angeles is by far the largest and the most populous county in the United States, and is the home of diverse neighborhoods and businesses. With nearly 10 million diverse residents, the County of Los Angeles offers distinctive investment opportunities in some of the most historically and geographically unique environments.

With the recent nose-dive in the national economy, California – and in particular, the Los Angeles County – has experienced severe employment losses in virtually all industries. This decline reflects the national recession, but is especially critical in the County of Los Angeles, which has one of the highest unemployment rates among major U.S. metropolitan areas. Some census tracts within Los Angeles County have unemployment rates of over 20%. The State of California as a whole has also been hard-hit by the real estate market crash and foreclosure crisis, exacerbating the regional job losses.

Invest L.A. Regional Center, LLC ("Invest LA" or "Regional Center") has been established as a Regional Center entity to bring new industries and businesses so as to reinvigorate the local employment opportunities. (Exhibits 1 and 2) The principals of the Regional Center are Kin Hui, William Chu, and Philip Y. Kim, Esq, who possess unique and proven expertise in real estate investment, development, management, and finance within the greater Los Angeles area. The Regional Center's geographic boundaries are the County of Los Angeles. (Exhibit 3)

Invest LA seeks to promote economic development by partnering with private investment capital to focus on investments in industry sectors with strong indications of expansion and growing employment needs, and with a reasonable return on investments. New sources of investment are needed to move this region forward into a more prosperous future with new work opportunities to support stronger population growth.

As its first regional center activity, Invest LA has identified redevelopment of a mixed-use project which is located within the regional center boundaries. (Exhibits 4 and 5) A commercial enterprise, Park Place EB-5, L.P., will be formed in the State of California for the purpose of acquiring, renovating and managing a seven-story mixed-use property located in the City of Pasadena within the Los Angeles County. Invest LA will service as General Partner of the regional center-affiliated entity.

GOALS OF INVEST LA

The primary goal of Invest LA will be to promote economic development through immigrant investments in the Los Angeles County area. Invest LA will target and focus on secure projects with strong indications of expansion and employment growth that will yield reasonable return on investment. The specific industry focus will be in the following areas:

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- Commercial/industrial/residential developments;
- Private/public arrangements with governmental agencies or non-profits to develop civic/public facilities and infrastructure;
- Renovation of historic/functionally obsolete buildings;
- Capital, loans, or investments to businesses in the Los Angeles County area;
- Establish or invest in higher education institutions; and
- Establish or invest in technology companies.

The Regional Center team will reach this goal by: (1) using the expertise of the Regional Center's principals in real estate and financing to attract and identify qualified projects; (2) partnering with agencies abroad to promote immigrant investments; (3) maximizing the use of public funds to increase investment returns; and (4) utilizing experienced developers and consultants to timely complete projects.

GEOGRAPHICAL AREA OF REGIONAL CENTER

This proposal requests regional center designation for investments in the areas of Los Angeles County, California. Maps of the county boundaries are included as Exhibit 3.

Certain cities, census tracts, and other political subdivisions within the regional center territory will qualify as targeted employment areas ("TEAs"). Investments made by immigrant investors in enterprises principally doing business within TEAs will be a minimum $500,000. Investments made by immigrant investors in enterprises that are not in TEAs will be a minimum $1,000,000.

The county is home to 88 incorporated cities and many unincorporated areas. The southern portion is the most heavily urbanized area and is home to the vast majority of the population which lives along the Southern California coastline and the inland basins and valleys. The northern half is a large expanse of less-populated desert including the Santa Clarita Valley and the Antelope Valley, which encompasses the northeastern part of the county and is adjacent to Kern County. In between these portions of the county sit the San Gabriel Mountains and the vast wilderness known as the Angeles National Forest.

The county is home to over a quarter of all California residents. One of the most diverse counties in the country, it holds most of the principal cities encompassing the Greater Los Angeles Area and is the core of the five counties that make up the area. In 2004, the county's population was larger than the individual populations of 42 states considered separately, and is more populous than the aggregate of the 11 least populous states. It is similar in land area to the state of Connecticut and in population to the state of Michigan. If Los Angeles County were a nation, it would boast a GDP among the 20 largest countries in the world.

For the foregoing reasons, the Los Angeles County area will have vast business opportunities. The new investments will be focused on bringing economic development in areas hard hit by high unemployment.

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ADMINISTRATION OF REGIONAL CENTER

The principals will manage Invest LA as follows:

- Provide general oversight/administration to ensure project goals and Regional Center requirements are met.

- Review potential investment according to various criteria, including whether: (1) the potential investment will be profitable for the investors, benefit the County of Los Angeles; (2) the potential investment will create enough direct and indirect jobs, using the criteria described by economist Dr. Michael K. Evans; (3) the potential investment will promote improved regional productivity, domestic capital investment, and economic growth; and (4) the potential investment will involve a job-creating enterprise within the geographical scope of the Regional Center.

- Market the Regional Center to potential foreign nationals in the United States and abroad. A proposed marketing plan is set forth below.

- Prepare and provide prospectus regarding potential investment opportunities.

- Identify qualified individuals for specific investment opportunities, including confirmation of the bona fides of the funds to be invested.

- Manage the flow of information to investors and their attorneys for the submission of I-526 and I-829 petitions.

- Manage the funds invested by immigrant petitioners.

- Communicate with immigrant investors concerning business performance and developments, and solicit input from immigrant investors.

- Provide monthly and annual financial reports to immigrant petitioners as well as information required for tax return preparation.

Types of Investments within Regional Center

There will be a separate Limited Partnership for each project in the Regional Center. Each investment will generally focus on real estate development or mixed-use opportunities within the Regional Center boundaries of the Los Angeles County. (*See, e.g.,* Exhibits 4 and 5) Examples of such projects include but are not limited to:

i. Commercial/industrial development, including but not limited to hospitality, retail, industrial, flex, office, and transportation facilities;

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ii. Public/private arrangements with the City of Pasadena, non-profits, Los Angeles County or other entities to develop civic/public facilities and infrastructure;

iii. Renovation of functionally obsolete buildings preserving historical features, where appropriate, within a modern facility;

iv. Mixed use developments, including retail, residential, apartments and condominiums, targeting ; and

v. The provision of capital, loans or investment for businesses wishing to locate in the regional center area.

In carrying out these real estate and development projects, Invest LA will focus on several industry sectors with strong indications of expansion, growing employment needs, and reasonable return on investments. The following are the representative list of five industry areas of focus of Invest LA:

Tourism: International and national tourism have always been important aspects of the Los Angeles County economy. For example, the City of Pasadena has invested considerable efforts and funds in marketing a strong tourism and convention industry led by the world famous annual Tournament of Roses parade and Rose Bowl game. Despite recent global economic downturn, Pasadena tourism appears to be maintaining steady expansion and growth, aided by the recently completed $150 million expansion of the Convention Center. According to the Pasadena Convention and Visitors Bureau, the development of the City's hospitality and tourism sector promises to be the most prominent generator of new jobs well into the next 15 to 20 years. Specific enterprises that Invest LA would target include: the hotel industry, restaurants, hospitality services, and those related to the convention center expansion.

Commercial real estate development: As aging commercial properties become functionally obsolete, the Regional Center would acquire these properties near central business districts within the Los Angeles County geographic area to benefit from urban infill. This would create a footprint of contiguous or nearby properties which could be sold to or developed at a future date for a corporate user as a site for a corporate campus which would benefit from each other's development or renovation.

Financial services: The Los Angeles County -- and the City of Pasadena in particular – benefits from its proximity to major area employers including Jet Propulsion Laboratory, California Institute of Technology, Huntington Memorial Hospital and Bank of America, among others. These higher paying jobs attract skilled professionals who in turn require the services of legal, accounting, health care, retirement counseling, and small business financing. Invest LA would target investments in these financial services related companies.

Higher Education: Expansion, construction, and development of housing, facilities, and research areas have become primary concerns for institutions of higher education as have repair

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and maintenance to existing structures. As real estate remains finite for many colleges and universities, they turn towards innovative campus management programs to meet the demands of its faculty and students. The world-renowned California Institute of Technology, University of California at Los Angeles, University of Southern California, Pasadena City College, Fuller Theological Seminary, Art Center College of Design and American Academy of Dramatic Arts have planned and implemented programs to meet these demands, allocating million of dollars to these maintenance and construction projects. Invest LA would aim to bid and invest in these projects as part of its investment strategy.

Technology: The Los Angeles County is home to world-renowned scientific research and development institutions such as the California Institute of Technology, NASA's Jet Propulsion Laboratory, AT&T and Huntington Memorial Hospital. The Regional Center would target those engineering, health care and technology firms seeking to relocate to this geographic area and expand their business with these institutions.

Public sector: As aging public/civic facilities such as the Rose Bowl and other public infrastructures require major repairs and upgrades, Invest LA would aim to enter into public/private arrangements with governmental agencies, non-profits or others to invest in these redevelopment projects.

EMPLOYMENT CREATION METHODOLOGY

The Regional Center operation will have a positive economic impact in the Los Angeles County area. For example, an economic study was conducted by Dr. Michael Evans, a respected regional economist, on a project in Pasadena which located within Los Angeles County. (See Exhibit 6) Dr. Evans used the IMPLAN methodology in measuring job creation.

Dr. Evan's report is attached hereto and made a part hereof by this reference as the model methodology by which job creation will be calculated for the Regional Center projects such as the Colorado at Lake project. This project is a mixed-use commercial center, known as Colorado at Lake, which is located at the corner of East Colorado Boulevard. and Lake Avenue. in Pasadena, California. This development will consist of an upscale boutique hotel, restaurants, retail space, an office building, bank facilities, and parking garage. The project will be undertaken in two phases. Phase I will include a 142-room hotel, 8,000 square feet of retail space, 10,000 square feet of restaurant space, and a parking garage with 125 spaces. Phase II will include 25 more rooms in the hotel, 10,000 square feet of retail space, 15,726 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

There will be a total of (b) (4) These jobs exclude direct construction jobs, but include indirect and induced construction jobs. These figures are based on estimated hard construction cost budgets of (b) (4) Phase II.

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According to Dr. Evan's report, Phase I will generate an estimated (b) (4) from operating the hotel, 66 from the restaurants, (b) (4) from the retail stores, and (b) (4) from the parking garage, for a total of 220 tenant-related jobs. There will also be (b) (4) jobs, for a total of (b) (4) and an overall employment multiplier of (b)

Phase II will create an estimated (b) (4) jobs from operating the additional rooms in the hotel, (b) (4) jobs from the restaurants, (b) (4) from the retail stores, (b) (4) from the office building, (b) (4) from the bank, and (b) (4) from the parking garage, for a total (b) (4) tenant-related jobs. There will also be (b) (4) jobs, for a total of jobs and an overall employment multiplier of (b) .

Phase I will generate a total annual increase of (b) (4) All these figures are in 2010 dollars.

PRINCIPALS

The Regional Center entity, Invest LA, has been established to manage the Regional Center. (Exhibits 1 and 2) Invest LA is owned by Kin Hui, William Chu, and Philip Y. Kim, all of whom possess strategic vision and expertise to bring about success in the regional center enterprises. (Exhibit 7)

Kin Hui –Mr. Hui will be contributing his expertise in real estate development and construction.

Mr. Hui is the owner and operator of Singpoli Group, a real estate investment company based in Arcadia, California. His company is involved mostly with major commercial and office buildings. He is also the general partner of a prestigious mixed-use development located at the Southeast corner of two major arterials in the heart of downtown Pasadena – Colorado Boulevard and Lake Avenue. The company is also the owner and operator of 2 North Lake tower in Pasadena which is located at the Northeast corner of Colorado Boulevard and Lake Avenue in Pasadena. The sale of 2 North Lake Avenue office tower ranked as the second largest brokered office deal in Los Angeles County and one of the largest in Southern California in 2009.

Mr. Hui has been active in the acquisition, development and management of real properties in Southern California since early 1990's. He is the founder and President of Singpoli Construction since 1992, a founding partner and President of Pacific Design Group since 1997, a Managing Partner of Singpoli Investment, LLC since 1992 and the Managing Member of Singpoli Pacifica, LLC since 2007.

A holder of a California General Contractor license, Mr. Hui obtained a Bachelor of Science degree from Woodbury University with major in Interior Designs and minor in Business Administration.

Philip Y. Kim - Mr. Kim's primary role for Invest LA will be related to real estate and legal

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matters.

Mr. Kim is a licensed California attorney specializing in real estate transaction and litigation, corporate management, and business litigation. He graduated from the University of California Los Angeles with a Bachelor of Science degree in Mechanical Engineering in 1993 and he received his law degree from Trinity Law School in 1998.

Mr. Kim is the president of Amerestate Realty, Inc. a commercial and residential brokerage company specializing in the Los Angeles County area. He is also the Chief Administrative Officer for Singpoli Construction and general counsel to various corporations.

William H. Chu - At Invest LA, Mr. Chu will be contributing his expertise in financing and banking matters.

Mr. Chu joined Singpoli in 2009, after a distinguished banking career that spanned from New York, Little Rock, San Francisco, Los Angeles to Las Vegas, having served as President and Chief Executive Officer of First Asian Bank, United Pacific Bank and Los Angeles Community Development Bank, as well as a senior executive at East West Bank. A certified public accountant, Mr. Chu graduated from the University of Winnipeg in Canada and completed his MBA degree at the University of Southern California.

Aside from managing Singpoli Construction, Mr. Chu is actively involved in the other Singpoli Group companies that specialize in real estate investments, property developments, real estate syndications and secured project financing.

PROPOSED INVESTMENT STRUCTURE

A prospective immigrant investor will invest his/her funds in a Regional Center project as a limited partner in a limited partnership ("Partnership"). (Exhibits 8 through 10) The Regional Center will act as the general partner ("General Partner") of this Partnership. The units of the Partnership ("Units") will be offered only to prospective investors who are not citizens of the United States and who meet certain minimum investor suitability requirements.

The Partnership will offer for sale ("Offering") units of its limited partnership interests (hereinafter, individually, a "Unit" and collectively, the "Units") at a subscription price of (b) (4) per Unit, if within a targeted employment area (TEA) (hereinafter, the "Subscription Price"), with a minimum subscription for all investors of one (1) Unit. The Subscription Price is the sum of (i) the price per Unit of $1,000,000/$500,000 (the "Unit Price"), which amount shall constitute a capital contribution to the Partnership, and (ii) a syndication fee of (b) (4) per Unit (the "Syndication Fee"), which amount shall not constitute a capital contribution, but which amount will be paid to the General Partner as a fee.

The Regional Center will prepare a private placement memorandum ("PPM"). (Exhibit 11) The Offering will begin on the date of the PPM and will terminate upon the sale of all Units offered

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in connection with the Offering or 365 days following the date of admission of the first limited partner to the Partnership, whichever occurs first (the "Termination Date"); provided, however, that the General Partner has the right to (i) close the Offering at any time prior to the Termination Date if it determines, in its sole discretion, that sufficient funds have been raised to meet the intended objectives of the Partnership, (ii) modify the Offering at any time prior to the Termination Date if it determines, in its sole discretion, to increase the number of offered Units to raise additional funds to meet the intended objectives of the Partnership, and (iii) cancel the Offering at any time, for whatever reason, in which case the Subscription Price paid by a subscriber will be refunded to such subscriber without interest.

The Subscription Price must be paid to the Partnership by a subscriber upon execution and delivery of the Subscription Agreement. The Subscription Price paid by each subscriber will be deposited into an escrow or segregated bank account (hereinafter, the "Escrow Account") established by the Partnership in a commercial bank. In general, if a subscriber's I-526 petition is approved by the United States government, (a) the subscriber's subscription for a Unit will be accepted, (b) the subscriber will be admitted as a Limited Partner, and (c) the Unit Price deposited into the Escrow Account by the subscriber will be released to the Partnership (and the Syndication Fee (together with all interest accrued on the Subscription Price) will be paid to the General Partner. In the event the United States government denies a subscriber's I-526 petition, the Subscription Price deposited into the Escrow Account by Such subscriber will be refunded to such subscriber (together with all interest accrued on the Subscription Price)

CAPITALIZATION

The Regional Center will be capitalized by private investment to obtain regional center designation and to promote the regional center to investors. The initial budget to accomplish these goals is (b) (4) Once the Regional Center is operational, it will be funded on an ongoing basis via syndication fees and profit distributions from various projects.

MARKETING

The Regional Center will market itself by (1) creating a website available to the public providing information about the Regional Center, (2) partnering with third party agencies in various countries to promote the Regional Center, (3) attending various immigration expos in different countries, and (4) attending various conferences within the United States.

Invest LA will rely heavily on the marketing expertise of the principals as well as overseas agencies to market its offerings. Philip Y. Kim will lead the marketing efforts for Korea as well as attending the various conferences in the United States. William H. Chu will lead the

CONFIDENTIAL AND PROPRIETARY INFORMATION: NOT FOR CIRCULATION

marketing efforts in China and other countries along with attending various expos.

All investors invest their investment capital ($1,000,000/$500,000), plus syndication fee (b) (4)) in the case of immigrant investors. The syndication fee is used to pay commissions and finder's fees, and to offset advertising costs. (b) (4)

Invest LA expects to expend approximately (b) (4) on marketing costs.

CONFIDENTIAL AND PROPRIETARY INFORMATION: NOT FOR CIRCULATION

INVEST L.A. REGIONAL CENTER, LLC
REGIONAL CENTER PROPOSAL AND BUSINESS PLAN

LIST OF EXHIBITS

Exhibit 1 Articles of Organization of Invest L.A. Regional Center, LLC

Exhibit 2 Operating Agreement for Invest L.A. Regional Center, LLC

Exhibit 3 Map of County of Los Angeles – Invest LA Regional Center Territory

Exhibit 4 Economic Impact of Renovating, Constructing, and Operating a Mixed-Use Commercial Building at Colorado Blvd and Lake Ave in Pasadena, CA, Prepared for Invest L.A. Regional Center, LLC, Prepared by Michael K. Evans (March 2010)

Exhibit 5 Colorado at Lake Summary Business Plan (PowerPoint Presentation)

Exhibit 6 Colorado at Lake, Phase I Business Plan

- Pasadena Enterprise Zone Map and Information
- Phase I Construction Schedule
- Hotel Interior Design Budget
- Phase I Construction Budget
- Settlement Statement and Deed
- Phase I Environmental Site Assessment

Exhibit 7 Résumés of Kin Hui, Philip Y. Kim, and William H. Chu

Exhibit 8 Sample Partnership Agreement

Exhibit 9 Sample Subscription Agreement

Exhibit 10 Sample Escrow Agreement

Exhibit 11 Sample Private Placement Memorandum

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) is a full, true and correct copy of the original record in the custody of this office.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 08 2010

Debra Bowen

DEBRA BOWEN
Secretary of State

LLC-1 File # 201009810287

State of California
Secretary of State

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

ENDORSED - FILED
In the office of the Secretary of State
of the State of California
APR 08 2010

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

INVEST L.A. REGIONAL CENTER, LLC

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

PHILIP Y. KIM, ESQ.

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA

	CITY	STATE	ZIP CODE
25 E. FOOTHILL BLVD.	ARCADIA	CA	91006

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- ☐ ONE MANAGER
- ☑ MORE THAN ONE MANAGER
- ☐ ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

8. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

4-7-10
DATE

SIGNATURE OF ORGANIZER

Philip Y. Kim
TYPE OR PRINT NAME OF ORGANIZER

OFFICE OF THE SECRETARY OF STATE

LLC-1 (REV 04/2007) APPROVED BY SECRETARY OF STATE

OPERATING AGREEMENT

FOR

INVEST L.A. REGIONAL CENTER, LLC

This Agreement is effective as of
April 8, 2010

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OPERATING AGREEMENT
FOR
INVEST L.A. REGIONAL CENTER, LLC

Recital

This Operating Agreement is entered into effective **April 8, 2010**, among the persons who are signatories to this Agreement and shall govern the relationship among the persons as Members of Company and between Company and the persons as Members, pursuant to the Act and the Articles, as either may be amended from time to time. In consideration of their mutual promises, covenants, and agreements, the parties as signatories to this Agreement do hereby promise, covenant, and agree as follows:

ARTICLE I
Introductory Matters

1.1 FORMATION, REQUIRED NUMBER OF MEMBERS, TERMS AND PURPOSES

Pursuant to the Act, PHILIP Y. KIM, acknowledge and confirm he is the initial Member of the limited liability company organized under the laws of the State of California known as **INVEST L.A. REGIONAL CENTER, LLC**, whose Articles were filed, effective _____. A copy of the Articles is attached. Company shall at all times have at least one member. Unless sooner terminated, Company shall have the term provided in the Articles.
Act □ 17050(b).

The general purposes for the organization of Company shall be those set forth in its Articles. Company may, as provided in its Articles and the Agreement, exercise all of the powers described in Title 2.5 of Corporations Code of the State of California also known as the Beverly-Killea Limited Liability Company Act, as the Act may be amended from time to time.

1.2 REGULATION OF INTERNAL AFFAIRS BY OPERATING AGREEMENT

Consistent with the Articles and the Act, the internal affairs of Company and the conduct of its business shall be governed and regulated by the Agreement as it shall be amended by Members from time to time. The term of the Agreement shall begin on the date the Articles are filed and accepted by the Secretary of State and shall be co-terminus with the period of duration of

Company provided in the Articles unless Company is earlier terminated upon its voluntary or involuntary dissolution in accordance with the Agreement.
Act § 17001(ab).

1.3 LAWS GOVERNING OPERATING AGREEMENT

The Agreement is subject to, and governed by, the mandatory provisions of the Act and the Articles filed with the Secretary of State, as both may be amended from time to time. In the event of a direct conflict between the provisions of the Agreement and the mandatory provisions of the Act or the provisions of the Articles, such provisions of the Act or the Articles, as the case may be, will be controlling.

1.4 USE OF FULL LEGAL NAME OF COMPANY REQUIRED

All business of Company shall be conducted under the name **INVEST L.A. REGIONAL CENTER, LLC**, until such time as Members shall designate otherwise and file amendments to the Articles in accordance with the Articles and the Act. The phrase "LLC" shall always appear as part of the name of Company on all correspondence, stationery, checks, invoices and any and all documents and papers executed by Company and as otherwise required by the Act.

1.5 LIMITATION OF AUTHORITY OF A MEMBER

No Member that is not a Manager, shall have any authority to act for, or to undertake or assume, any obligation, debt, duty or responsibility on behalf of the Company. Authority to act for the Company shall be vested in the Manager as provided in Article III.

1.6 LIMITATION ON POWER TO CONTRACT DEBTS

Except as otherwise provided in the Agreement including Subparagraph 3.4.B, no debt shall be contracted or liability incurred by or on behalf of Company, except by one (1) or more of its Managers if management of Company has been vested by the Members in a Manager or Managers and is within the scope of the powers described in Paragraph 3.4.

1.7 TITLE TO ALL PROPERTIES IN NAME OF COMPANY

Real and personal property owned or purchased by Company shall be held and owned, and conveyance made, in the name of Company. Instruments and documents providing for the acquisition, mortgage or disposition of property of Company shall be valid and binding upon Company, except as otherwise limited in the Agreement including Subparagraph 3.4.B., if executed by one (1) or more Managers of Company having a Manager or Managers.

1.8 REQUIRED MAINTENANCE OF REGISTERED OFFICE AND AGENT IN CALIFORNIA

Company shall have an agent for service of process in California who may be either a natural person or a corporation meeting the qualifications of Corporations Code Section 17061. Every agent for service of process must have a street address for the receipt of service of process. The street address of the agent for receipt of service of process is the registered office of the limited liability company in California. Within 30 days after changing the location of his office from one address to another in California, an agent for service of process must file a certificate with the Secretary of State setting forth the names of the limited liability companies represented by him, the address at which he, she, or it has maintained the office for each of the limited liability companies, and the new address to which the office is transferred.

1.9 REQUIRED MAINTENANCE OF RECORDS IN CALIFORNIA OFFICE

Company shall continuously maintain an office in the State of California which may but need not be a place of its business in this state or its registered office, at which it shall keep:

a. A current list of the full name and last known business address of each Member and of each holder of an Economic Interest in alphabetical order together with the Capital Contribution and Percentage Share in net profits and net losses;

b. If the Articles provide Company is to be managed by one or more managers and not by all of its members, a current list of the full name and business or residence address of each Manager;

c. A copy of the filed Articles and all amendments thereto, together with any powers of attorney pursuant to which the Articles or any amendments thereto were executed;

d. Copies of Company's federal, state and local income tax returns or information returns and reports, if any, for the six (6) most recent taxable years;

e. A copy of the Agreement and any amendments thereto, together with any powers of attorney pursuant to which any written operating agreement or amendments were executed; and

f. Copies of financial statements of Company for the six (6) most recent taxable years; and

Act § 17057, 17058.

The above described records are subject to inspection and copying at the reasonable request, and at the expense, of any member during ordinary business hours.

1.10 PLACES OF BUSINESS OUTSIDE STATE OF CALIFORNIA

Members may identify other places of business of Company outside the State of California, appoint agents for service of process and make filings as may be required or desirable under the laws of such other places.

1.11 OTHER FORMATION MATTERS

A. INTENTIONALLY OMITTED

B. Maintenance of Company Record Book

Members shall authorize the maintenance of a Company Record Book to include the Articles, the Agreement and any amendments thereto and the minutes of meetings (or consents in lieu of meetings) of Members and Managers and other important documents of Company.

C. Establishment of Bank Accounts

Members shall authorize the establishment of one or more depository accounts for the funds of Company and designate persons authorized to draw against such accounts on behalf of Company (more specifically described elsewhere in the Agreement).

D. Reimbursement of Expenses of Organization

Members may authorize Company to pay the expenses of organization and reimburse any person advancing funds for this purpose.

E. INTENTIONALLY OMITTED

1.12 DEFINITION OF TERMS

The terms used in the Agreement with their initial letters capitalized, shall, unless the context otherwise requires, have the meanings specified in this Paragraph 1.12 or, if not defined in this Paragraph 1.12, elsewhere in the Agreement. Any term not defined below or in this agreement shall be defined as provided in the Act or Regulations Sections 1.704-1(b), -2, -3 and -4, as appropriate to the context thereof. When used in the Agreement subject to the foregoing, the following terms shall have the meanings set forth below:

A. "Act" shall mean the Beverly-Killea Limited Liability Act as amended from time to time.

Act § 17000.

B. "Affiliate" shall mean any individual, partnership, corporation, trust, or other entity or association, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Member. The term "control," as used in the immediately preceding sentence, means, with respect to a corporation, the right to exercise, directly or indirectly, more than 50 percent of the voting rights attributable to the controlled corporation, and, with respect to any individual, partnership, trust, other entity or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled entity.

C. "Agreement" shall mean this Operating Agreement between all Members of Company regulating the affairs of Company and the conduct of its business, as originally executed and as amended or restated from time to time, and shall refer to the Agreement as a whole, unless the context otherwise requires.
Act § 17001(a)(b).

D. "Articles" shall mean the Articles of Organization for Company originally filed with the Secretary of State of California, including all amendments thereto or restatements thereof and shall mean the Articles as a whole unless the context otherwise requires.
Act § 170001(b).

E. "Bankruptcy" shall mean, *(i)* the entry of a decree or order for relief by a court of competent jurisdiction in any involuntary case brought against a person under any bankruptcy, insolvency or other similar law (collectively, "Debtor Relief Laws") generally affecting the rights of creditors and relief of debtors now or hereafter in effect; *(ii)* the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar agent under applicable Debtor Relief Laws for a person or for any substantial part of his, her, or its assets or property; *(iii)* the ordering of the winding up or liquidation of a person's affairs; *(iv)* the filing of a petition in any such involuntary bankruptcy case, which petition remains not dismissed for a period of 180 days or which is not dismissed or suspended pursuant to Section 305 of the Federal Bankruptcy Code (or any corresponding provision of any future United States bankruptcy law); *(v)* the commencement of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect; *(vi)* the consent to the entry of an order for relief in an involuntary case under any such law or to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar agent under any applicable Debtor Relief Laws for a person or for any substantial part of his, her, or its assets or property; or *(vii)* the making by a person of any general assignment for the benefit of his, her or its creditors.

F. "Capital Account" shall mean the amount of the capital interest of a Member determined in accordance with Article IV of the Agreement.
Act § 17001(d).

G. "Capital Contribution" shall mean the value of any money, property

(including promissory notes or other binding obligation to contribute money or property), obligation to render services to Company as capital in that Member's capacity as a Member, as shown in Exhibit A, as the same may be amended from time to time.
Act § 17001(d).

GA. "Class A Member" shall mean Class of Members as designated on Exhibit A and Exhibit B and as maybe amended from time to time. (b) (4)

GB. "Class B Member" shall mean Class of Members with interest as designated on Exhibit A and Exhibit B and as maybe amended from time to time. (b) (4)

H. "Code" shall mean the Internal Revenue Code of 1986, as amended. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding law.

I. "Company" shall mean **INVEST L.A. REGIONAL CENTER, LLC**.

J. "Distribution" shall mean a transfer of money or property by Company to its Members without consideration.
Act § 17001(f).

K. "Disassociation Event" shall mean, with respect to any Member, the death, retirement, withdrawal, resignation, expulsion, bankruptcy or dissolution of the Member or occurrence of any other event which terminates his continued membership in the Company.

L. "Economic Interest" shall mean the right to share in the Net Profits, Net Losses, deductions, credit or similar items and to receive distributions from Company but such term shall include neither voting rights nor information rights except as provided in Act Section 17106.

M. "Information Rights" shall mean the right to inspect, copy or obtain information and documents concerning the affairs of Company as provided in Act Section 17106 and in Paragraphs 6.3 and 6.4 of the Agreement.
Act § 17106.

N. "Interest" shall mean singly or collectively as the context indicates any or all of the rights of ownership of a Membership Interest in Company including Economic Interests, Voting Interests and Information Interests.

O. "Majority-In-Interest" shall mean, unless otherwise defined for a particular purpose herein, more than fifty percent (50%) of the interest of Members in current Net Profits. *Act § 17001(v).*

P. "Manager(s)" shall mean **Kin Hui, William Chu, or Philip Y. Kim**.
Act § 17001(w).

Q. "Member" shall mean (i) each person (other than any person who has withdrawn, been expelled, died, retired or dissolved) who has been admitted to Company as a Member in accordance with the Articles and the Agreement, and (ii) solely for purposes of determining rights under the Agreement to Net Profits, Net Losses, deductions, credits, similar items and distributions, each holder of Economic Interest. The definition of Member includes, when appropriate, both Class A Members and Class B Members. Any limitation placed on Class A Members or Class B Members is implied in the use of the word Member throughout this Agreement.
Act §17001(x), (x), 17, 303

R. "Membership Interest" in Company shall mean the entire ownership interest of a Member in Company at any particular time, including collectively Economic Interests, Voting Interests and Information Interests of such Member as provided in the Agreement and under the Act, together with the obligations of such Member to comply with all terms and provisions of the Agreement. A Membership Interest constitutes personal property. A Member or assignee of any Economic Interest of a Member has no interest in specific property of Company.
Act § 17001(z).

S. "Officer" shall mean any person elected or appointed pursuant to Paragraph 3.10.

T. "Percentage Interest" shall mean, i) for purposes of determining Voting Interests of a member, the percentage of a Member set forth opposite the name of such Member under the column "Member's Percentage Voting Interest" in Exhibit A hereto and, ii) for purposes of allocations of Net Profits and Net Losses to a Member, the percentage of a Member set forth opposite the name of such Member, respectively, in the columns headed "Member's Net Profits Percentage" or "Member's Net Losses Percentage" in Exhibit B hereto as such percentage interests may be applied under Paragraph 5.1 and adjusted from time to time pursuant to the terms of the Agreement. A Percentage Interest for only the above purposes shall be determined, unless otherwise provided herein, in accordance with the relative proportions of the Capital Accounts of Members, effective as of the first day of the Company's fiscal year but with all distributions under Paragraph 5.2, hereof to be deemed to have occurred on such day immediately prior to determination of Percentage Interest of a Member.

U. "Person" shall mean individuals, general partnerships, limited partnerships, other limited liability companies, corporations, trusts, estates, real estate investment trusts and any other association.

V. "Voting Interest" shall mean those rights of a Member described in Article III of the Agreement as they may be limited in the Agreement, the Articles and the Act.

W. "Regulations" shall mean, unless the context clearly indicates otherwise, the

regulations currently in force as final or temporary that have been issued by the U.S. Department of Treasury pursuant to its authority under the Internal Revenue Code of 1986, as amended.

X. "Return of Capital" shall mean any distribution to a Member to the extent of the positive balance in the Capital Account of the Member immediately before the distribution. *Act § 17001(aj).*

Y. "Secretary of State" shall mean the Secretary of State of California or his or her duly appointed delegate unless another state is mentioned in the same context.

Z. "Registered Office" shall mean the office maintained at the street address of the agent for service of process of the Company in California.

ARTICLE II

Members, Class of Members, Capital Contributions and Withdrawals, Membership Interests, Admissions, Certificates and Limitations on Liabilities and Responsibilities of Members

2.1 NAMES, ADDRESSES OF MEMBERS, CLASS OF MEMBERS, AND THEIR CAPITAL CONTRIBUTIONS

A. The Members shall be each of the persons executing the Agreement and making the initial Capital Contributions set forth opposite their respective names in Exhibit A. Each such person is admitted as a Member effective as of the beginning of the term of the Agreement. Members, their respective addresses, their respective aggregate Capital Contributions to Company, and their respective Voting Interests and Percentage Interests in Net Profits and Net Losses (Economic Interests) of Company are set forth on Exhibits A and B, as the exhibits may be amended from time to time.

B. There shall be two classes of Members. Class A and Class B Members. (b) (4) Each Class B Member shall be assigned to a particular Division or Divisions. Class B Member's interests shall terminate upon the occurrence of a Divisional Termination Event.

2.2 FORM OF CAPITAL CONTRIBUTIONS

(b) (4)

(b) (4)

2.3 ADMISSION OF ADDITIONAL MEMBERS

Members may admit to Company any person as an additional Member who will participate in the profits, losses, available cash flow, and ownership of the assets of Company on such terms as are determined by existing Members holding a Majority-In-Interest. Admission of any such additional Member shall require the written consent of the then existing Members holding a Majority-In-Interest, or more. Admission of any additional Member may result in a dilution of the Percentage Interests of the then Members in their Voting Interests and Economic Interests (Net Profits and Net Losses).

Act § 17303(a).

2.4 LIMITATIONS ON WITHDRAWALS OF CAPITAL CONTRIBUTION

(b) (4)

2.5 PERCENTAGE INTEREST OF MEMBER AND CERTIFICATES

The Membership Interest of Company held by each Member may be divided into a Percentage Interest to represent, respectively, voting power, allocation of Net Profits and allocation of Net Losses as reflected, respectively, on Exhibit A and Exhibit B as each exhibit may be amended from time to time. The Membership Interest in Company may be represented by a certificate of membership. The exact contents of a certificate of membership may be determined by action of the Members but shall be issued substantially in conformity with the following requirements:

a. Each certificate of membership shall be consecutively numbered beginning

with Number 1, as it is issued, shall be signed by the authorized representatives of Company.

b. Each certificate of membership shall state the name of Company, the laws of the state under which Company is organized, the name of the person to whom issued, the date of issue of the certificate, and the Percentage Interest represented by the certificate.

c. Each certificate shall contain a statement of the designations, preferences, qualifications, limitations, restrictions, and special or relative rights of the Interests represented thereby, set forth in full or summarized on the face or back of the certificates which Company shall issue. Or, in lieu thereof, the certificate may set forth that the Company shall furnish the statement or summary to any holder of the Interests upon request and without charge.

Act § 17105(a).

2.6 INTENTIONALLY OMITTED

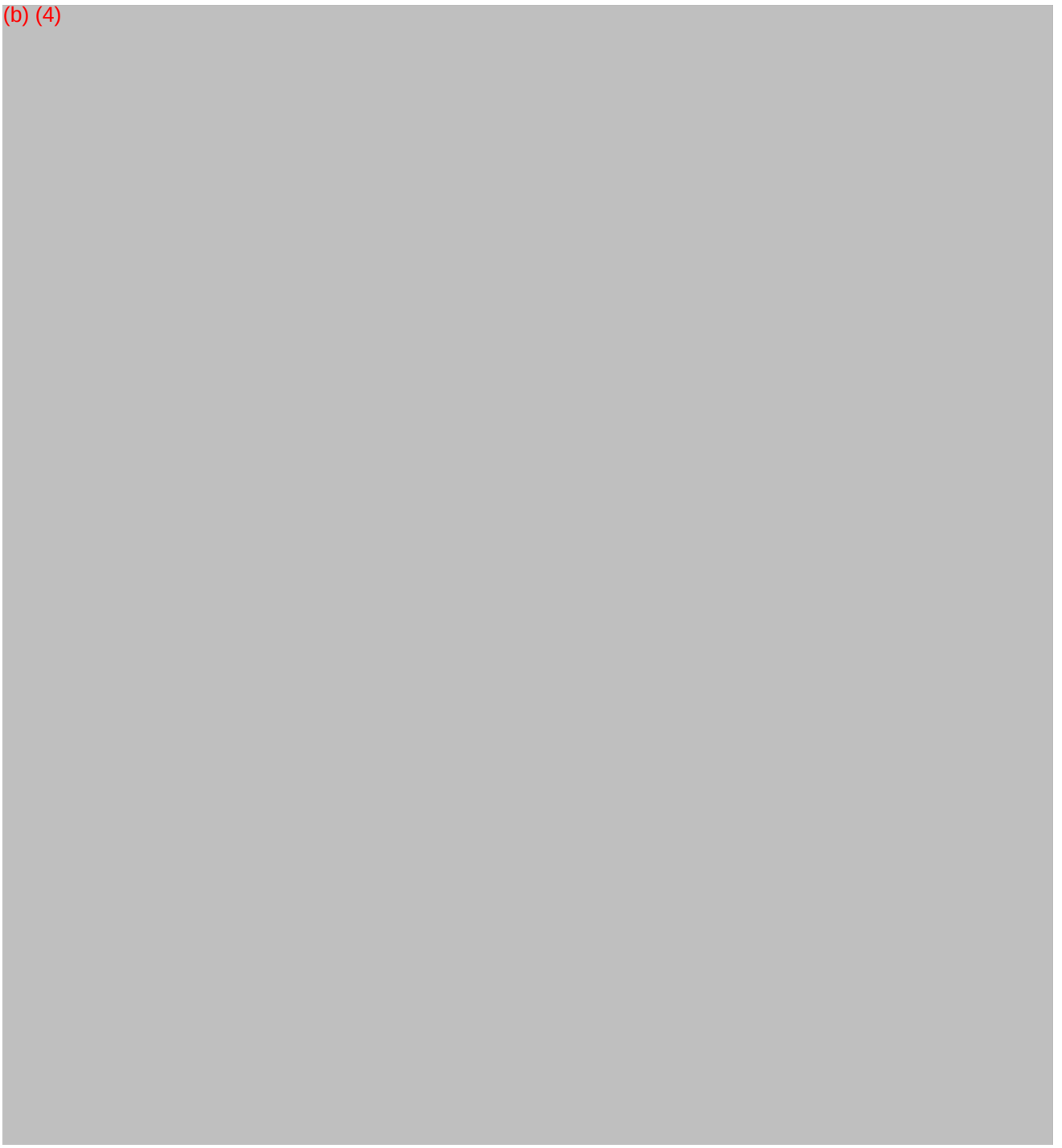
2.7 LIMITATIONS ON LIABILITY OF MEMBERS FOR DEBTS OF COMPANY

(b) (4)

2.8 LIABILITY OF MEMBERS TO COMPANY

(b) (4)

(b) (4)



2.9 INTENTIONALLY OMITTED

2.10 MEMBER REMUNERATION

No Member is entitled to remuneration for acting on Company business except for reasonable compensation under Act Section 17352(c) for winding up of affairs of Company. *Act § 17004(b).*

2.11 LEGAL REPRESENTATIVE OR SUCCESSOR OF A MEMBER

If a Member who is an individual dies or is adjudged by a court of competent jurisdiction to be incompetent to manage his or her person or property, the executor, administrator, guardian, conservator or other legal representative may exercise all rights of the Member in the purpose of settling his or her estate or administering his or her property.
Act § 17304.

ARTICLE III

Management and Control of Business Including Meetings

3.1 MANAGEMENT OF COMPANY AND ELECTION OF MANAGERS

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

ARTICLE IV

(b) (4)

(b) (4)

(b) (4)

(b) (4)

ARTICLE V

Allocations of Net Profits and Net Losses and Distributions

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4)

ARTICLE VI

Accounting, Records, and Reporting

(b) (4)

(b) (4)

(b) (4)

[redacted]

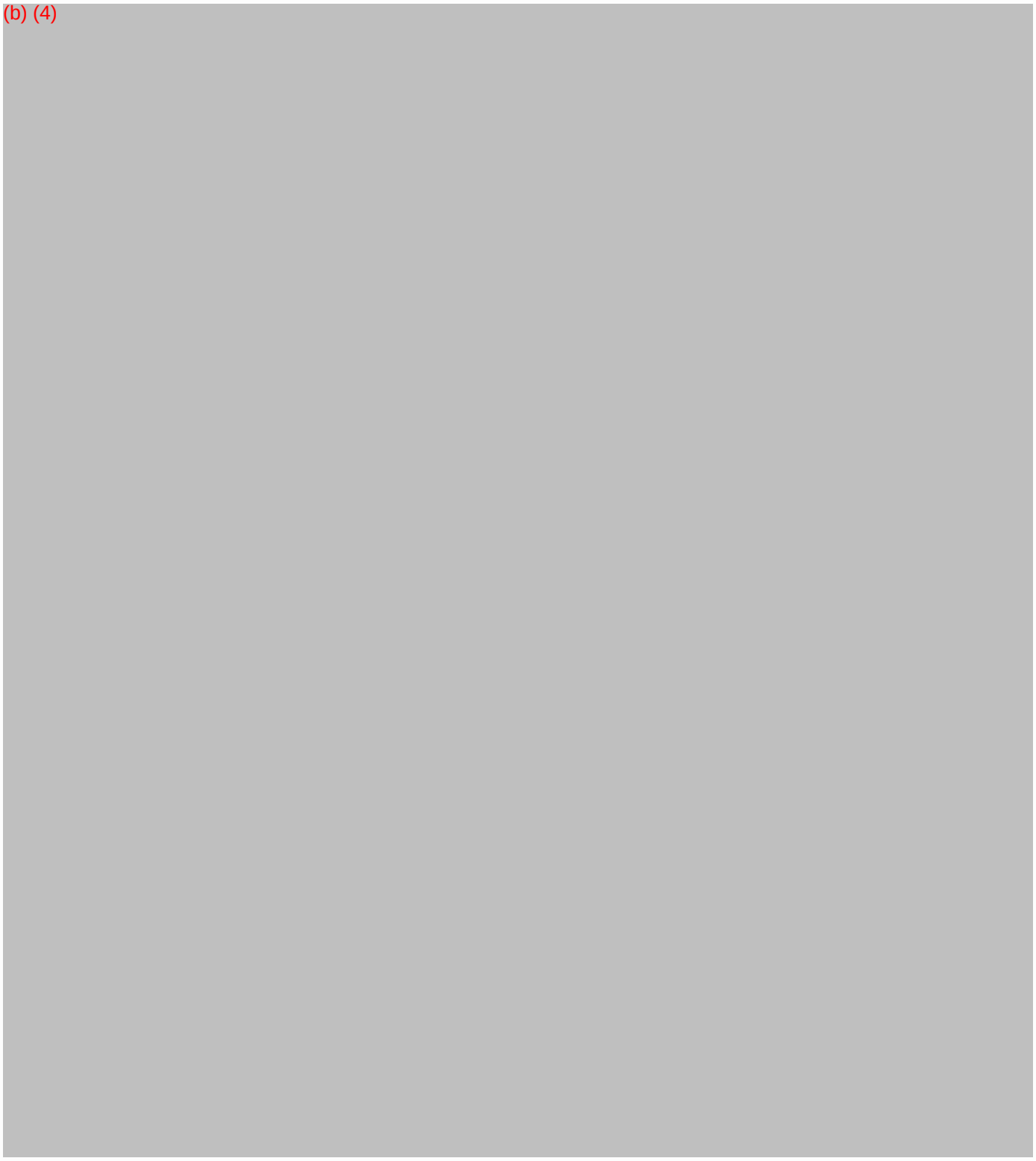
ARTICLE VII

Transfer and Assignment of Interests

(b) (4)

[redacted]

(b) (4)



ARTICLE VIII

Dissolution, Winding Up and Disassociation Events

(b) (4)

(b) (4)

(b) (4)

(b) (4)

(b) (4) [redacted]

ARTICLE IX

Indemnification

9.1 INDEMNIFICATION OF MEMBERS AND MANAGERS

To the greatest extent not inconsistent with the Act and the other laws and public policies of the State of California, Company shall indemnify against expenses and liabilities any Member or Manager made a party or who was threatened to be made a party to any proceeding by Company or another because such party is or was a Member or Manager, as a matter of right, against all liability incurred by such person in connection with any action, suit, or proceeding or any threatened, pending or complete action of suit or proceeding; whether civil, criminal, administrative, or investigative provided that it shall be determined in the specific case in accordance with the procedures set forth in Paragraph 9.6 that indemnification of such person is permissible in the circumstances because the person has met the standards of conduct for indemnification set forth in Paragraph 9.5.
Act § 17155.

9.2 INSURANCE FUNDING OF INDEMNIFICATION

To the greatest extent not inconsistent with the Act and other laws and public policies of the State of California, Company may purchase and maintain insurance or other financial arrangement for the benefit of any person who is or was a Member or Manager, employee or agent, against any liability asserted against or expenses incurred by such person in any capacity or arising out of such person's service with Company, whether or not Company would have the power to indemnify such person against such liability. (b) (4) [redacted]

[redacted]

[redacted]

(b) (4)

ARTICLE X
Miscellaneous

10.1 ADDITIONAL DOCUMENTS AND ACTS

Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of the Agreement and the transactions contemplated hereby.

10.2 AMENDMENTS

All amendments to the Agreement will be in writing and approved by the vote of the Members holding a Majority-In-Interest.
Act § 17059, § 17103(b).

10.3 BINDING EFFECT

Subject to the provisions of the Agreement relating to transferability, the Agreement will be binding upon and inure to the benefit of Members, and their respective distributees, successors and assigns, but only to the extent that assignment and approval by all Members is in accordance with the Act, the Articles and the Agreement.

10.4 COMPLETE AGREEMENT

The Agreement and the Articles constitute the complete and exclusive statement of agreement among Members. The Agreement and the Articles replace and supersede all prior agreements by and among Members or any of them. The Agreement and the Articles supersede all prior written and oral statements and no representation, statement, or condition or warranty not

contained in the Agreement or the Articles will be binding on the Members or have any force or effect whatsoever.

10.5 EXHIBITS

All Exhibits attached to the Agreement are incorporated and shall be treated as if set forth herein.

10.6 GENDER AND NUMBER IN NOUNS AND PRONOUNS

Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires. Any reference to the Code, Regulations, the Act, California Statutes or other statutes or laws will include all amendments, modifications, or replacements of the specific sections and provisions concerned.

10.7 HEADINGS

All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of the Agreement.

10.8 MULTIPLE COUNTERPARTS

The Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument. However, in making proof hereof it will be necessary to produce only one copy hereof signed by the party to be charged.

10.9 NO THIRD PARTY BENEFICIARY

The Agreement is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns subject to the express provisions hereof relating to successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of the Agreement as a third party beneficiary or otherwise.

10.10 NOT FOR BENEFIT OF CREDITORS

The provisions of the Agreement are intended only for the regulation of relations among Members and Company. The Agreement is not intended for the benefit of a creditor who is not a Member and does not grant any rights to or confer any benefits on any creditor who is not a Member or any other person who is not a Member, a Manager, or an officer.

10.11 NOTICES

Any notice to be given or to be served upon Company or any party hereto in connection with the Agreement must be in writing and will be deemed to have been given and received at the earlier of (a) the time when personally delivered to the address specified by the party to receive the notice or (b) five (5) days after deposited in the United States Mail for First Class delivery. Such notices will be given to a Member at the address specified in Exhibit A hereto, as it may be amended from time to time. Any Member or Company may, at any time by giving 5 days' prior written notice to the other Members and Company, designate any other address in substitution of the foregoing address to which such notice will be given. A writing includes a facsimile transmission followed by deposit of the original communication in the United States Mail for First Class Delivery.

Act § 17001(ao), (as).

10.12 REFERENCES IN THE AGREEMENT

Numbered or lettered articles, paragraphs and subparagraphs herein contained refer to articles, paragraphs and subparagraphs of the Agreement unless otherwise expressly stated.

10.13 RELIANCE ON AUTHORITY OF PERSON SIGNING AGREEMENT

In the event that a Member is not a natural person, neither Company nor any Member will *(a)* be required to determine the authority of the individual signing the Agreement to make any commitment or undertaking on behalf of such entity or to determine any fact or circumstance bearing upon the existence of the authority of such individual or *(b)* be required to see to the application or distribution of proceeds paid or credited to individuals signing the Agreement on behalf of such entity.

10.14 SEVERABILITY

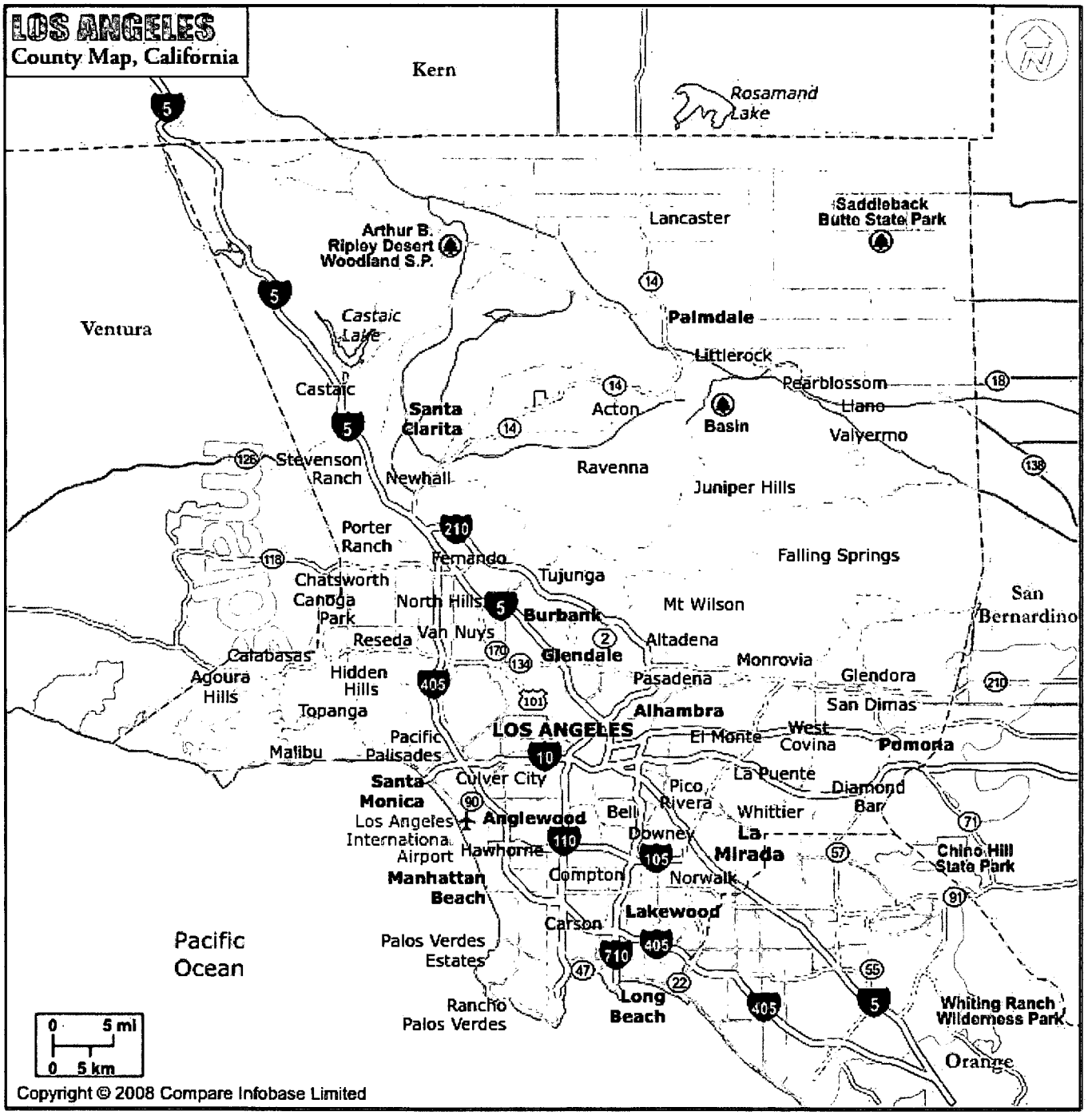
If any provision of the Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of the Agreement, such provision will be fully severable; the Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement; and the remaining provisions of the Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from the Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of the Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

IN WITNESS WHEREOF, the initial member and manager of **INVEST L.A. REGIONAL CENTER, LLC**, A California Limited Liability Company, have executed the Agreement, effective April 8, 2010.

INITIAL MEMBER AND MANAGER:

PHILIP Y. KIM

* * *


LOS ANGELES
County Map, California
Kern
Rosamond Lake
Lancaster
Saddleback Butte State Park
Arthur B. Ripley Desert Woodland S.P.
Palmdale
Ventura
Castaic Lake
Castaic
Littlerock
Pearblossom
Llano
Acton
Basin
Santa Clarita
Valyermo
Stevenson Ranch
Newhall
Ravenna
Juniper Hills
Porter Ranch
Falling Springs
Fernando
Tujunga
Chatsworth
Canoga Park
North Hills
Burbank
Mt Wilson
San Bernardino
Reseda
Van Nuys
Altadena
Calabasas
Glendale
Monrovia
Agoura Hills
Hidden Hills
Pasadena
Glendora
Topanga
San Dimas
Alhambra
LOS ANGELES
El Monte
West Covina
Pomona
Pacific Palisades
Malibu
Culver City
La Puente
Santa Monica
Pico Rivera
Diamond Bar
Los Angeles International Airport
Anglewood
Bell
Whittier
Downey
La Mirada
Hawthorne
Chino Hill State Park
Manhattan Beach
Compton
Norwalk
Lakewood
Carson
Pacific Ocean
Palos Verdes Estates
Rancho Palos Verdes
Long Beach
Whiting Ranch Wilderness Park
Orange
0 5 mi
0 5 km
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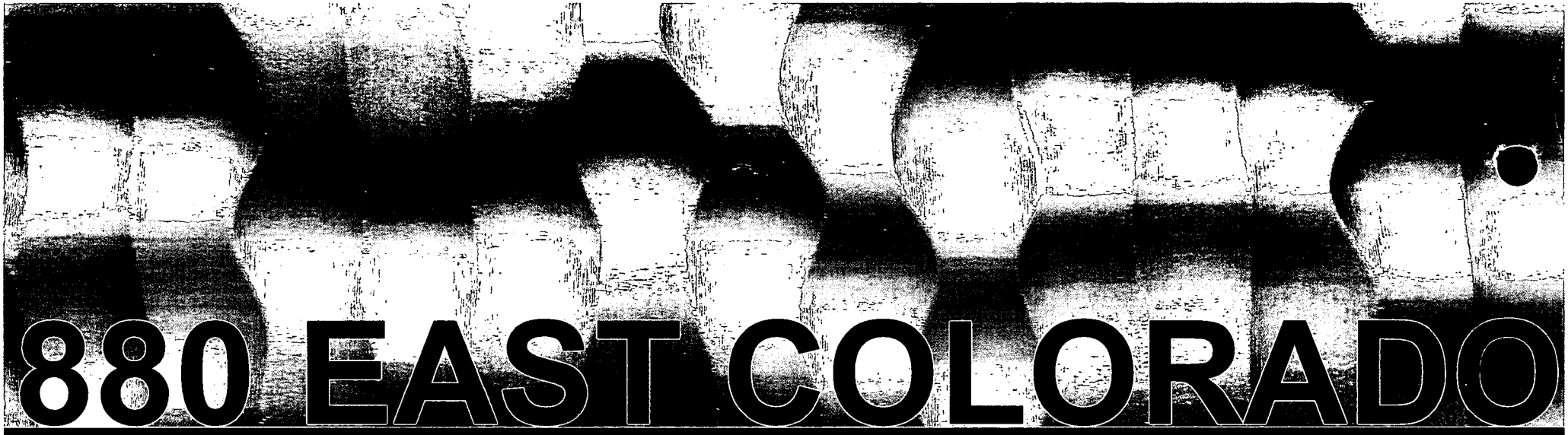


880 EAST COLORADO

Colorado at Lake

Draft EIR – Proposed Solution December 2009

Singpoli RTKL

Colorado at Lake is a mixed-use project located between Lake and Mentor Avenues, along the south side of Colorado Blvd. Our vision is to return an existing historic resource, The Constance Hotel, to its original hotel use, and to create a sustainable pedestrian-friendly mixed-use project that will encourage economic growth and development east of Lake Avenue.

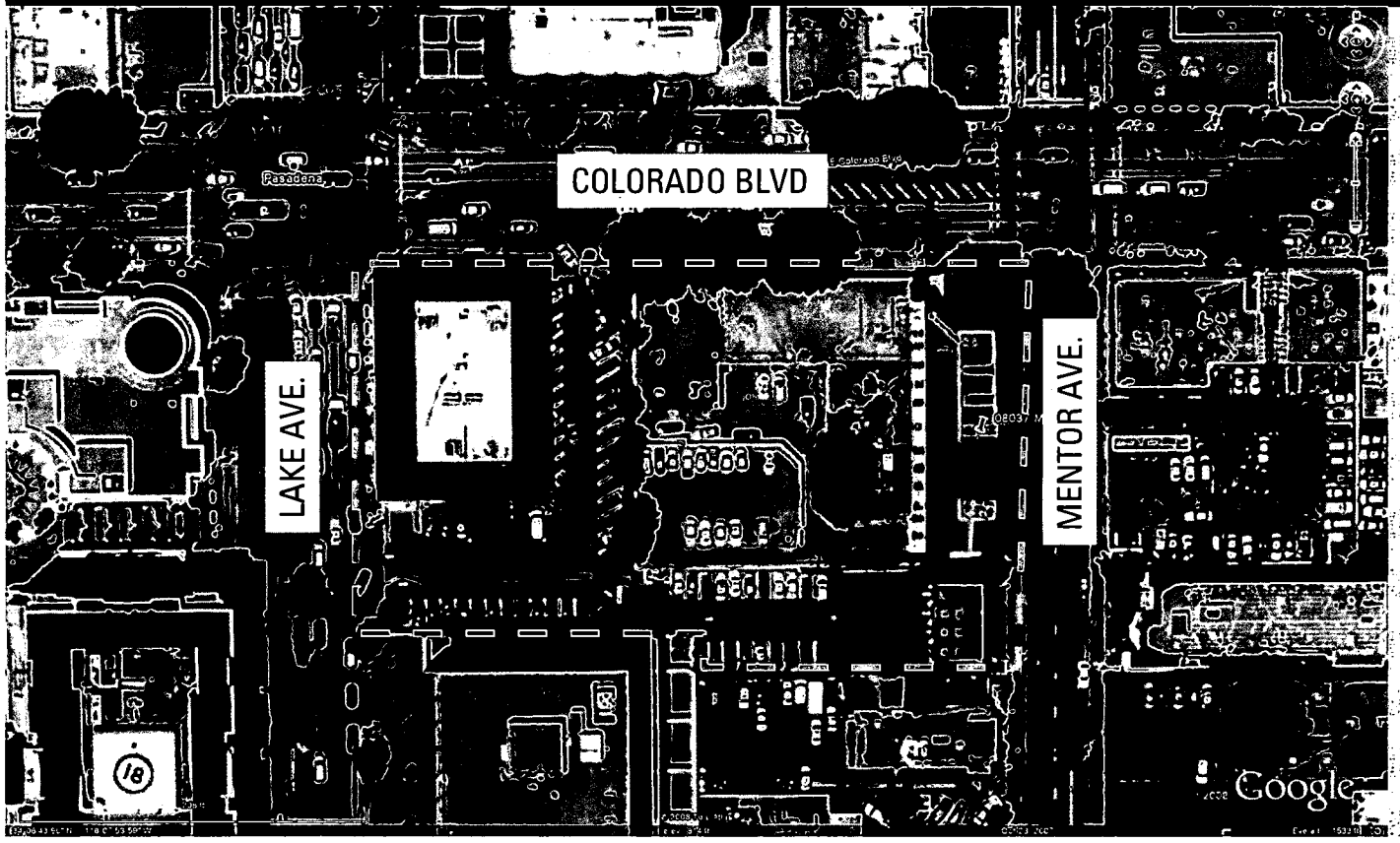
A COLLABORATIVE PROCESS

- Project incorporates City of Pasadena input received throughout the past two years
- Community Outreach
  - Pasadena Heritage
  - Playhouse District Association
  - South Lake Avenue Business District
  - Chamber of Commerce
  - Pasadena Convention Center
  - District 7 residents and representatives

QUICK FACTS

	Building Area (gsf)	Parking Stalls Provided	Hotel Keys	Office Space (gsf)	Retail /Restaurant (gsf)	Open Spa (sf)
Phase 1 – Ex. Hotel + New Condominium	63,418	148	114	0	2754	3030
Phase 2 – New Hotel + Retail + Spa	40,660	86	42	0	9930	23,320
Phase 3 – Bldg 'A' (Retail + Office)	148,100	561	0	103,410	44,690	38,790
Total	252,178	795	156			

EXISTING SITE



KEY FACTORS

- Vehicular Ingress and Egress at three locations
- Broken street edge on Colorado
- Currently under-parked for existing uses
- Historic Landmark Hotel

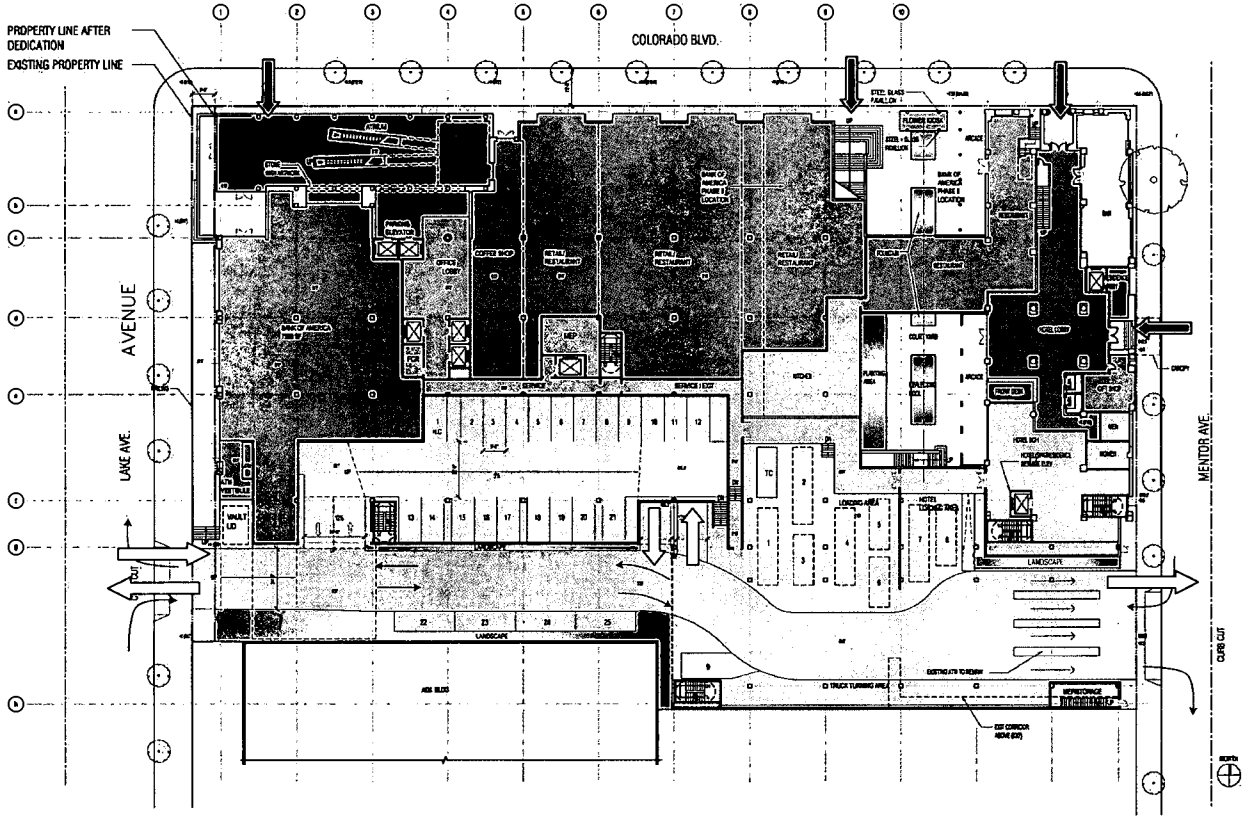
HISTORIC CONSTANCE HOTEL

HOTEL

- Constructed in 1926 as part of an unrealized phased development
- Secretary of the Interior Standards
- Renovation will return 114 hotel rooms, 5 Residential Units
- Courtyard Patio

GROUND LEVEL FLOOR PLAN

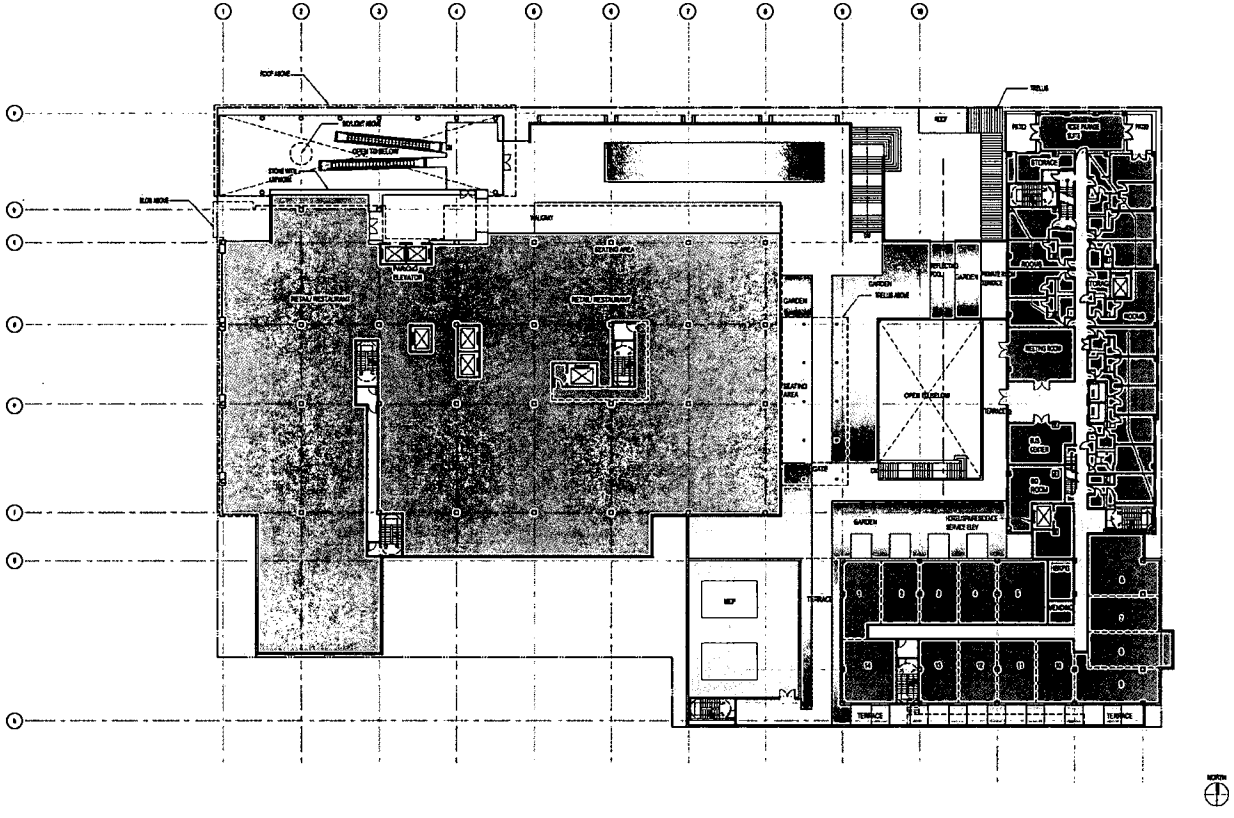
COLORADO at LAKE



FEATURES

- Pedestrian friendly streetscape
- Pedestrian friendly uses
- Vehicular access limited to Lake and Mentor
- Access to second level restaurants

LEVEL 2 FLOOR PLAN

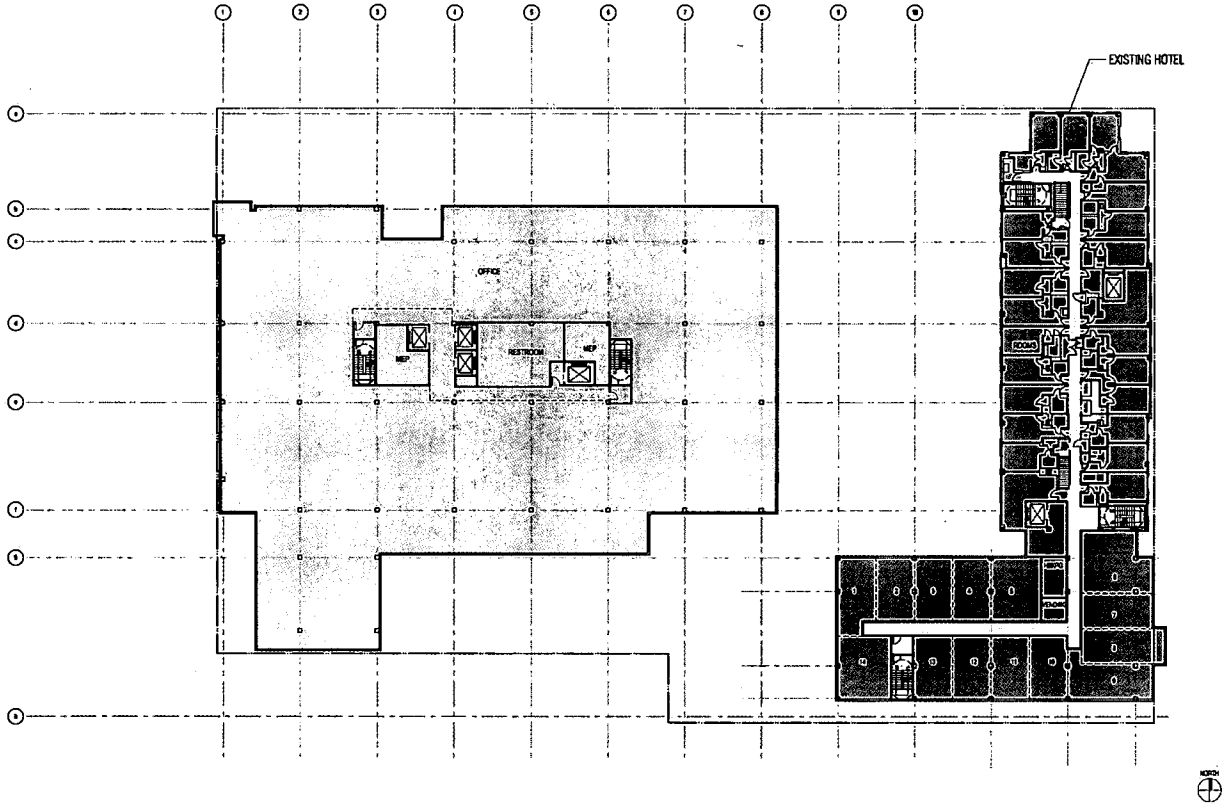


LEVEL 2

- Restaurants
- Extensive Landscaped Open Space
- Outdoor dining

LEVEL 4 FLOOR PLAN – TYPICAL

COLORADO at LAKE

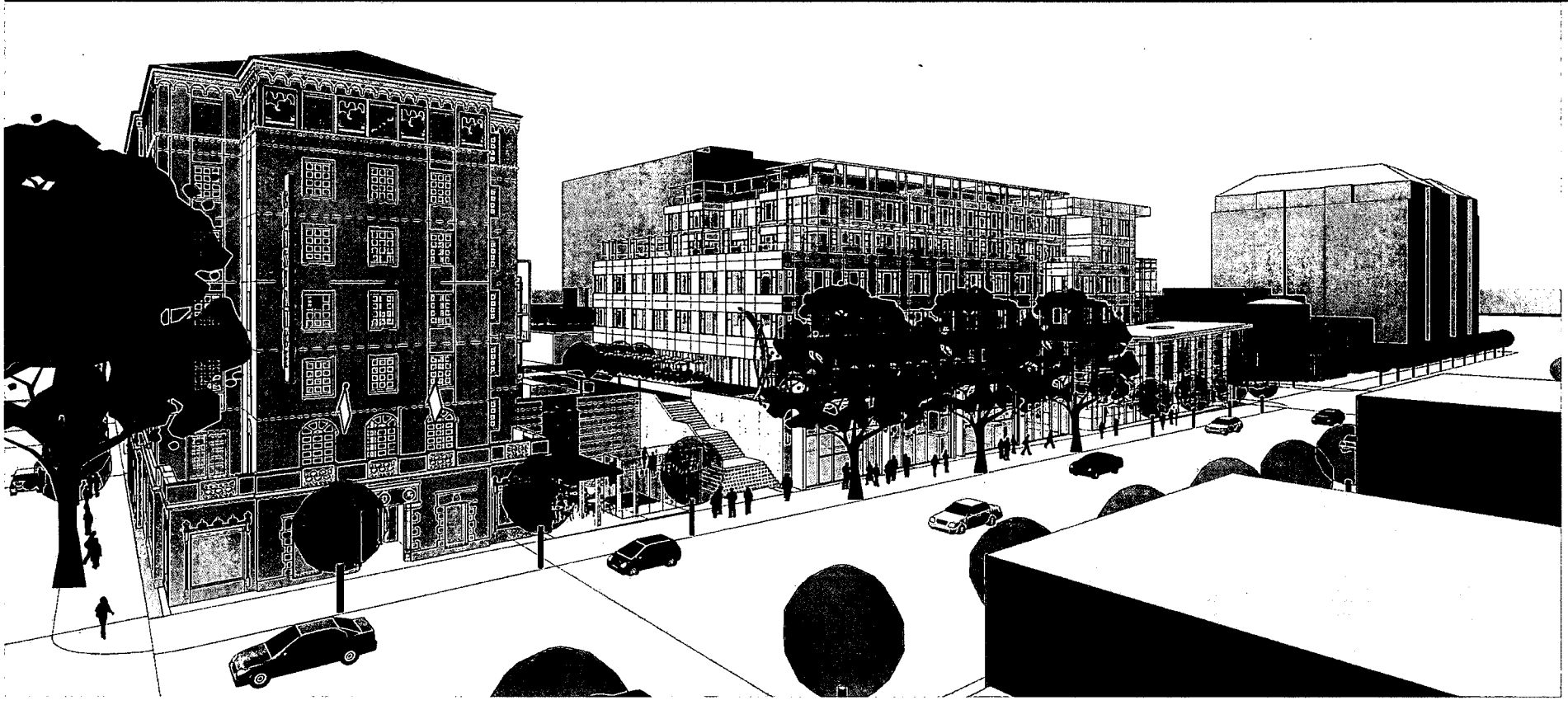


FEATURES

- Class 'A' Office Space
- Hotel Rooms

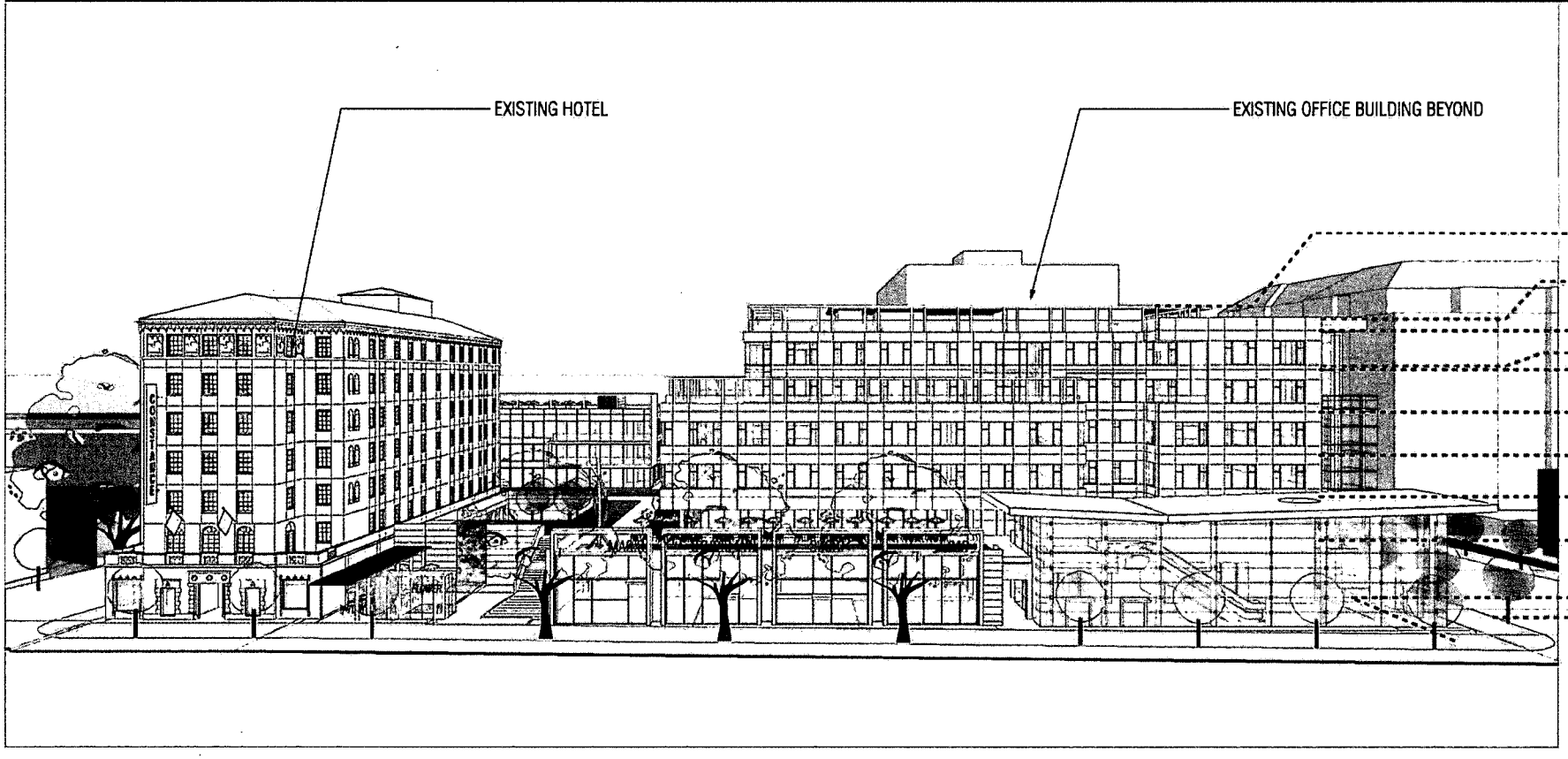
NORTHEAST CORNER VIEW

COLORADO at LAKE



COLORADO BOULEVARD VIEW

COLORADO at LAKE

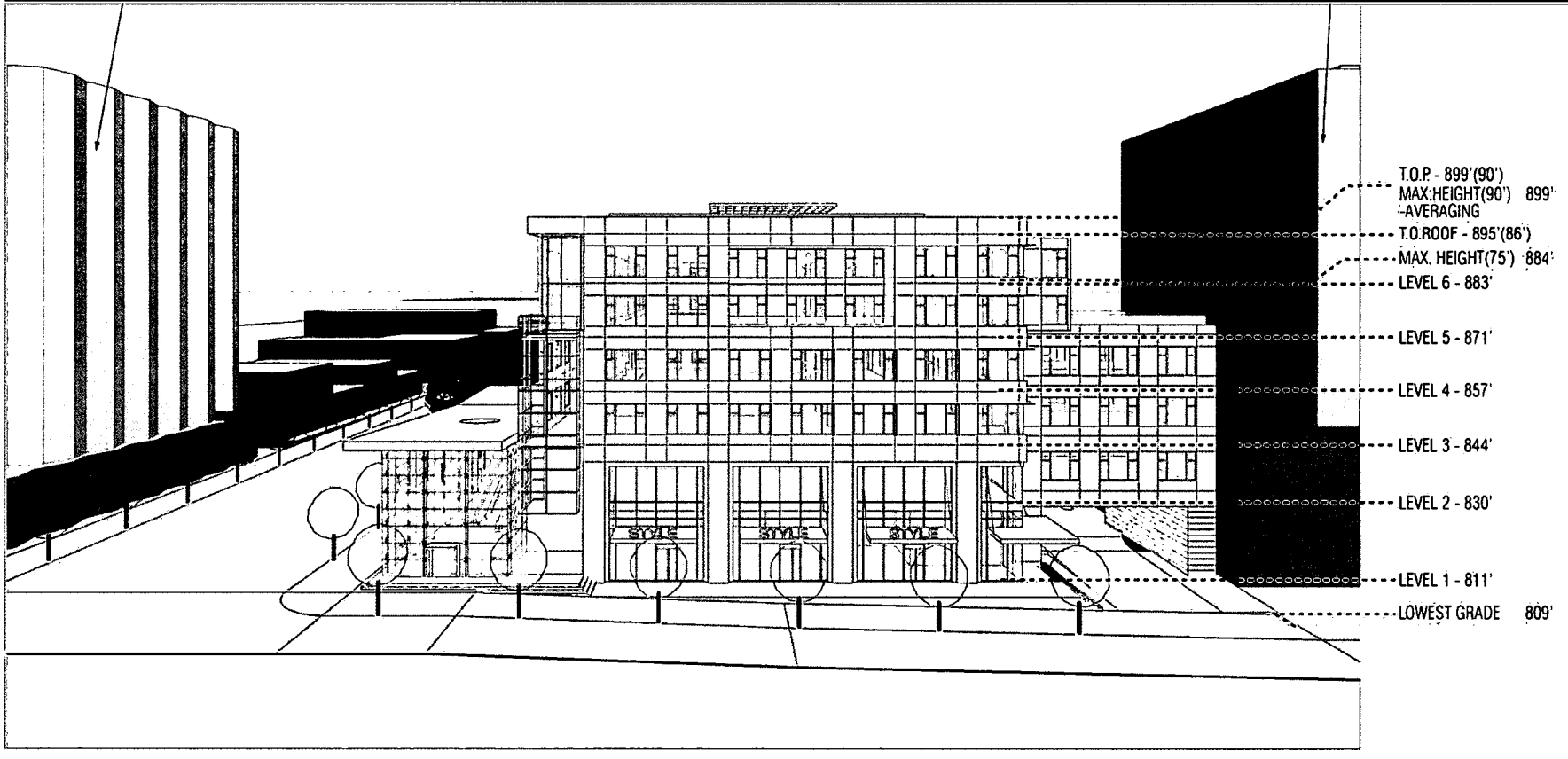


NORTHWEST CORNER VIEW

COLORADO at LAKE

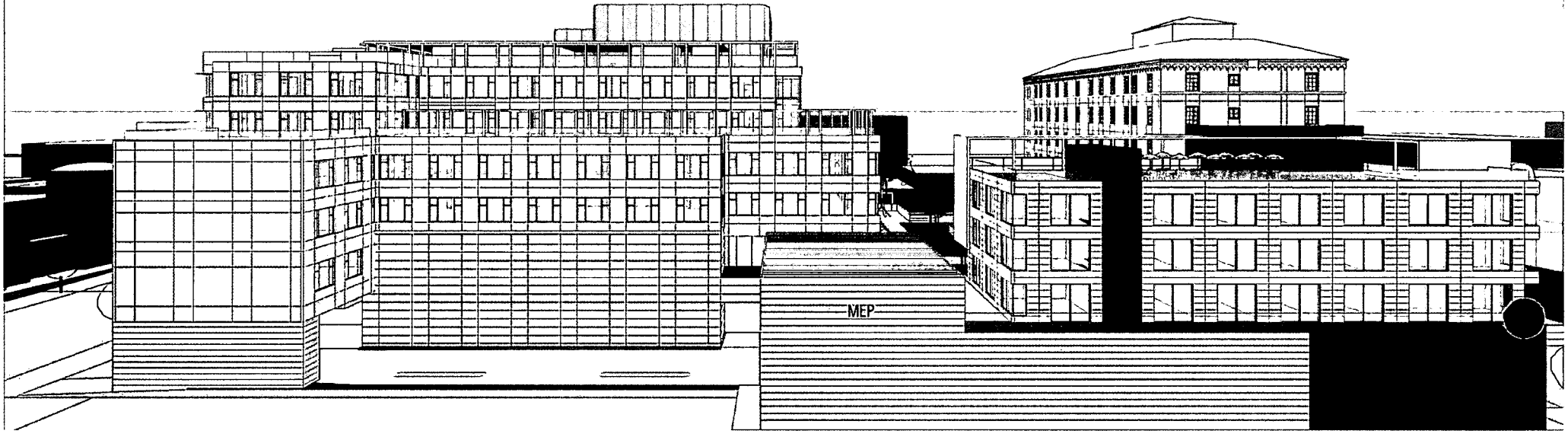
LAKE AVENUE VIEW

COLORADO at LAKE



SOUTH ELEVATION

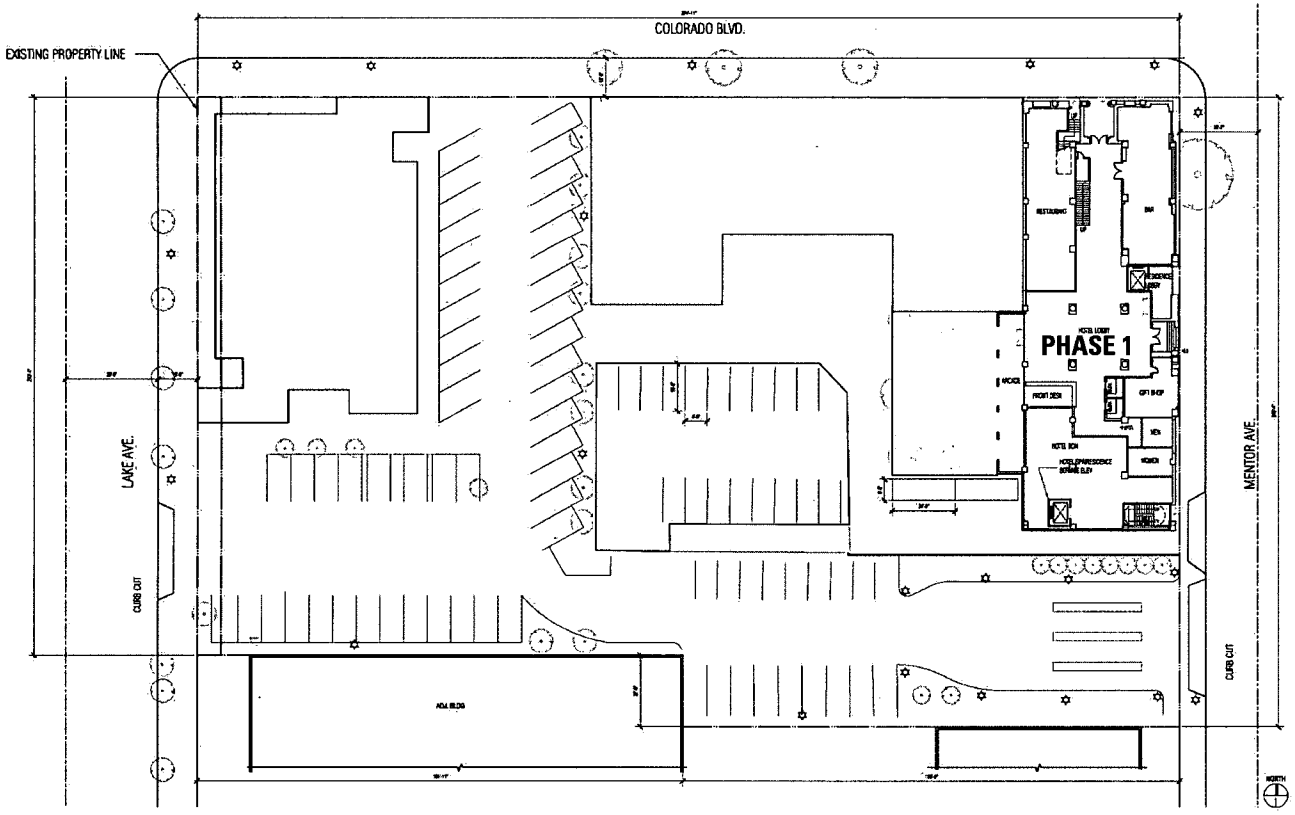
COLORADO at LAKE



MENTOR AVENUE VIEW

COLORADO at LAKE

PHASE 1 – LEVEL 1 PLAN

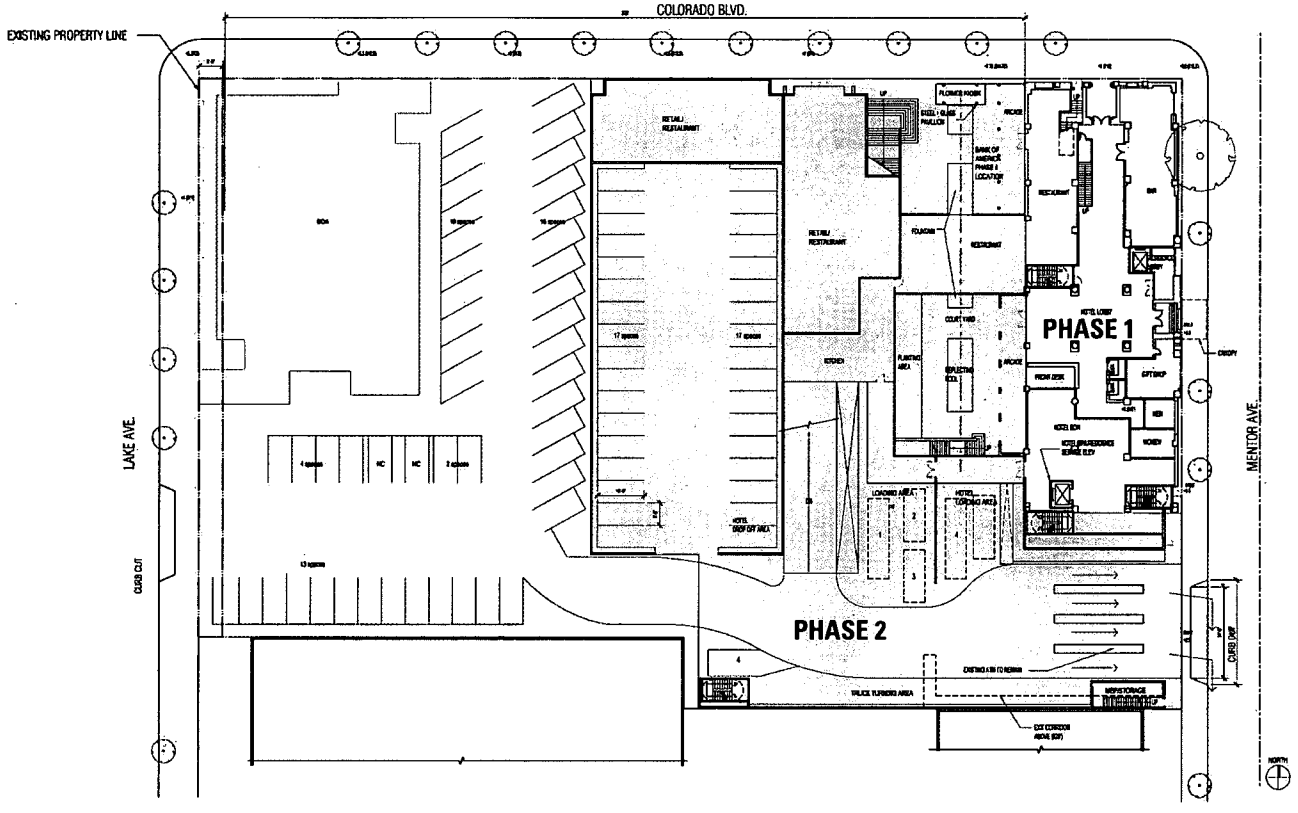


Phase 1

- Existing building renovation
- Existing buildings and uses to remain

PHASE 2 – LEVEL 1 PLAN

COLORADO at LAKE



Phase 1

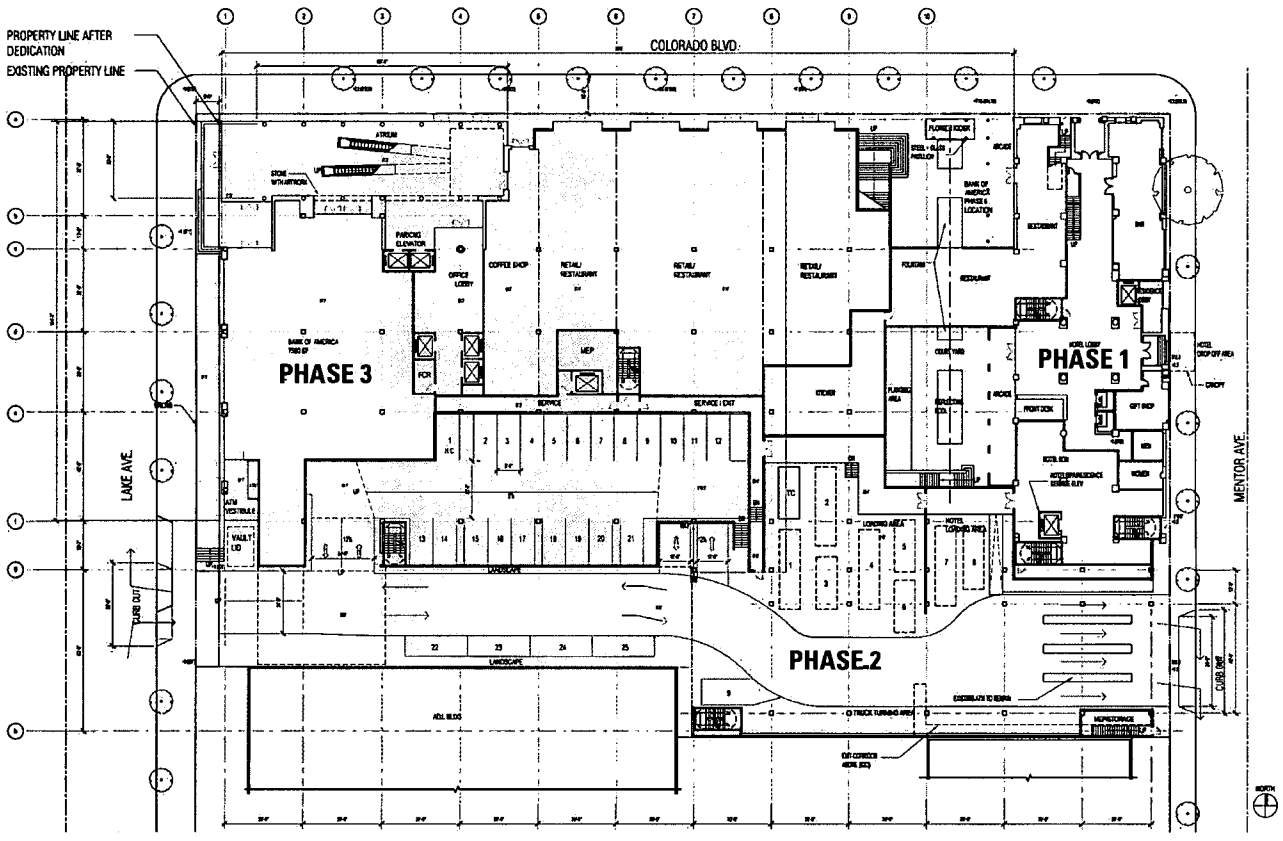
- Existing building renovation
- Existing buildings and uses to remain

Phase 2

- Hotel Addition
- Retail at Grade
- Partial Subterranean Parking
- 2nd Floor Open space

PHASE 3 – LEVEL 1 PLAN

COLORADO at LAKE



Phase 1

- Existing building renovation
- Existing buildings and uses to remain

Phase 2

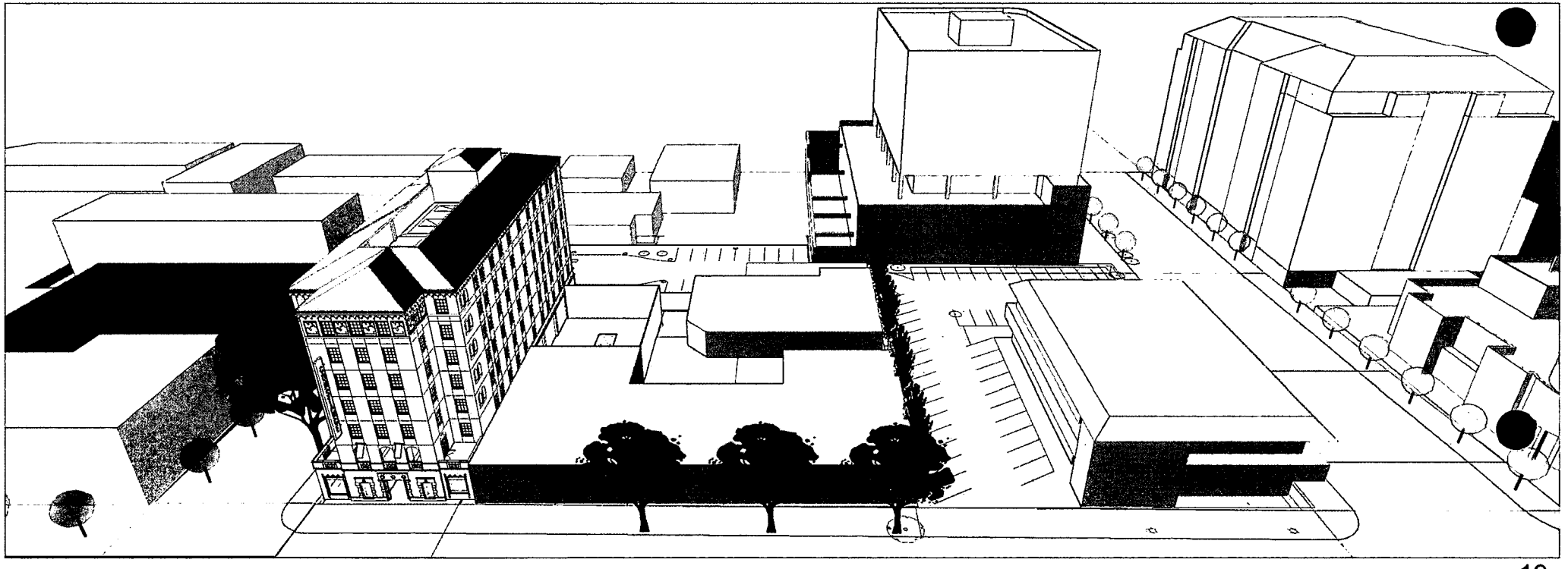
- Hotel Addition
- Retail at Grade
- Partial Subterranean Parking
- 2nd Floor Open space

Phase 3

- Mixed-Use Office Building
- Completed Subterranean Parking

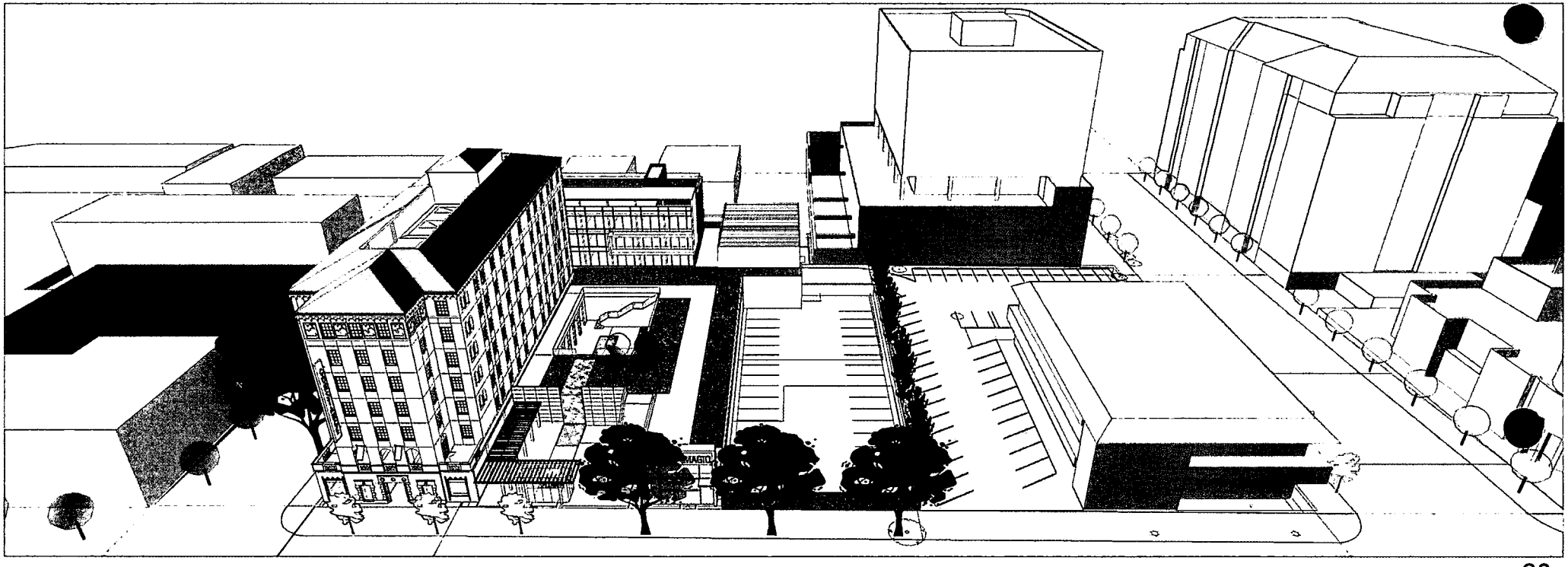
PHASE 1 VIEW LOOKING SOUTH

COLORADO at LAKE



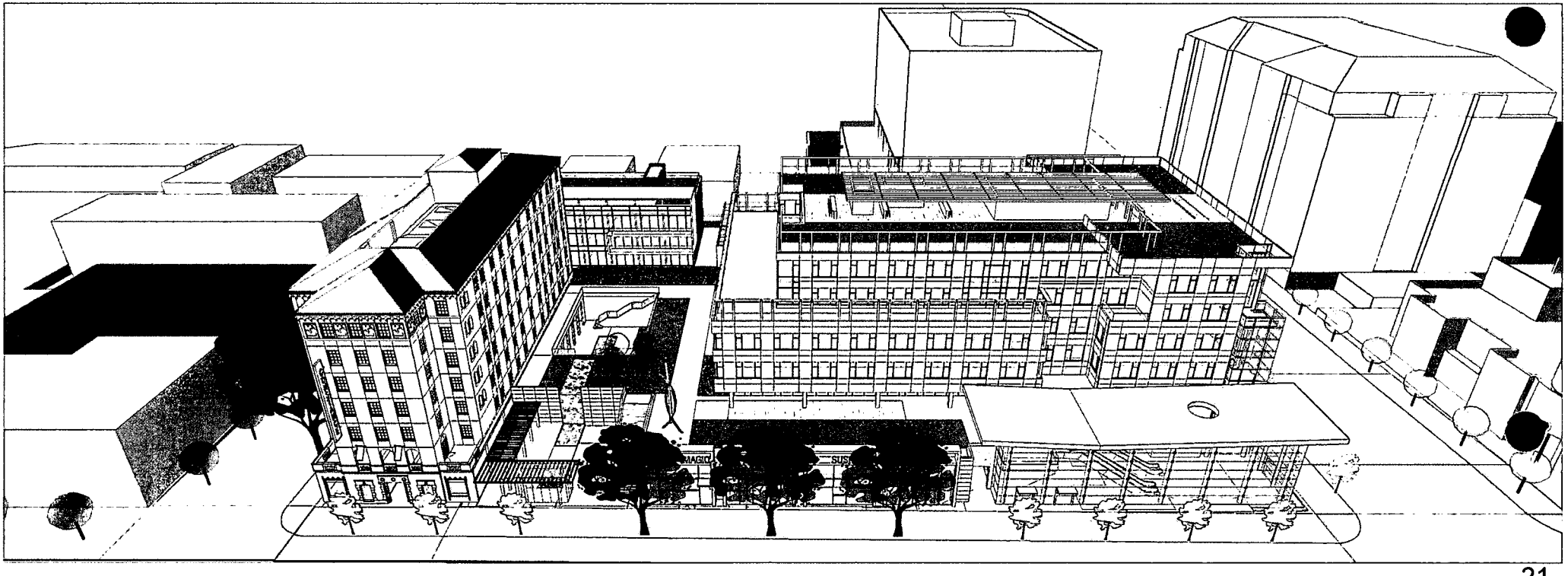
PHASE 2 VIEW LOOKING SOUTH

COLORADO at LAKE



PHASE 3 VIEW LOOKING SOUTH

COLORADO at LAKE



REQUESTED ENTITLEMENTS

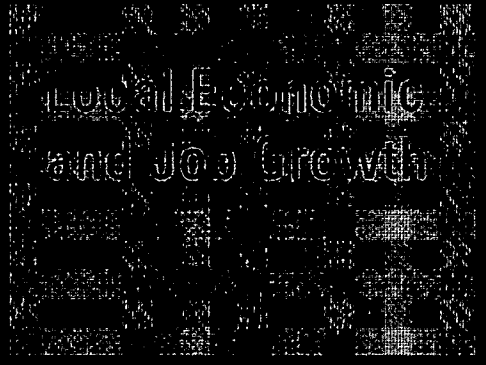
COLORADO at LAKE

- New Mixed-Use Project exceeds 25,000 SF (TOD CUP)
- Hotel Use in CD-5 (CUP)
- Parking Valet and Tandem (MCUP)
- Lot line adjustment
- Public and Private Tree Removal

BENEFITS

COLORADO at LAKE

- Luxury boutique hotel
- Supports Pasadena as a destination
- Adds hotel rooms to support the new Convention Center



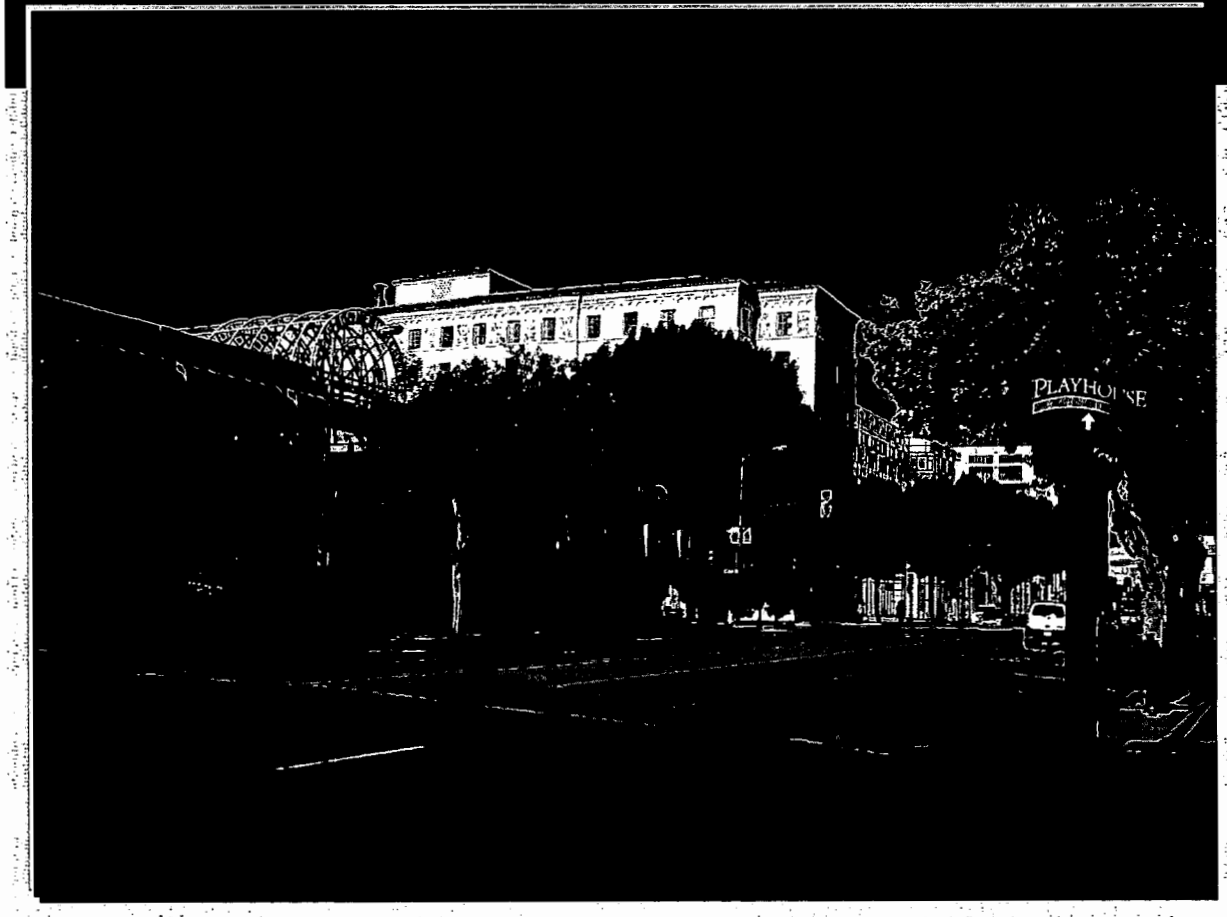
- Attracts new businesses and visitors to Pasadena
- Public and Private Revenue (City, School District, Private Employment, etc.)

- Adds 30,000 SF of Green and Open Space in the CBD
- Improves Streetscape

- Complies with the City's Green Building Ordinance
- Provides LEED Silver NC for each phase

COLORADO at LAKE

View looking north on Mentor Ave.



COLORADO at LAKE

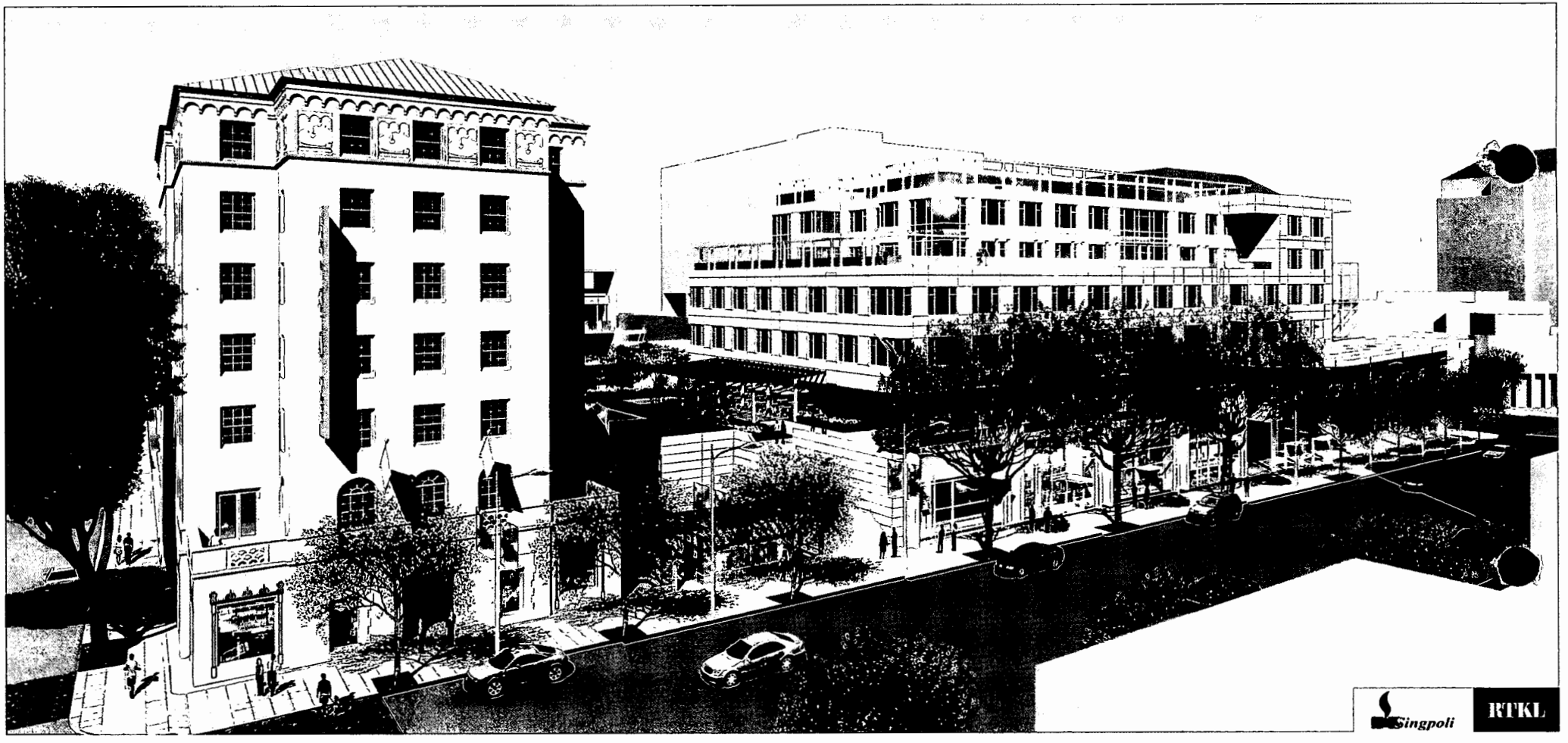
View looking west on Colorado Blvd.

COLORADO at LAKE

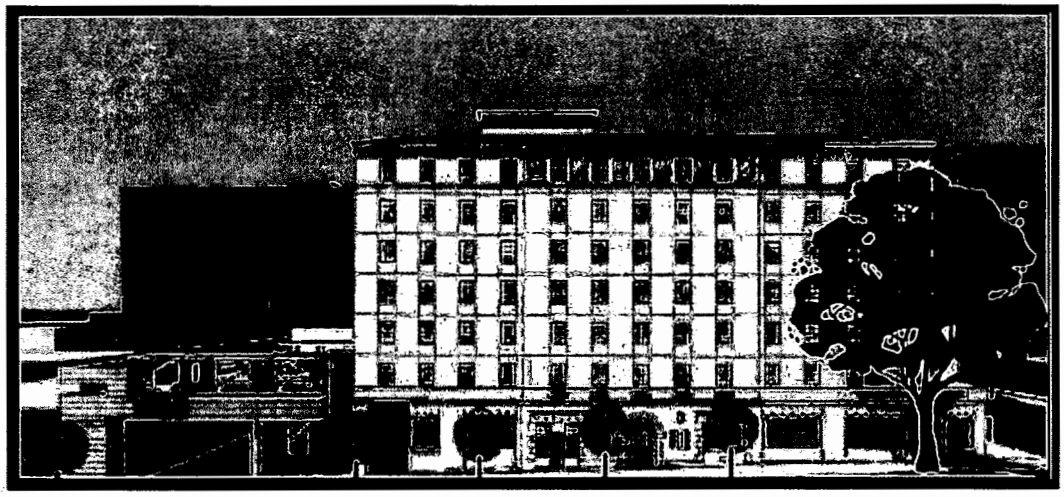
View looking east on Colorado Blvd.

COLORADO at LAKE

View looking north on Lake Ave.


Singpoli
RTKL

Pasadena Project Phase I
Business Plan



908 to 940 E. Colorado Blvd.,
Pasadena, California 91106

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I. INTRODUCTION

Park Place EB5, LP will be part of a mixed-use commercial center, known as Colorado at Lake, which is located at the corner of E. Colorado Blvd. and Lake Ave. in Pasadena, California ("Pasadena Project"). This development will consist of an upscale boutique hotel, restaurants, retail space, an office building, bank facilities, and parking garage. The project will be undertaken in two phases. Phase I will include the renovation of a 147-room hotel, 8,000 square feet of retail space, 10,000 square feet of restaurant space, and a parking garage with 125 spaces. Phase II will include 25 more rooms in the hotel, 10,000 square feet of retail space, 15,726 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

This business plan will be addressing Phase I of the Pasadena Project. There currently exists a vacant 7 story historic building that was first built in 1926 as a hotel by the name of Hotel Constance. Hotel Constance in the 1970's was converted into a senior apartment complex. The hotel building is about 65,000 square feet. Adjacent to hotel is a one story, 10,000 square feet of existing retail stores. Park Place Commercial, LP acquired the hotel in vacant form and the adjacent one story retail in 2007 ("Phase I Property"). The general partner of Park Place Commercial, LP is Singpoli Pacifica, LLC. In 2008, Singpoli Pacifica, LLC along with its investors acquired the adjacent property to the Phase I Property. This property is part of Phase II of the Pasadena Project.

The entitlement application for the Pasadena Project was submitted fall of 2008. The entitlement hearing is anticipated to be held on August of 2010. Construction on Phase I is anticipated to start on September of 2010.

This business plan will focus primarily on the hotel market even though the final product will include some retail. The primary economic driving force for Phase I of the Pasadena Project will be the hotel. The retail portion of Phase I will be complimentary amenities to the hotel, such as restaurants.

Joie de Vivre will be the hotel operator. Most of the market data and analysis is from Joie de Vivre. Joie de Vivre is the largest boutique hotel operator in California with other 38 locations statewide. A proposed contract with Joie de Vivre is attached hereto as part of the appendix.

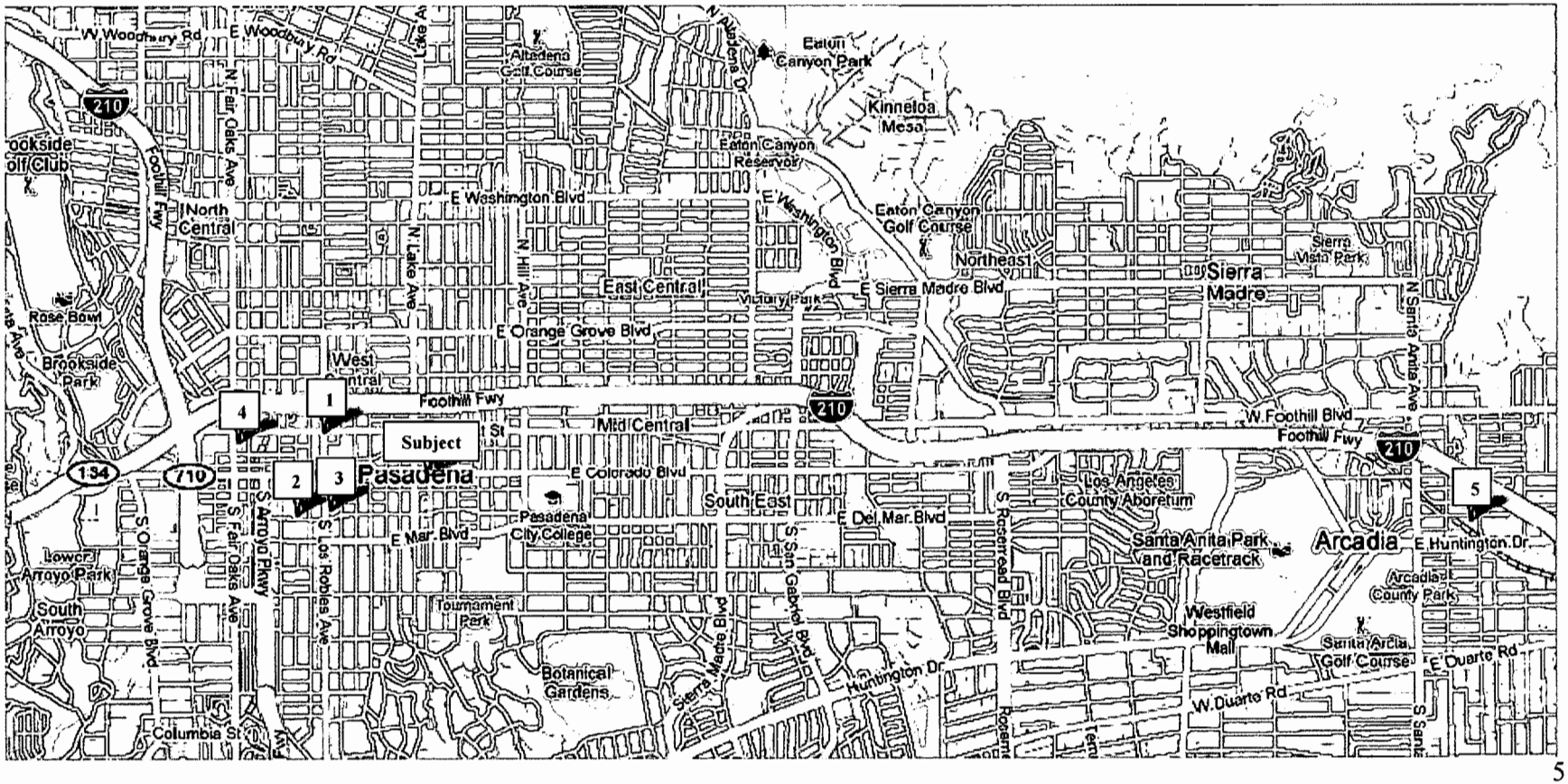
The general contractor will be Singpoli Construction. Singpoli Construction is part of the Singpoli Group of Companies, which includes Singpoli Pacifica, LLC, the general partner of the owner entities of both Phase I and II and the developer of the Pasadena Project.

II. Competitive Market

A. Analysis of the Competitive Set

We have determined the competitive set of the proposed hotel to be as follows:

	Name of Hotel	Rooms
1	Westin Pasadena	350
2	Sheraton Hotel Pasadena	311
3	Hilton Pasadena	296
4	Courtyard Pasadena Old Town	314
5	Hilton Garden Inn Arcadia Pasadena	124



Overview of Competitor Amenities

	Hilton Garden Inn Arcadia	Westin Pasadena	Sheraton Pasadena	Hilton Pasadena	Courtyard Pasadena Old Town
Rooms	124	350	311	296	314
Restaurant		√	√	√	√
Room Service		√	√	√	
Meeting Space	1,300 sf	26,000 sf	11,000 sf	27,000 sf	6,000 sf
Business Center	√	√	√	√	√
Fitness Center	√	√	√	√	√
Pool	√	√	√	√	√
Internet Access	√	√	√	√	√

Westin Pasadena

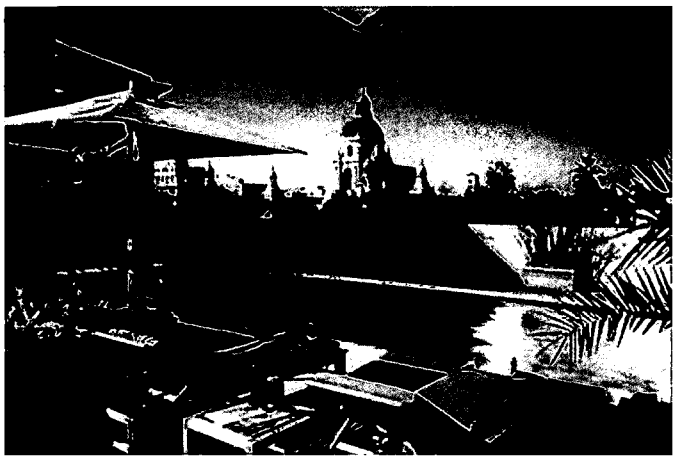
191 North Los Robles Ave
Pasadena, CA 91101
626-792-2727

Rooms: 350 Corp Rate: $199 Wkend Rate: $175

Competitor summary

The downtown Westin Pasadena Hotel borders Plaza Las Fuentes with its fountains, shops and cafés, and stands close to additional shops and restaurants at Paseo Colorado. The hotel is a mile or less from the Pasadena Convention Center, colleges and major companies. For New Year's Day celebrations, travelers are only one block from the Rose Bowl parade and a mile from the Rose Bowl.

Strengths	Weaknesses
• Modern and upscale • Rooftop outdoor heated pool • Spa tub and sundeck overlook City Hall • 24 business center and concierge • 24 hour room service • Ventanas Restaurant open all day • The Living Room Lobby & Bar for cocktails & snacks • Café a la Carte for desserts & baked goods • Great place for weddings	• Not as close to convention center as Sheraton and Hilton • Parking expensive • Several guest reviews indicate hotel is not up to typical Westin standards



Sheraton Pasadena

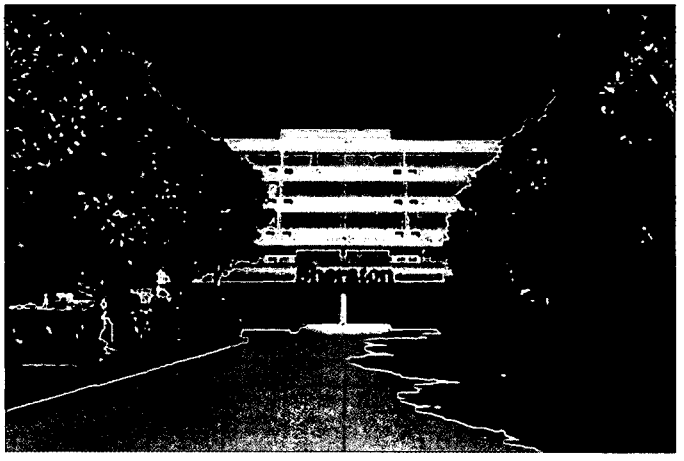
303 Cordova Street
Pasadena, CA 91101
866-539-0036

Rooms: 311 Corp Rate: $199 Wkend Rate: $129

Competitor summary

The Sheraton Pasadena Hotel is ideally located within walking distance of the abundant shopping, dining, and entertainment options that Old Town Pasadena is renowned for. Its complimentary shuttle services a three-mile radius so guests can also explore the city's historic landmarks and attractions such as the Rose Bowl, the Norton Simon Museum, and The Huntington Library and Botanical Gardens. The hotel sits adjacent to the Pasadena Convention Center.

Strengths	Weaknesses
• Located adjacent to the Paseo Colorado, Pasadena's upscale, open air shopping, dining, and entertainment center. • Located adjacent to the Pasadena Convention Center, recently renovated, with over 150,000 sf of meeting and event space. Closest hotel to the convention center. • Walking distance to Old Town Pasadena • Outdoor heated pool • Two food and beverage outlets: Soleil (Mediterranean & Californian style restaurant) and Charlie's Bar	• Has not been recently renovated • Older building • Parking expensive • Less meeting space than Westin or Hilton • Charge for Internet access



Hilton Pasadena

168 South Los Robles Ave
Pasadena, CA 91101
626-577-1000

Rooms: 296 Corp Rate: $189 Wkend Rate: $149

Competitor summary

The Hilton Pasadena is located within walking distance of historic Old Pasadena and one block from the Convention Center. The hotel recently received a $6 million renovation and all guest rooms are equipped with modern conveniences such as a "smart desk", including high-speed internet access, speaker phone and an ergonomic chair.

Strengths	Weaknesses
• Newly renovated product • Close to shopping district and convention center, 2 miles from Rose Bowl • Outdoor pool • Remote guest room printing • Trevos Restaurant serving breakfast, lunch, and dinner • Starbucks on site • Nearly 30,000 square feet of meeting and event space, most among competitors	• Charge for Internet access • Small bathrooms • Parking expensive • Room Service stops at 10pm

Courtyard Old Town Pasadena

180 North Fair Oaks Ave
Pasadena, CA 91103
626-403-7600

Rooms: 314 Corp Rate: $219 Wkend Rate: $149

Competitor summary

The Courtyard Old Pasadena is located in the heart of Old Pasadena and five blocks from Paseo Colorado. The hotel features comfortable lounge furniture and a fireplace in the lobby, and guestrooms are decorated with bright fabrics and traditional furniture selections. It is the only Marriott hotel in Pasadena.

Strengths	Weaknesses
• Closest of competitors to the Rose Bowl • Able to command a higher rate than other competitors during the week • Located in Old Town Pasadena • Only Marriott in Pasadena – good for loyalty program members.	• Limited service • Limited meeting space • No room service

Hilton Garden Inn Arcadia

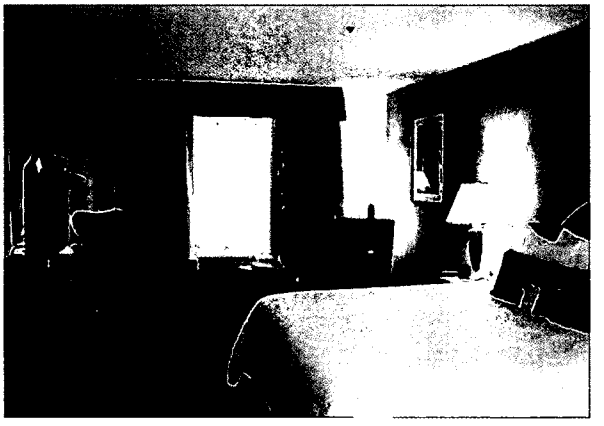
199 North Second Ave
Arcadia, CA 91006
626-574-6900

Rooms: 124 Corp Rate: $139 Wkend Rate: $99/109

Competitor summary

The Hilton Garden Inn Arcadia, in the L.A. suburb of Arcadia opened in late 1999, is a mile from the Santa Anita Park racetrack and is situated right off the 210 Freeway. All of the guest rooms are big and airy, with a choice of a king or two queen beds. The rooms are equipped with a full range of amenities and a complimentary in-room movie channel.

Strengths	Weaknesses
• Near Freeway • Near Racetrack • More affordable option than all competitors • Less rooms to fill than all competitors • Can attract travelers to the small businesses located in Arcadia • Recently upgraded	• Much farther from central business area than other competitors • Much farther from leisure demand generators in Pasadena such as Rose Bowl and the shopping and restaurants of Paseo Colorado and Old Town • No restaurant or room service • Limited meeting space



B. Relative Positioning

To determine where the Hotel should be positioned in terms of rate, we performed an analysis of the competitive set. We started by "shopping" the rates online at the competitive hotels, at various times of the year, on weekdays and weekends, and coming up with an average rate for each segment below. We did not interpret these rates as the ADR for each hotel; rather they helped us to determine the relative positioning of the competitors.

Weekday (Corporate)

Hotel	Rooms	Rate Category Name	Wed Fall 30-Sep	Wed Winter 13-Jan	Wed Spring 21-Apr	Wed Summer 14-Jul	Average Corporate Rate
Hilton Garden Inn Arcadia	124	Standard room	$139	$139	$139	$139	$139
Westin Pasadena	350	Standard room	$199	$179	$209	$199	$197
Sheraton Hotel Pasadena	311	Traditional room - King Bed	$169	$199	$199	$199	$192
Hilton Pasadena	296	Standard room	$189	$189	$189	$189	$189
Courtyard Pasadena Old Town	314	Standard king	$219	$219	$219	$219	$219

Weekend (Leisure)

Hotel	Rooms	Rate Category Name	Sat Fall 3-Oct	Sat Winter 30-Jan	Sat Spring 24-Apr	Sat Summer 24-Jul	Average Leisure Rate
Hilton Garden Inn Arcadia	124	Standard Two Queens	$99	$109	$109	$99	$104
Westin Pasadena	350	Standard room	$179	$145	$155	$219	$175
Sheraton Hotel Pasadena	311	Traditional room - 2 Double Beds	$109	$129	$129	$129	$124
Hilton Pasadena	296	2 Double beds	$149	$149	$149	$149	$149
Courtyard Pasadena Old Town	314	Standard Queens	$149	$149	$149	$149	$149

Next we ranked each hotel on 11 different factors on how it compares to the subject hotel. A negative number signifies that the competitor is worse than the subject hotel, a zero means it is the same, and a positive number means it ranks higher than the subject hotel.

We also gave each factor a weighting (Importance), depending on which market segment it was for. For instance, location tends to be more important for a corporate individual so it received a 25% weighting, and meeting space is much more important for a corporate group, receiving a 30% weighting.

Price Value Comparison - Competition Rating
Corporate Individual (weekday)

Quality Rating		Competitors				
-3, -2, -1, Same, 1, 2, 3	Importance	Hilton Garden Inn Arcadia	Westin Pasadena	Sheraton Hotel Pasadena	Hilton Pasadena	Courtyard Pasadena Old Town
Location	25	-3	1	3	2	3
Level of Service	10	-3	0	-2	-1	-1
Guestroom Size	10	1	3	2	2	1
Design/Appearance	10	-3	-1	-3	-1	-1
Public Areas	5	-2	-1	-2	-1	-1
Frequent Traveler Program	10	3	3	3	3	2
Age	10	-2	-1	-3	-2	-2
Food & Beverage	7	-1	3	2	2	-1
Health Club Amenities	5	1	3	2	2	2
Business Center	8	0	0	0	0	0
Quality of Meeting Space	0	-1	3	3	3	1
	100					

Leisure Individual (weekend)

Quality Rating		Competitors				
-3, -2, -1, Same, 1, 2, 3	Importance	Hilton Garden Inn Arcadia	Westin Pasadena	Sheraton Hotel Pasadena	Hilton Pasadena	Courtyard Pasadena Old Town
Location	10	-3	2	3	3	3
Level of Service	7	-3	0	-2	-1	-1
Guestroom Size	15	1	3	2	2	1
Design/Appearance	15	-3	-1	-3	-1	-1
Public Areas	10	-2	-1	-2	-1	-1
Frequent Traveler Program	5	3	3	3	3	2
Age	15	-2	-1	-3	-2	-2
Food & Beverage	15	-1	3	2	2	-1
Health Club Amenities	5	1	3	2	2	2
Business Center	3	0	0	0	0	0
Quality of Meeting Space	0	-1	3	3	3	1
	100					

Corporate Group (weekday)

Quality Rating		Competitors				
-3, -2, -1, Same, 1, 2, 3	Importance	Hilton Garden Inn Arcadia	Westin Pasadena	Sheraton Hotel Pasadena	Hilton Pasadena	Courtyard Pasadena Old Town
Location	10	-3	1	3	2	2
Level of Service	7	-3	0	-2	-1	-1
Guestroom Size	7	1	3	2	2	1
Design/Appearance	5	-3	-1	-3	-1	-1
Public Areas	5	-2	-1	-2	-1	-1
Frequent Traveler Program	5	3	3	3	3	2
Age	6	-2	-1	-3	-2	-2
Food & Beverage	10	-1	3	2	2	-1
Health Club Amenities	5	1	3	2	2	2
Business Center	10	0	0	0	0	0
Quality of Meeting Space	30	0	3	3	3	0
	100					

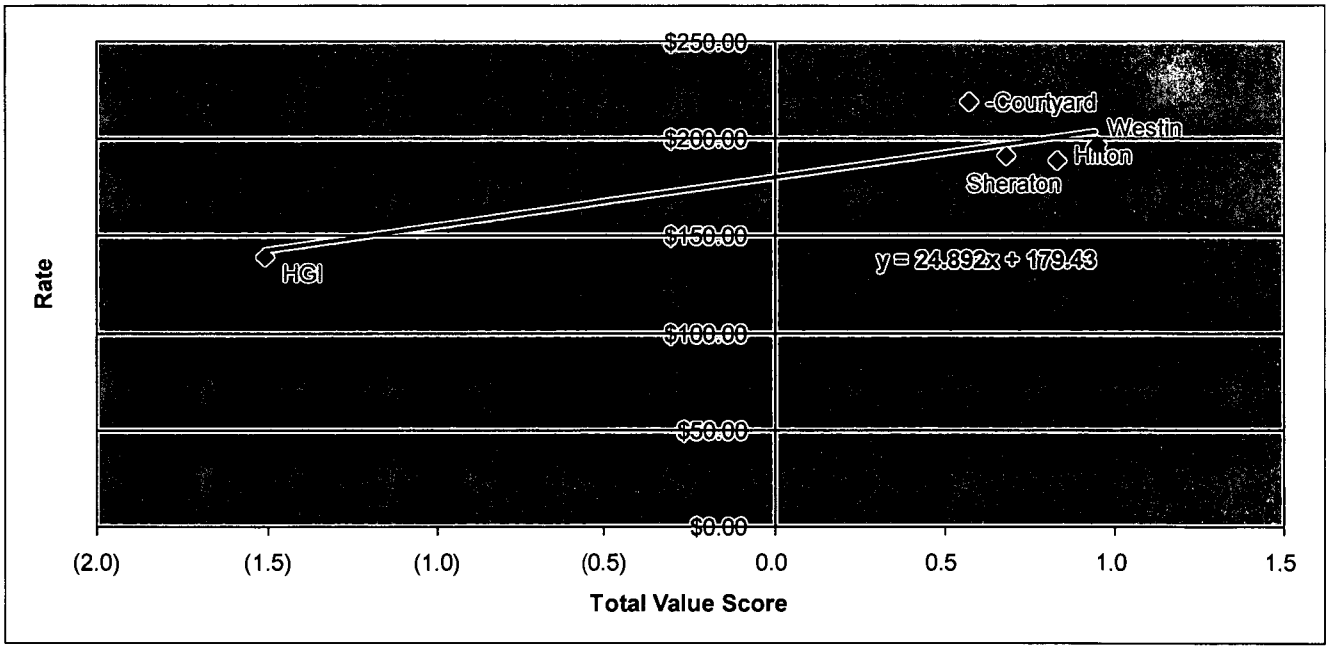
Leisure Group (weekend)

Quality Rating		Competitors				
-3, -2, -1, Same, 1, 2, 3	Importance	Hilton Garden Inn Arcadia	Westin Pasadena	Sheraton Hotel Pasadena	Hilton Pasadena	Courtyard Pasadena Old Town
Location	10	-3	3	3	3	3
Level of Service	7	-3	0	-2	-1	-1
Guestroom Size	7	1	3	2	2	1
Design/Appearance	10	-3	-1	-3	-1	-1
Public Areas	10	-2	-1	-2	-1	-1
Frequent Traveler Program	5	3	3	3	3	2
Age	15	-2	-1	-3	-2	-2
Food & Beverage	15	-1	3	2	2	-1
Health Club Amenities	3	1	3	2	2	2
Business Center	3	0	0	0	0	0
Quality of Meeting Space	15	-2	3	2	2	-1
	100					

A Total Value Score was determined for each competitor by multiplying the Importance by the Score for each factor and then summing the scores. By plotting the each Total Value Score against the average rates of each hotel, we were able to come up with a trendline, which told us the value of each point in the competitive rating. From here, using the slope of the line, we came up with an Average Daily Rate (ADR) Index for each market segment.

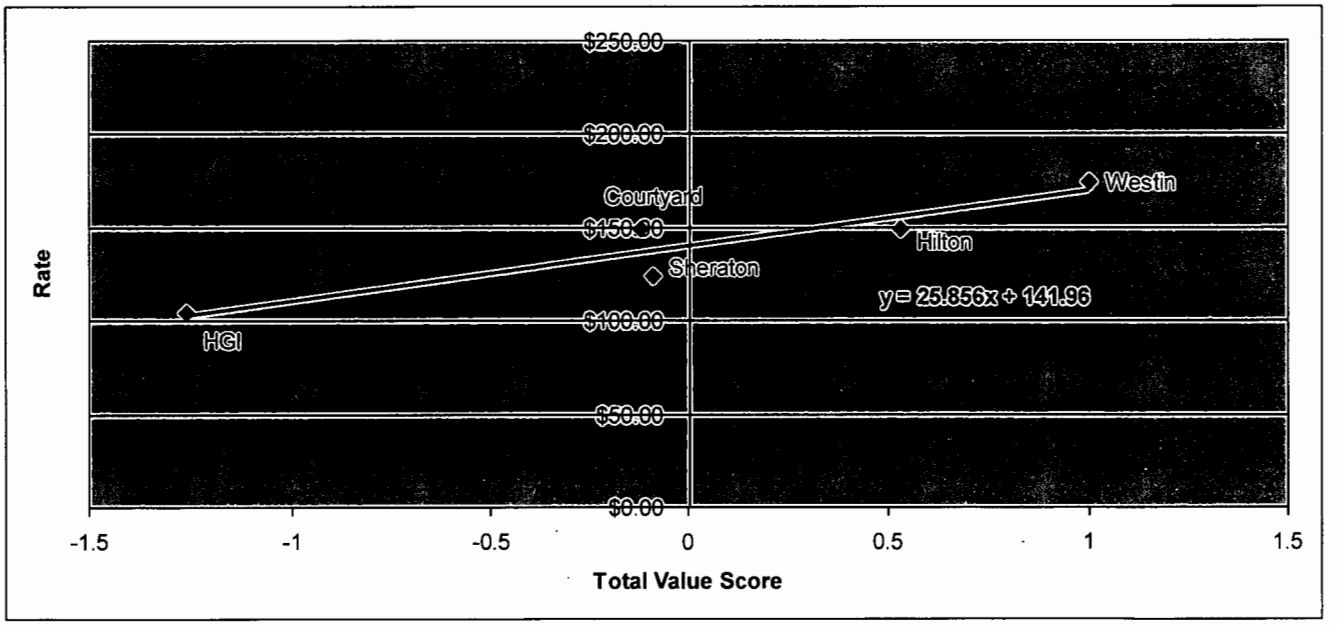
Corporate Individual (weekday)

Hotel	Rooms	Average Rate	Total Value Score	Relative Index
Hilton Garden Inn Arcadia	124	$139.00	-1.5	62.4
Westin Pasadena	350	$196.50	1.0	123.6
Sheraton Hotel Pasadena	311	$191.50	0.7	116.9
Hilton Pasadena	296	$189.00	0.8	120.7
Courtyard Pasadena Old Town	314	$219.00	0.6	114.2
Slope	24.89			
Index	**0.88**			



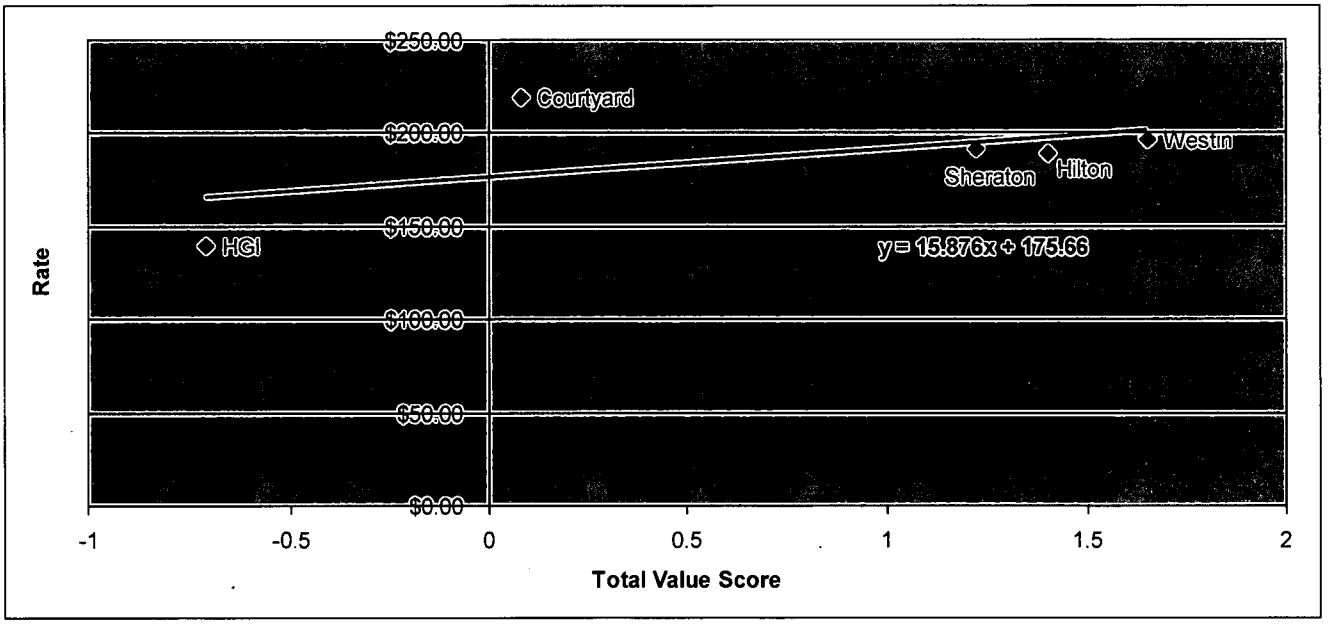
Leisure Individual (weekend)

Competitor	Rooms	Average Rate	Total Value Score	Adjusted Score
Hilton Garden Inn Arcadia	124	$104.00	-1.3	67.4
Westin Pasadena	350	$174.50	1.0	125.9
Sheraton Hotel Pasadena	311	$124.00	-0.1	97.7
Hilton Pasadena	296	$149.00	0.5	113.7
Courtyard Pasadena Old Town	314	$149.00	-0.1	96.9
Slope	25.86			
Index	**0.95**			



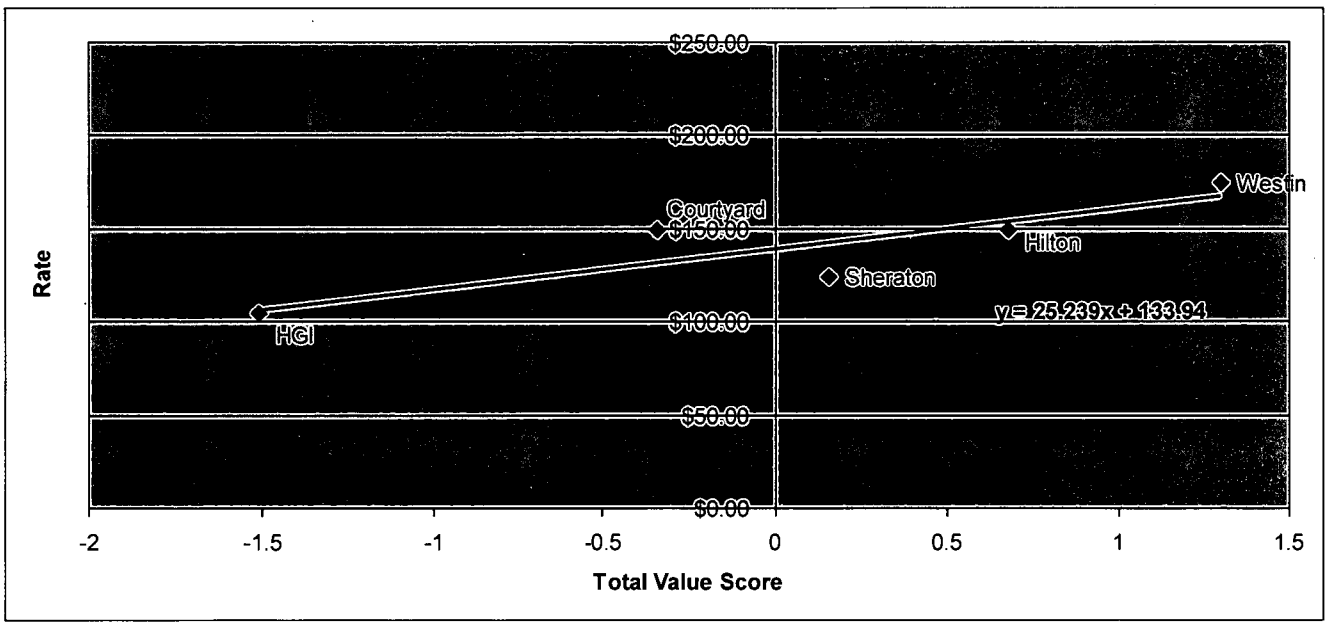
Corporate Group

Competitor	Rooms	Average Rate	Total Value Score	Adjusted Score
Hilton Garden Inn Arcadia	124	$139.00	-0.7	88.7
Westin Pasadena	350	$196.50	1.7	126.2
Sheraton Hotel Pasadena	311	$191.50	1.2	119.4
Hilton Pasadena	296	$189.00	1.4	122.2
Courtyard Pasadena Old Town	314	$219.00	0.1	101.3
Slope	15.88			
Index	**0.87**			



SMERFA Group

Competitor	Rooms	Average Rate	Total Value Score	Adjusted Score
Hilton Garden Inn Arcadia	124	$104.00	-1.5	61.9
Westin Pasadena	350	$174.50	1.3	132.8
Sheraton Hotel Pasadena	311	$124.00	0.2	104.0
Hilton Pasadena	296	$149.00	0.7	117.2
Courtyard Pasadena Old Town	314	$149.00	-0.3	91.4
Slope	25.24			
Index	**0.93**			



C. Average Daily Rate

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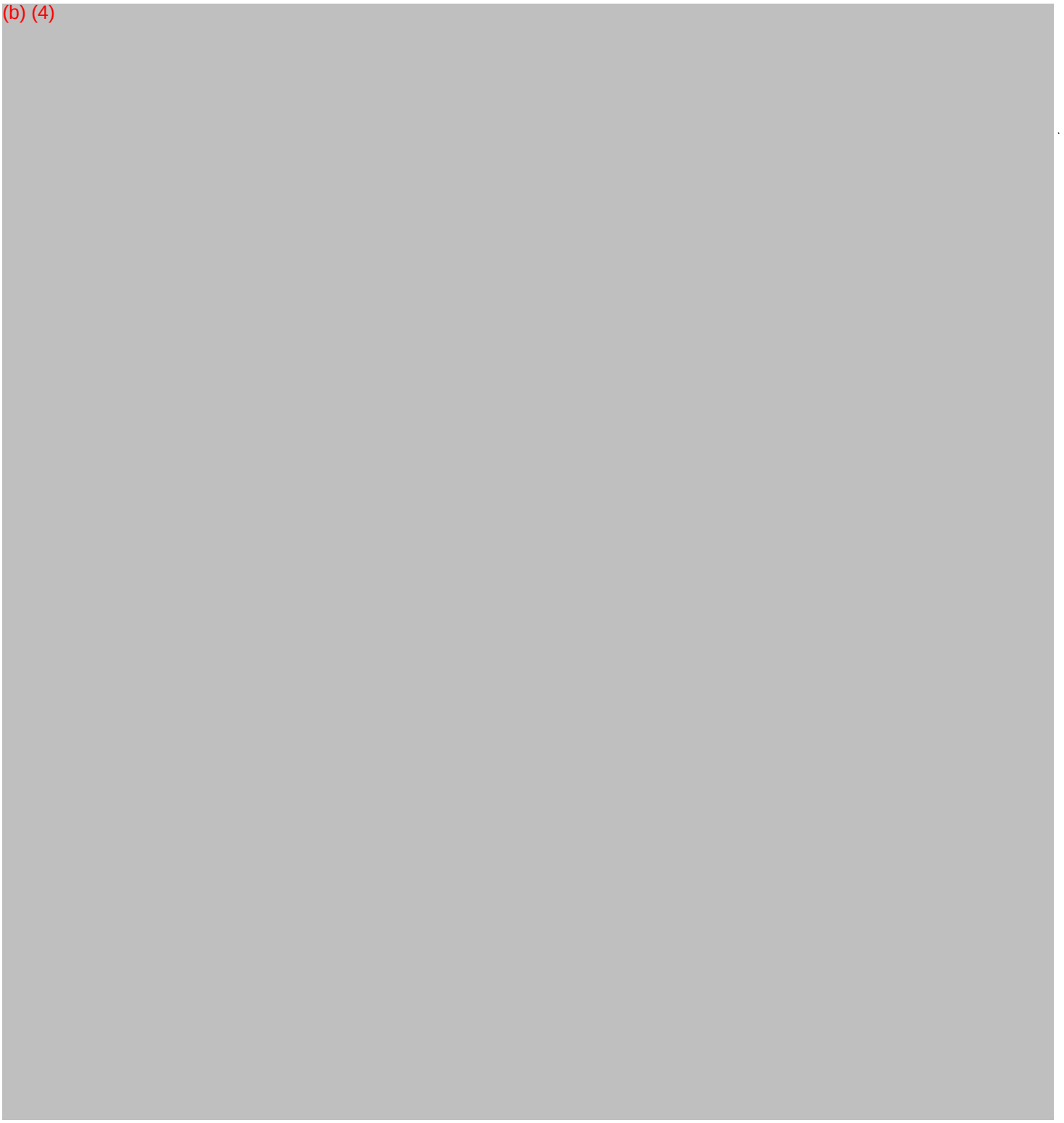

(b) (4)

D. Market Segmentation

We ran a Hotelligence Report on the competitive set to determine how big the corporate market is in Pasadena. A Hotelligence report gives information for a specific set of hotels as to how many room nights are coming in from the Global Distribution System (GDS) and at what rate, along with many other important details such as length of stay, lead time, etc. The GDS bookings represent those that are booked through online travel agents or reservation networks such as Amadeus, Galileo, Sabre, and Worldspan. These channels are most often used to book corporate travel.

What we found is that there are about 64,560 room nights per year coming into the competitive set hotels from the GDS. We also see that the overall rate that these GDS customers are paying is $164.54. Applying our growth rates from PKF shown above, we can see where that rate will be in the next five years.

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III. Revenues & Expenses

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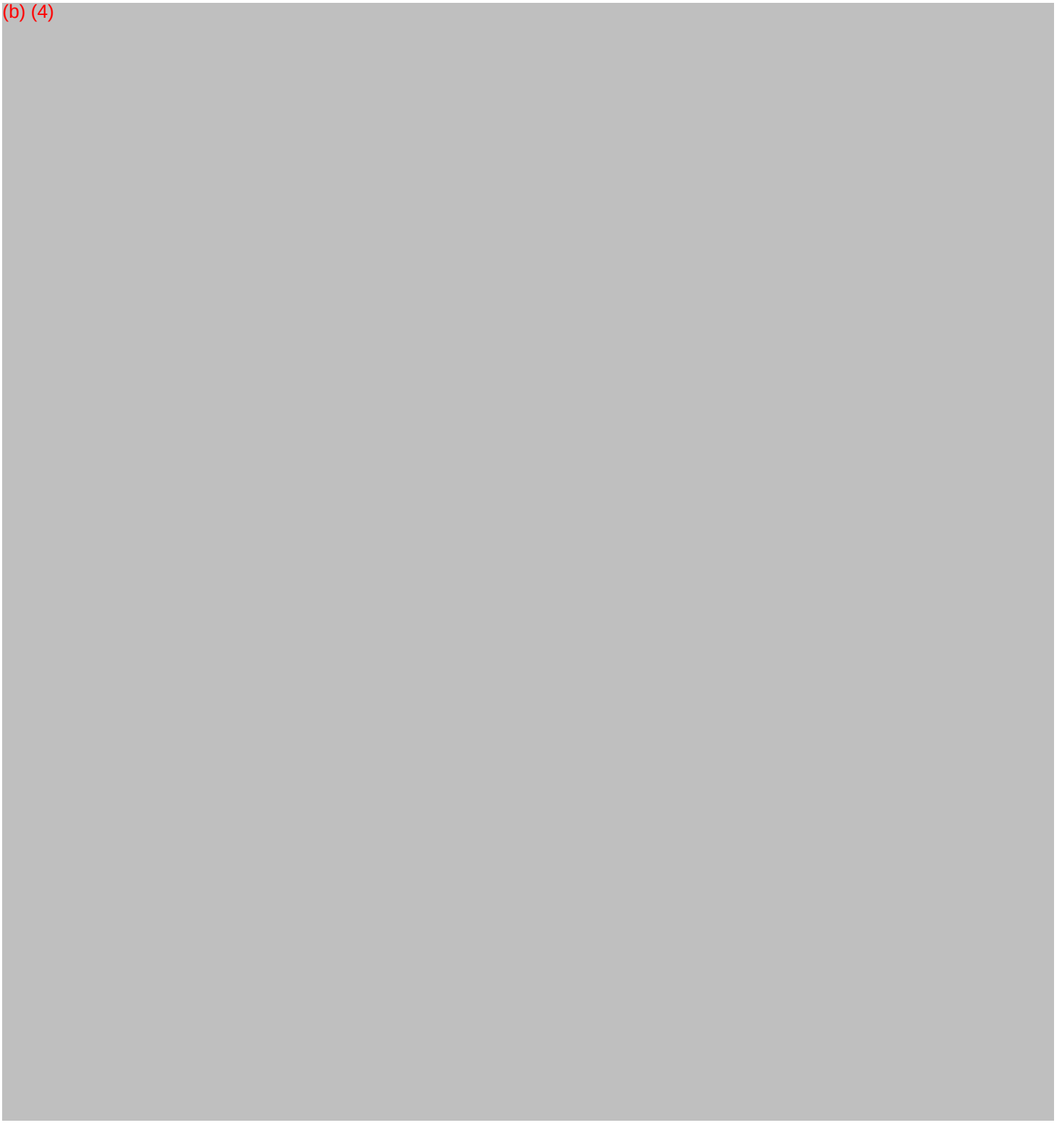

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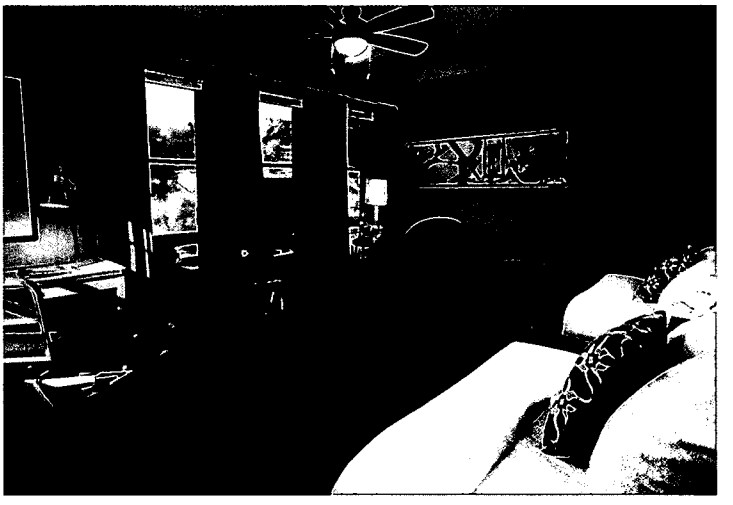
C. Expenses

Departmental and Operating Expenses were determined using our bottoms-up detailed budget model.

i. Comparable JdV Hotels

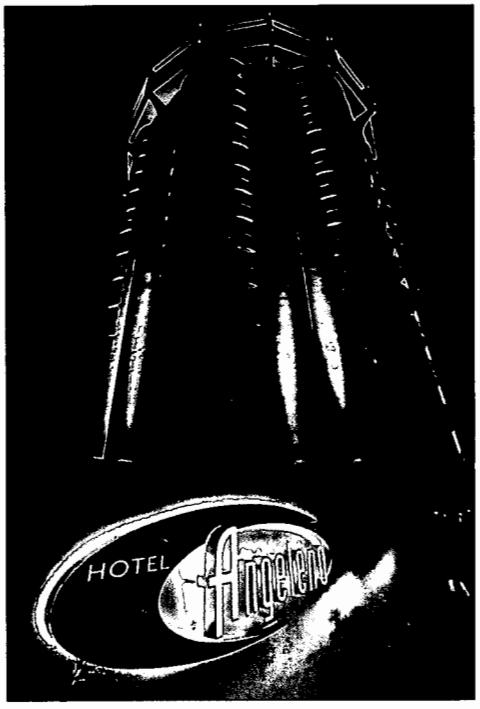
We based the cost structure on similar JdV hotels, specifically the Hotel Durant in Berkeley, the Hotel Angeleno in Los Angeles, and the Sportsmen's Lodge in Studio City. A brief description of these hotels and why they were comparable is shown below.

HOTEL
DURANT



Rooms:	144
Meeting Space:	1600 sf
Other features:	Restaurant & Bar (disregarded)
Why comparable:	Non-union hotel, historic building, strong corporate & leisure business

HOTEL Angeleno
Los Angeles



Rooms:	208
Meeting Space:	2800 sf
Other features:	Restaurant & Bar (disregarded)
Why comparable:	Non-union hotel, located in Los Angeles so similar wage rates

ii.

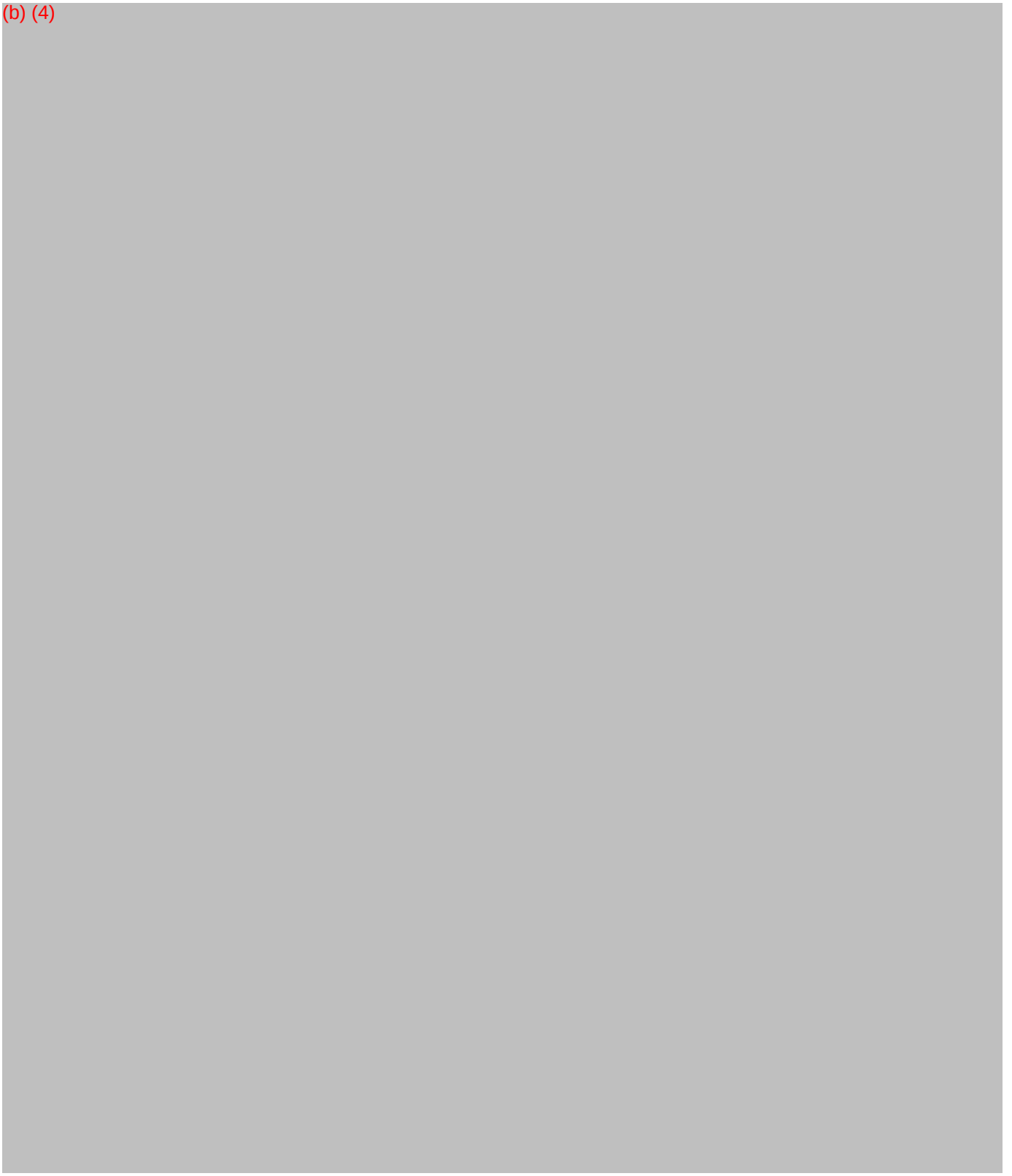
Rooms:	200
Other features:	Restaurant (disregarded). Union Hotel
Why comparable:	Used Manager salaries (non-union) for comparison. Closest hotel to Pasadena hotel

ii. Wage Rate Comparison

(b) (4)

IV. Cash Flow

(b) (4)



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V. Renovation Cost

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VI. Construction & Launch

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VII. Returns Analysis

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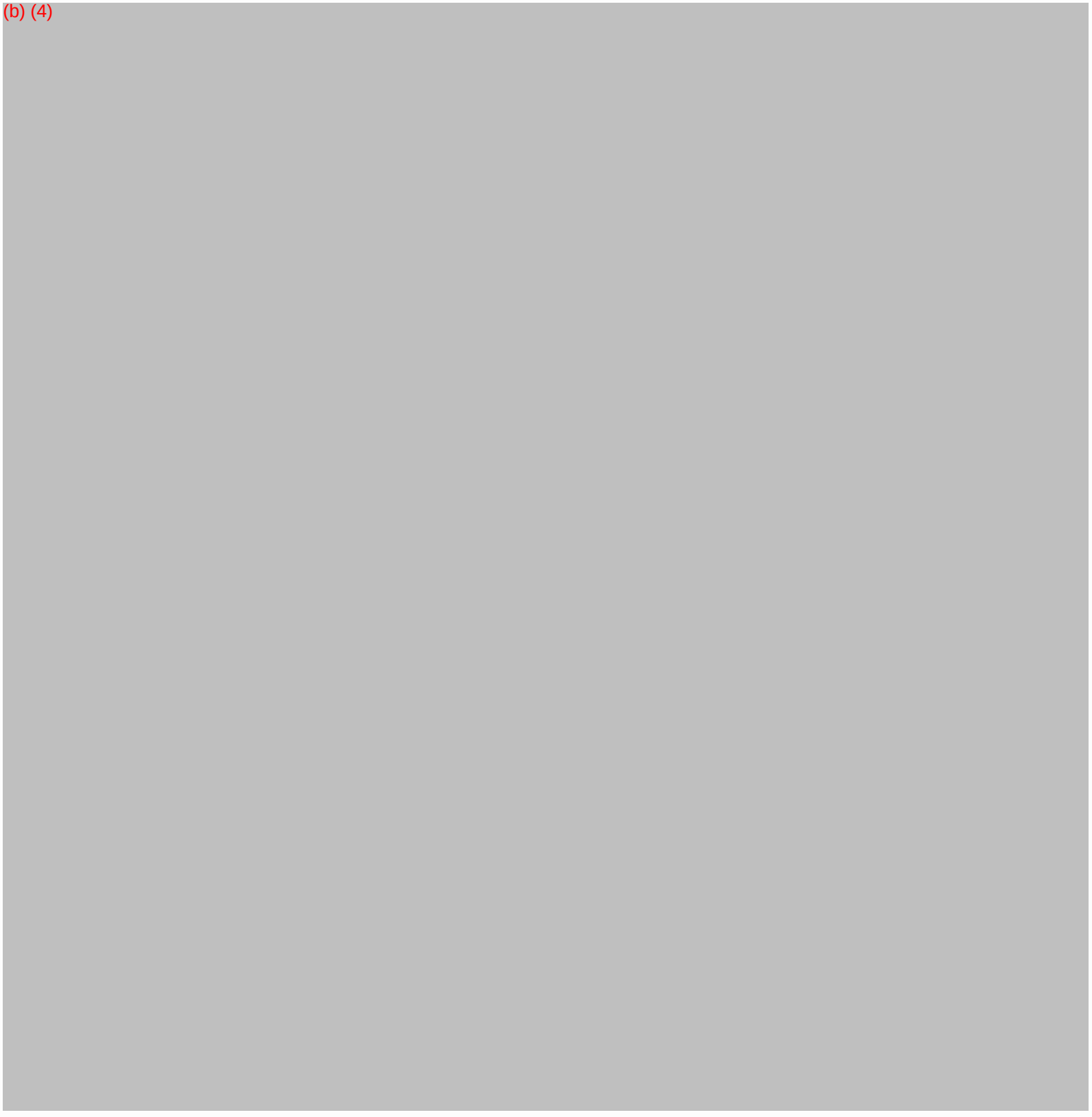

VIII. Appendix

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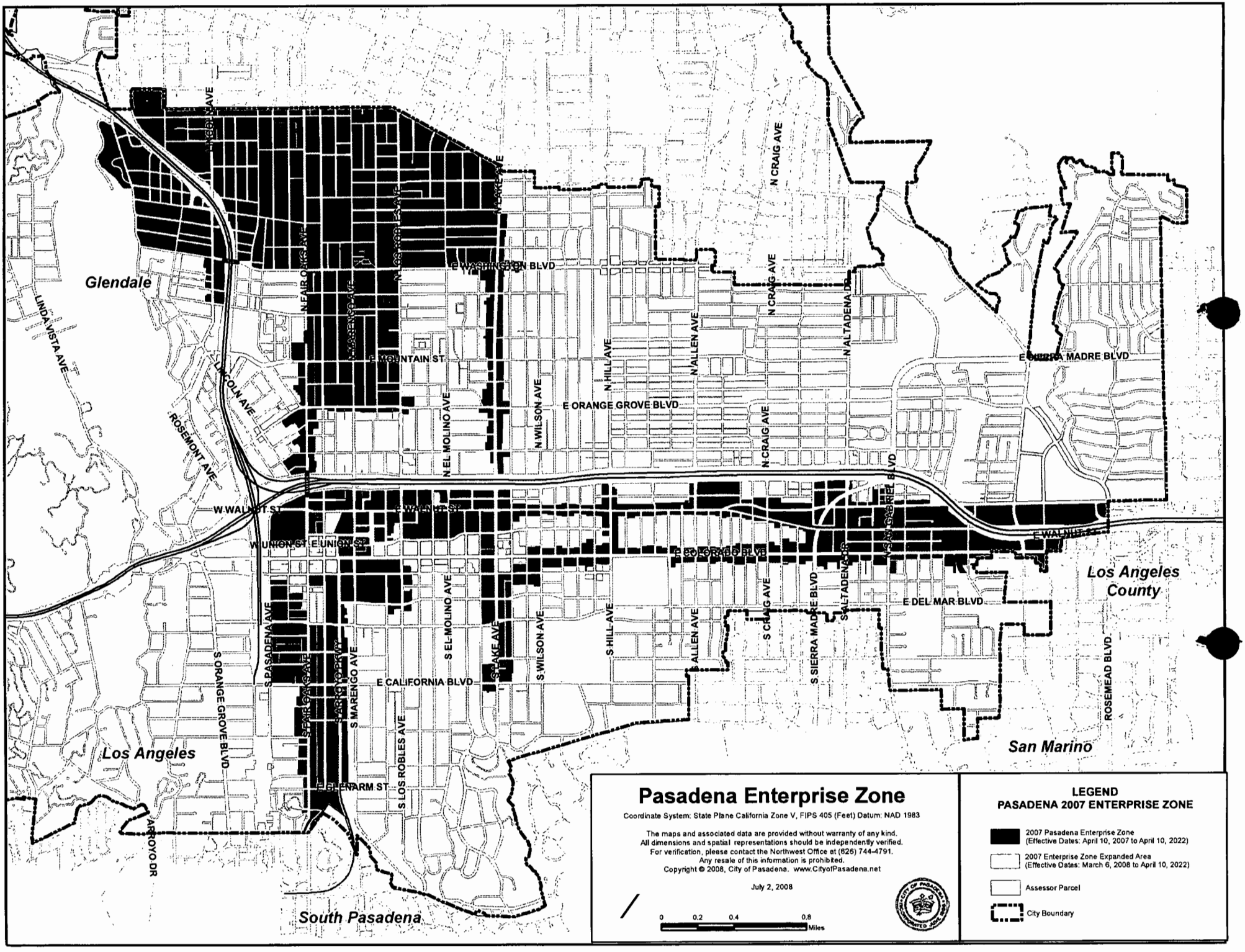

Pasadena Enterprise Zone

Coordinate System: State Plane California Zone V, FIPS 405 (Feet) Datum: NAD 1983

The maps and associated data are provided without warranty of any kind.
All dimensions and spatial representations should be independently verified.
For verification, please contact the Northwest Office at (626) 744-4791.
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July 2, 2008

0 0.2 0.4 0.8 Miles

LEGEND
PASADENA 2007 ENTERPRISE ZONE

- 2007 Pasadena Enterprise Zone (Effective Dates: April 10, 2007 to April 10, 2022)
- 2007 Enterprise Zone Expanded Area (Effective Dates: March 6, 2008 to April 10, 2022)
- Assessor Parcel
- City Boundary

PASADENA ENTERPRISE ZONE

What is an Enterprise Zone?

The Enterprise Zone Program is a State of California economic initiative that stimulates economic growth and business investments within economically disadvantaged areas that are in need of job growth and private investment. The State of California originally designated 39 cities in California as having an Enterprise Zone Designation. As one of the original designated cities, Pasadena received its first designation on April 10, 1992, which expired on April 9, 2007.

In 2006, Pasadena submitted an application for a new 15-year designation and successfully became the fifth City to receive final designation. The new 15-year designation will begin on April 10, 2007 and expire on April 10, 2022.

Pasadena also submitted two expansion applications to the Department of Housing and Community Development. In 2008 the State approved both expansion applications. For businesses located within this approved expansion area, the effective dates are March 6, 2008 until April 10, 2022.

What this means to existing Pasadena businesses
If your business location is within the previous, new, or within both the 1992 and 2007 Enterprise Zone designations, your business can take advantage of significant state tax credits savings through: Hiring Credits, Sales and Use Tax Credits, Business Expense Deductions, Net Operation Loss Carryover, and Net Interest Deductions for Lenders.

What this means to new Pasadena businesses
The Enterprise Zone Designation adds to the allure to opening or relocating a business to Pasadena. Our business-friendly environment, significant tax credit savings, and local permit fee waivers help reduce the cost of doing business and offer great living opportunities for employees.

Information & Documents...

- What is an Enterprise Zone?
- Are you in the Zone?
- Business Incentives
- Events
- Forms
- eZone Newsletter
- Annual Reports
- Success Stories
- Program Partners
- Contact Us

DISCLAIMER: *Facts and circumstances vary from business to business. Please consult your tax professional about your particular situation.*

Last Modified on 08/15/2009

Pasadena Enterprise Zone Annual Report

Fiscal Year 2008 / 2009

I. Enterprise Zone Program Overview

The Pasadena Enterprise Zone Program is a State of California Economic Development designation that stimulates business and industrial growth in depressed areas of the State by relaxing regulatory controls that impede private investment through tax incentives offered at the State level. Each 15-year Enterprise Zone designation is competitively awarded to any city or county that submits an application to the State that demonstrates the more appropriate, innovative, and comprehensive regulatory tax program, and other incentives in attracting private sector investment to that Enterprise Zone. The City of Pasadena was first awarded an Enterprise Zone designation on April 10, 1992, which expired on April 9, 2007. Pasadena successfully applied for and became the fifth city to receive a new Enterprise Zone designation on April 10, 2007, which covers 1,982 acres or 90% of the commercially and industrially zoned Pasadena properties.

Overall the City of Pasadena has a commitment to continuously market the Enterprise Zone Program to Pasadena companies, monitor the application of the local incentives to companies located within the Enterprise Zone Business Development Area (EZBDA) and Enterprise Zone Technology Development Area (EZTDA), and engage in business retention and attraction activities within the Zone. The following annual report summarizes the progress and accomplishments of the Pasadena Enterprise Zone for Fiscal Year 2008 / 2009.

II. Legislative Impacts

During Fiscal Year 2008 / 2009, the Enterprise Zone Program faced scrutiny from the State Assembly and the Office of Management and Budget due to the State's fiscal emergency, declared by Governor Schwarzenegger on January 1, 2009. Two bills in particular that threatened the livelihood of the Enterprise Zone Program were Assembly Bill (AB) 35 and AB 1139. AB 35, introduced on September 5, 2008, intended to suspend the Enterprise Zone Program starting on January 1, 2009 until indefinitely. The second bill, AB 1139 sought to eliminate the Targeted Employment Area criteria from the Hiring Credit Program and require that employees work at least 35 hours a week and that the employer absorb at least 80% of the costs of health care coverage.

With lobbying efforts from the Pasadena City Manager's Office, California Association of Enterprise Zones, and key stakeholders throughout California, these two bills did not pass. However, the Enterprise Zone Program is still under scrutiny will continue to face opposition in Fiscal Year 2009 / 2010.

III. State Tax Incentives

The Enterprise Zone Program offers five various state tax incentives to qualified companies. The main incentive that requires City administration is the Hiring Credit Program. Through this Program, a company can receive a five-year State tax credit, potentially up to $37,000, for each employee that meets one of the twelve qualifying program criteria. To receive this credit, companies must submit an application to the City for review, processing, and obtain a Hiring Credit Voucher Certificate. Below is a summary of data collected through the application process:

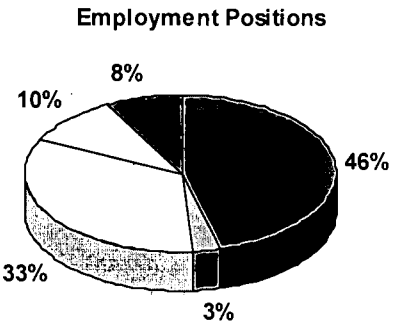
- 196 Pasadena companies utilized the Hiring Credit Program; 111 or 57% of those companies were first time users of the Hiring Credit Program;
- The Pasadena Enterprise Zone processed 1,567 voucher applications; which is a 56% increase in voucher applications processed from fiscal year 2007 / 2008;
- Of the 1,567 vouchers processed, 388 were newly created positions and 1,179 were previously created positions; and
- The Enterprise Zone generated $143,993 from voucher fees[1].

[1] Pasadena charges $102 to process each Enterprise Zone application. Of this $10 goes to the State Department of Housing and Community Development and $92 is deposited into the General Fund.

A. Employment Positions

Of the 1,567 Hiring Credit Vouchers Issued, the average wage per hour was $11.12. Of the types of positions filled by Hiring Credit eligible employees, the positions by type are as follows:

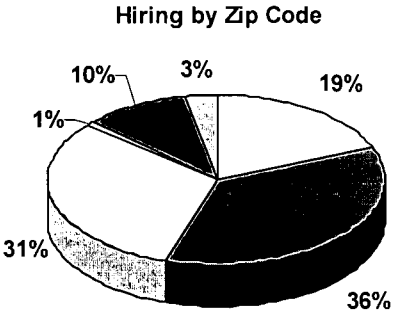
Position by Type	Percent
Clerical / Sales / Customer Service	46%
Management	3%
Production / Manufacturing	33%
Restaurant	10%
Technical / Medical	8%



B. Local Hiring

Although the Enterprise Zone Program does not require employers to hire local residents, the Pasadena database is able to tract how many are hired from the Pasadena area.

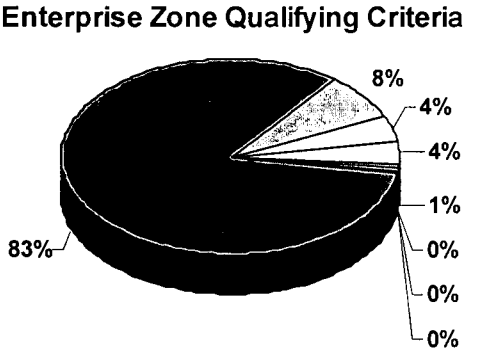
Pasadena Zip Code	Percent
91101	19%
91103	36%
91104	31%
91105	1%
91106	10%
91107	3%



C. Qualifying Criteria

To qualify for a Hiring Credit Voucher the employee must meet one of the twelve qualifying program criteria 90 days prior to their date of hire with an Enterprise Zone Company. The twelve qualifying program criteria have been identified by the State as causing a barrier to employment for job seekers. The Enterprise Zone has issued 1,567 vouchers based on eight of the qualifying criteria, which are as follows:

Enterprise Zone Criteria	Percent
Targeted Employment Area	83%
Ex-Offender	8%
Work Opportunity Tax Credit	4%
Economic Disadvantaged	4%
Dislocated Worker	1%
Veteran	0%
Public Assistance	0%
CalWorks	0%



In Pasadena, the largest category used to qualify an individual is through the Targeted Employment Area (TEA). Each City with an Enterprise Zone has a set of qualified census tracts that have at least 51% of its residents of low to moderate income levels. The 83% figure comprises individuals that not only live within the Pasadena TEA, but also in other Enterprise Zone jurisdiction's TEA's.

IV. Local Incentives

As part of the commitment to the State to promote economic stability and promote development, the City of Pasadena offers permit fee waivers to all commercial and industrial businesses located within the Enterprise Zone Business Development Area (EZBDA) and to Research and Development companies located in the Enterprise Zone Technology Development Area (EZTDA). On a weekly basis, the Enterprise Zone Office monitors the permit fees issued to all businesses within both the EZBDA and EZTDA areas. ***Based on the monitoring, the Enterprise Zone waived $156,297 in building and planning permit fees.***

With the business license fee, the Enterprise Zone waives the license fee for any commercial or industrial tenant within the EZBDA and any Research and Development tenant within the EZTDA. Property owners and home-based businesses cannot take advantage of this fee waiver. On a monthly basis the Enterprise Zone receives a report from Business License that reports how many business licenses have been waived. ***The Enterprise Zone waived $6.6 million for 2,619 businesses; or 56% of the total business license fees charged within the Enterprise Zone boundaries for Fiscal Year 2008 / 2009.***

V. Business Retention and Attraction Activities

The Enterprise Zone Office organizes, participates, and meets with businesses and program partners on a continuous basis. Below is a summary of business retention and attraction activities for Fiscal Year 2008 / 2009:

- Enterprise Zone Inquiry Phone Calls: 279 total; average 23 per month;
- Enterprise Zone One-On-One Business Meetings: 130 total; average 11 meetings per month;
- The Enterprise Zone conducted three (3) business outreach Meet & Greets for North Lake Avenue, East Washington Boulevard, and Hasting Ranch Business Park. The Meet & Greet model is a door-to-door outreach tool that connects business owners with city program information and gives an opportunity for Council Field Representatives to "walk the beat" with City Staff and speak with business owners. ***Outreached to 350 businesses;***
- The Enterprise Zone conducted eight (8) workshops and seminars to market the Enterprise Zone program and promote the usage among Pasadena business owners. In conducting these workshops, the Enterprise Zone partnered with the Pasadena Chamber of Commerce, Economic Development, Foothill Employment Training Connection, and various resource partners that have a working knowledge of the Enterprise Zone Program. ***Outreached to 178 businesses; and***
- As an additional service, the Enterprise Zone can also conduct on-site employees screening for Enterprise Zone companies to determine how many employees qualify for a hiring credit. The Enterprise Zone conducted three (3) on-site employee screenings for El Portal Restaurant, Boston Brick and Stone, and Jaylahn LLC. ***Screenings resulting in 10 Hiring Credit Voucher Certificates issued.***

VI. Company and Program Highlights

A. Tokio Marine Management

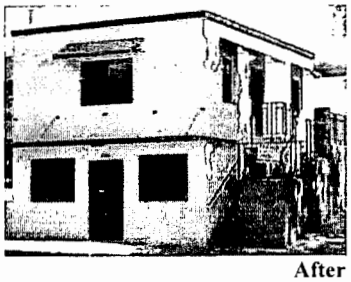
Tokio Marine Management Inc. is a global insurance operations company that specializes in claims settling and loss control services in the areas of transportation, general cargo, auto, products liability and overseas travel accident insurance claims. In November 2008, Tokio Marine Management contemplated moving from Pasadena to Glendale, due to an increase in their rent. The Enterprise Zone and Economic Development staff held a series of meetings with Tokio Marine Executive Staff in an effort to retain the company and review the benefits of the Enterprise Zone Program. ***Ultimately in February 2009 the company decided to stay in Pasadena and the City was able to retain 225 employees. The company began to use the Enterprise Zone Hiring Credit Program in June 2009.***

B. Storefront Improvement Program

Before

On October 22, 2007 Pasadena City Council approved new changes to the Storefront Improvement Program (SIP) (formerly know as the Façade Improvement Program) which grants Pasadena property owners the ability to apply for a matching grant to improve their building façade. The SIP allows Enterprise Zone Property Owners to apply for a matching grant up to $20,000 per building, $25,000 per historic building, or $10,000 per storefront within multi-tenant developments.

Under this program, the property owners Chris and Linda White of 1564 North Fair Oaks became the first project to successfully apply for and receive a matching grant of $20,000 for their façade. This mixed-use, 1,120 square feet, Enterprise Zone location required extensive improvements to bring the building up to current city code and to enhance the building exterior to eliminate blighted conditions. The overall construction budget for this project was $62,189.16. The completed project passed final inspection in March 2009, thus becoming the first completed storefront improvement project for fiscal year 2008/ 2009.



After

VII. Fiscal Year 2009 / 2010 Outlook

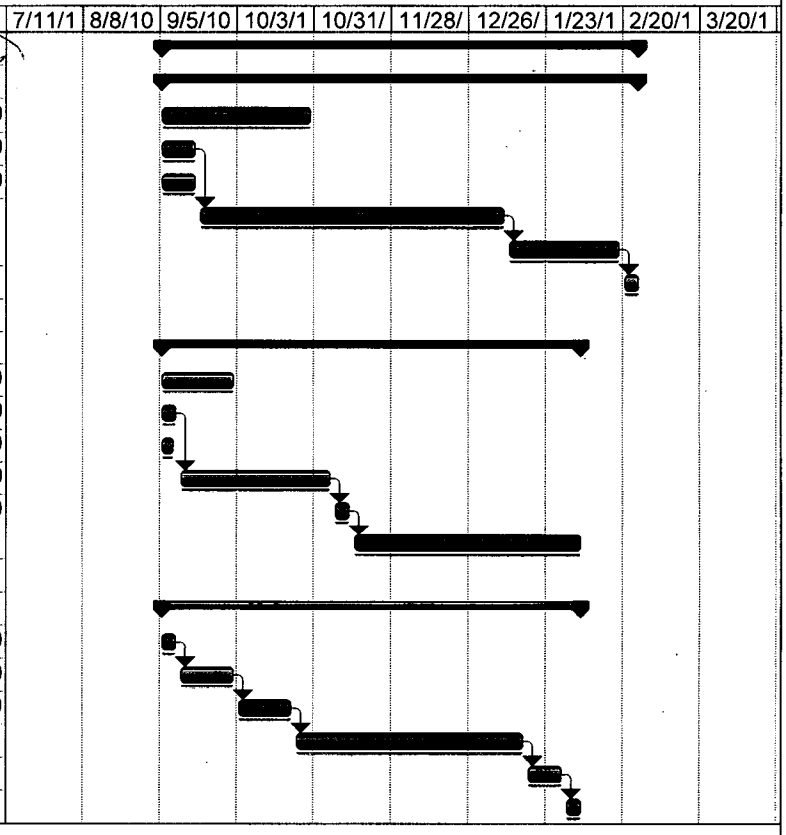
The Enterprise Zone will continue to market and promote the usage of this State Program and uphold the obligations outlined in the Enterprise Zone Application. In addition to the State obligations the Enterprise Zone will:

- Monitor State legislation that may affect the Enterprise Zone and proactively elicit support from the Pasadena business community to support the Enterprise Zone Program;
- Continue to outreach to major and minor business corridors within the Enterprise Zone through the Meet and Greet model, geographically targeted training seminars, and industry specific seminars; and
- Increase the number of Hiring Credit Voucher Certificates issued by 5%.

Northwest Programs Division
236 West Mountain Street, Suite 201
Pasadena, CA 91103

Colorado at Lake, Phase I

ID	Task Name	Duration	Start	Finish
1	**Colorado at Lake Phase I Construction**	**125 days**	**Mon 9/6/10**	**Fri 2/25/11**
2	**Hotel construction**	**125 days**	**Mon 9/6/10**	**Fri 2/25/11**
3	Utility Infrastructure Upgrades	40 days	Mon 9/6/10	Fri 10/29/10
4	Interior Demolition	10 days	Mon 9/6/10	Fri 9/17/10
5	Scaffolding	10 days	Mon 9/6/10	Fri 9/17/10
6	Interior and Exterior Renovation	80 days	Mon 9/20/10	Fri 1/7/11
7	Finishes, mech and elect trim	30 days	Mon 1/10/11	Fri 2/18/11
8	Commissioning	5 days	Mon 2/21/11	Fri 2/25/11
9				
10	**Retail Construction**	**110 days**	**Mon 9/6/10**	**Fri 2/4/11**
11	Underground Utilities	20 days	Mon 9/6/10	Fri 10/1/10
12	Interior Demolition	5 days	Mon 9/6/10	Fri 9/10/10
13	Scaffolding	4 days	Mon 9/6/10	Thu 9/9/10
14	Exterior Renovation	40 days	Mon 9/13/10	Fri 11/5/10
15	Interior Buliding Shell Sand-blast	5 days	Mon 11/8/10	Fri 11/12/10
16	Interior Tenant Build-out	60 days	Mon 11/15/10	Fri 2/4/11
17				
18	**Parking Structure Construction**	**110 days**	**Mon 9/6/10**	**Fri 2/4/11**
19	Structure Demolition	5 days	Mon 9/6/10	Fri 9/10/10
20	Excavation and Shoring	15 days	Mon 9/13/10	Fri 10/1/10
21	Underground Utilities	15 days	Mon 10/4/10	Fri 10/22/10
22	Concrete Footings, Columns and Decks	60 days	Mon 10/25/10	Fri 1/14/11
23	Mechanical and Electrical Trim	10 days	Mon 1/17/11	Fri 1/28/11
24	Finishes	5 days	Mon 1/31/11	Fri 2/4/11



Project: Colorado at Lake Phase I
Date: Tue 3/23/10

Task
Split
Progress
Milestone
Summary
Project Summary
External Tasks
External Milestone
Deadline

linda snyder associates inc.
347 richmond street el segundo ca 90245
p 310.640.9922 f 310.640.9929

April 25, 2008

Philip Y. Kim, Esq.
Chief Administrative Officer
Singpoli Construction
Singpoli Corporate Center, Second FL
25 E. Foothill Blvd.
Arcadia, CA 91006

Project: 940 East Colorado Blvd., Pasadena, CA
Hotel Renovation Interior Design Proposal

Dear Mr. Kim,

Thank you for your interest in LSA for interior design services for concept and documentation of the renovation of 940 East Colorado Blvd. in Pasadena. We are very excited about the opportunity to work with your team to develop a signature look appropriate to your unique historic location.

(b) (4)

(b) (4)

(b) (4)

(b) (4)

Sincerely,

Linda Wisby Snyder
President

RESPONSE

This letter correctly sets forth the intent to enter into an interior design services agreement and binds the parties in principle. Other details may be added in a more formal written contract.

Accepted by (Singpoli Construction) Title Date

linda snyder associates
347 [illegible]
p 213.640.5922 f 213.640.5920

Description	Quantity	Unit	Net Price
(b) (4)			

(b) (4)

(b) (4)

(b) (4)

(b) (4)

linda snyder associates
347 richmond street el segundo ca 90245
p 310.640.9922 f 310.640.9929

Description

(b) (4)

Code	Description	Amount

(b) (4)

(b) (4)

First American Title Insurance Company
National Commercial Services
550 S. Hope Street, Suite 1950 • Los Angeles, CA 90071

Buyer's Estimated Settlement Statement

Property: 908 - 940 E. Colorado Blvd., Pasadena, CA

File No: NCS-227711-A-LA2
Officer: James Cardenas/jc
New Loan No:
Settlement Date: 08/23/2007
Disbursement Date: 08/23/2007
Print Date: 8/23/2007, 5:04 PM

Buyer: Park Place Commerical, L.P.
Address:
Seller: RPM Investments, Inc. as QI
Address:

Charge Description	Buyer Charge	Buyer Credit
Consideration:	(b) (4)	
Total Consideration		
Deposits in Escrow:		
Receipt No. 1858384 on 02/26/2007 by Singpoli Pacifica Development, Ltd		
Receipt No. 1859719 on 06/20/2007 by Singpoli Pacifica Development, Ltd		
Receipt No. 18510414 on 08/17/2007 by Park Place Commerical, L.P.		
Adjustments:		
Credit to Buyer		
Prorations:		
Real Estate Taxes 07/01/07 to 08/23/07 @$20475.93/yr		
New Loan(s):		
Lender: The Bank of Asia (U.S.A.)		
New Loan Amount - The Bank of Asia (U.S.A.)		
Loan Fee - The Bank of Asia (U.S.A.)		
Document Fee - The Bank of Asia (U.S.A.)		
Processing Fee - The Bank of Asia (U.S.A.)		
Appraisal Fee - The Bank of Asia (U.S.A.)		
Environmental Fee - The Bank of Asia (U.S.A.)		
Tax Service Fee - The Bank of Asia (U.S.A.)		
Credit Report - The Bank of Asia (U.S.A.)		
D&B Report - The Bank of Asia (U.S.A.)		
Broker Fee - Pegasus Investments HCC LLC		
Flood Certification Fee - The Bank of Asia (U.S.A.)		
Borrower's Deposit - The Bank of Asia (U.S.A.)		
Interest Reserve - The Bank of Asia (U.S.A.)		
Title/Escrow Charges to:		
Chain of Title - First American Title Insurance Company National Commercial Services		
1/2 Closing-Escrow Fee - First American Title Insurance Company National Commercial Services		
Endorsement-103.9 - First American Title Insurance Company National Commercial Services		
Endorsement-110.9 - First American Title Insurance Company National Commercial Services		
Endorsement 104.6 - First American Title Insurance Company National Commercial Services		
Policy-Lender's - First American Title Insurance Company National Commercial Services		
Endorsement-103.5 - First American Title Insurance Company National Commercial Services		
Closing-Loan Tie-In Fee - First American Title Insurance Company National Commercial Services		
Wire Transfer Service - First American Title Insurance Company National Commercial Services		
Refundable Buffer - First American Title Insurance Company National Commercial Services		
Estimated Record Loan Documents - First American Title Insurance Company National Commercial Services		
Cash (From) (X To) Borrower		
Totals		

Initials: _____ _____

Continued From Page 1

Buyer's Estimated Settlement Statement

Settlement Date: 08/23/2007
Print Date: **8/23/2007**

File No: NCS-227711-A-LA2
Officer: James Cardenas/jc.

BUYER(S):

Park Place Commerical, L.P., a California Limited Partnership

By: Kim Hui
Its: MANAGER

This page is part of your document - DO NOT DISCARD

20071986093 Pages: 007

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County, California

08/24/07 AT 08:00AM

Fee: 36.00
Tax: NFPR
Other: 0.00
Total: NFPR

Title Company

TITLE(S) : DEED

LEAD SHEET

Assessor's Identification Number (AIN)
To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

-

-

E484700

THIS FORM IS NOT TO BE DUPLICATED

RECORDED BY:

FIRST AMERICAN TITLE COMPA
LOS ANGELES
WHEN RECORDED MAIL TO:

Singpoli
18071 Irvine Blvd.
Tustin, CA 92780
Attn: Philip Y. Kim, Esq.

08/24/07
20071986093

MAIL TAX STATEMENTS TO:

Park Place Commercial
18701 Irvine Blvd.
Tustin, CA 92780
Attn: Kim Hui

TRANSFER TAX
NOT A PUBLIC RECORD

DOCUMENTARY TRANSFER TAX
$

NOT FOR PUBLIC RECORD

__ Computed on the consideration or value of property conveyed; OR
__ Computed on the consideration or value less liens or encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax- Firm Name

GRANT DEED

APN **5735-006-032**

227711-21

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Singpoli
18071 Irvine Blvd.
Tustin, CA 92780
Attn: Philip Y. Kim, Esq.

MAIL TAX STATEMENTS TO:

Park Place Commercial, L.P.
18071 Irvine Blvd.
Tustin, CA 92780
Attn: Kin Hui

Documentary Transfer Taxes Due
Shown on the Attached Affidavit

TRANSFER TAX
NOT A PUBLIC RECORD

APN: 5735-006-032

(Space above this line is for recorder's use)

GRANT DEED

FOR VALUABLE CONSIDERATION, 940 EAST COLORADO, L.P., a California limited partnership ("**Grantor**"), HEREBY GRANTS to PARK PLACE COMMERCIAL, L.P., a California limited partnership, that certain improved real property located in the City of Pasadena, County of Los Angeles, State of California, as more particularly described in **Exhibit A** attached hereto.

SUBJECT TO:

All matters set forth in **Exhibit B** attached hereto.

[Signature on following page]

07 1985093

IN WITNESS WHEREOF, the undersigned Grantor has executed this Grant Deed as of August ___, 2007.

940 EAST COLORADO, L.P.,
a California limited partnership

By: Mid-Wilshire Capital Management Group, LLC,
a California limited liability company
Its: General Partner

By: _____
Name: Jacob Friedman
Its: Manager

07 1986093

State of California)
County of Los Angeles) ss.

On August 15, 2007 before me, ELIAS T. DANHO,
a Notary Public, personally appeared JACOB FRIEDMAN,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

ELIAS T. DANHO
Commission # 1608274
Notary Public - California
Los Angeles County
My Comm. Expires Oct 18, 2009

(Seal)

20080129

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Pasadena, County of Los Angeles, State of California, described as follows:

PARCEL 1:

Those portions of Lots 5, 6 and 7 of Thomas and Farris Subdivision of Lot 1 and a portion of Lot 4, in Block "L" of the San Pasqual Tract, in the City of Pasadena, as per map recorded in Book 10 Page 100 of Miscellaneous Records, in the Office of the County Recorder of said County, described as a whole as follows:

Beginning at the intersection of the Southerly line of Colorado Street, 100 feet wide, with the Westerly line of Mentor Avenue, 60 feet wide; thence North 89° 59' West along said Colorado Street, 224.96 feet to the intersection of the Southerly line of said Colorado Street with the Westerly line of said Lot 5; thence South along said Westerly line, 175.35 feet to the Southwest corner of said Lot 5; thence along the Southerly line of said Lots 5, 6 and 7, South 89° 59' East 224.96 feet to the Westerly line of said Mentor Avenue; thence North along said Mentor Avenue, 175.35 feet to the point of beginning.

PARCEL 2:

The Northerly 2 feet of Lot 8 of Thomas and Farris Subdivision of Lot 1 and a portion of Lot 4 in Block "L" of San Pasqual Tract, in the City of Pasadena, as per map recorded in Book 10 Page 100 of Miscellaneous Records, in the Office of the County Recorder of said County.

EXCEPT the Westerly 65 feet thereof.

APN: 5735-006-032

20170135056

EXHIBIT B TO GRANT DEED

EXCEPTIONS

1. General and special taxes and assessments not yet delinquent.

2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

3. Water rights, claims or title to water, whether or not shown by the public records.

4. Any rights, interest or claims which may exist or arise by reason of or reflected by the following facts shown on the ALTA survey prepared by ALTA LAND SURVEYING, INC. dated August 3, 2006 as Job No. 06-1101.

   A. Building overhangs above the public right of way at the northerly and easterly property lines at various locations.

   B. The westerly edge of the most northerly located building is on the northerly property line and 0.1 foot west of the westerly property line at northwest building corner and 0.2 feet west of the westerly property line at southwest building corner.

   C. The westerly edge of parking structure is on the westerly property line at northwest building corner and 0.1 feet west of the west property line and 0.2 feet north of the south property line at the southwest building corner.

   D. The south face of an east-west masonry wall is on the southerly property line of Parcel 2 at the east end of wall and 0.3 feet south of the southerly property of Parcel 2 at the west end of wall. A north-south segment of wall is located to the west of the west property line of Parcel 2 and to the south of the south property line of Parcel 1.

   E. Any easement or lesser right for a phone near the southeast corner of building and a phone located partially upon the northerly property line.

   F. Gas meter, shut off and guard posts are located near the southwest corner of building.

   G. Cleanouts, drains and trap in various locations.

   H. Electric meters, gas valve, guard post in dock areas. Gas valve at easterly property line of Parcel 1.

5. Rights of parties in possession.

2006-0050604

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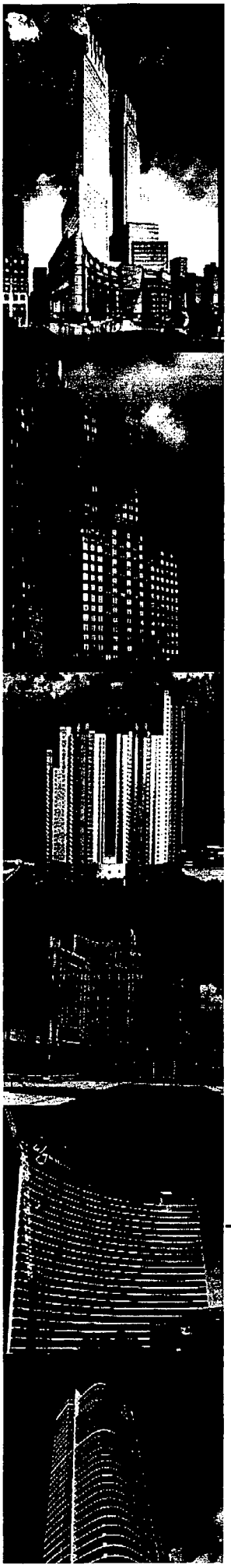

PHASE I
ENVIRONMENTAL SITE ASSESSMENT

Pasadena Manor
908 - 940 E. Colorado Boulevard
Pasadena, California 91106

Prepared for:
Champion Realty Ltd.
Los Angeles, California

Prepared by:

IVI Due Diligence Services, Inc.
White Plains, New York

IVI Project No.: 60619542
June 22, 2006

THIS REPORT IS THE PROPERTY OF IVI AND CHAMPION REALTY LTD. AND WAS PREPARED FOR A SPECIFIC USE, PURPOSE, AND RELIANCE AS DEFINED WITHIN THE AGREEMENT BETWEEN IVI AND CHAMPION REALTY LTD. AND THIS REPORT. THIS REPORT MAY NOT BE USED AND/OR RELIED UPON BY ANY OTHER PARTY WITHOUT THE EXPRESS WRITTEN PERMISSION OF IVI. THERE SHALL BE NO THIRD PARTY BENEFICIARIES, INTENDED OR IMPLIED, UNLESS SPECIFICALLY IDENTIFIED HEREIN.

PROPERTY CONDITION & ENVIRONMENTAL
DUE-DILIGENCE

IVI DUE DILIGENCE SERVICES, INC.
105 Corporate Park Drive, Suite 115
White Plains, New York 10604
914.694.9600 (tel)
914.694.1335 (fax)
www.ivi-intl.com

June 22, 2006

Ms. Tish Glaser
Champion Realty Ltd.
11601 Wilshire Blvd. Suite 1650
Los Angeles, California 90025
(310) 694-3192 (tel)
(310) 312-8030 (fax)
tglaser@championdev.com

Sent-by-email

Re: IVI Project No.: 60619542
Pasadena Manor
908 - 940 E. Colorado Boulevard
Pasadena, California 91106

Dear Ms. Glaser:

IVI Due Diligence Services, Inc. ("IVI") is pleased to submit this copy of our Phase I Environmental Site Assessment on the above-referenced property. This report outlines the findings of IVI's site reconnaissance, historical land use research, review of governmental records, and interviews.

Please call the undersigned at **301.907.0163 (x-15)** should you have any questions.

Sincerely,

IVI Due Diligence Services, Inc.

An H. Ly
Senior Project Manager

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1.0 EXECUTIVE SUMMARY

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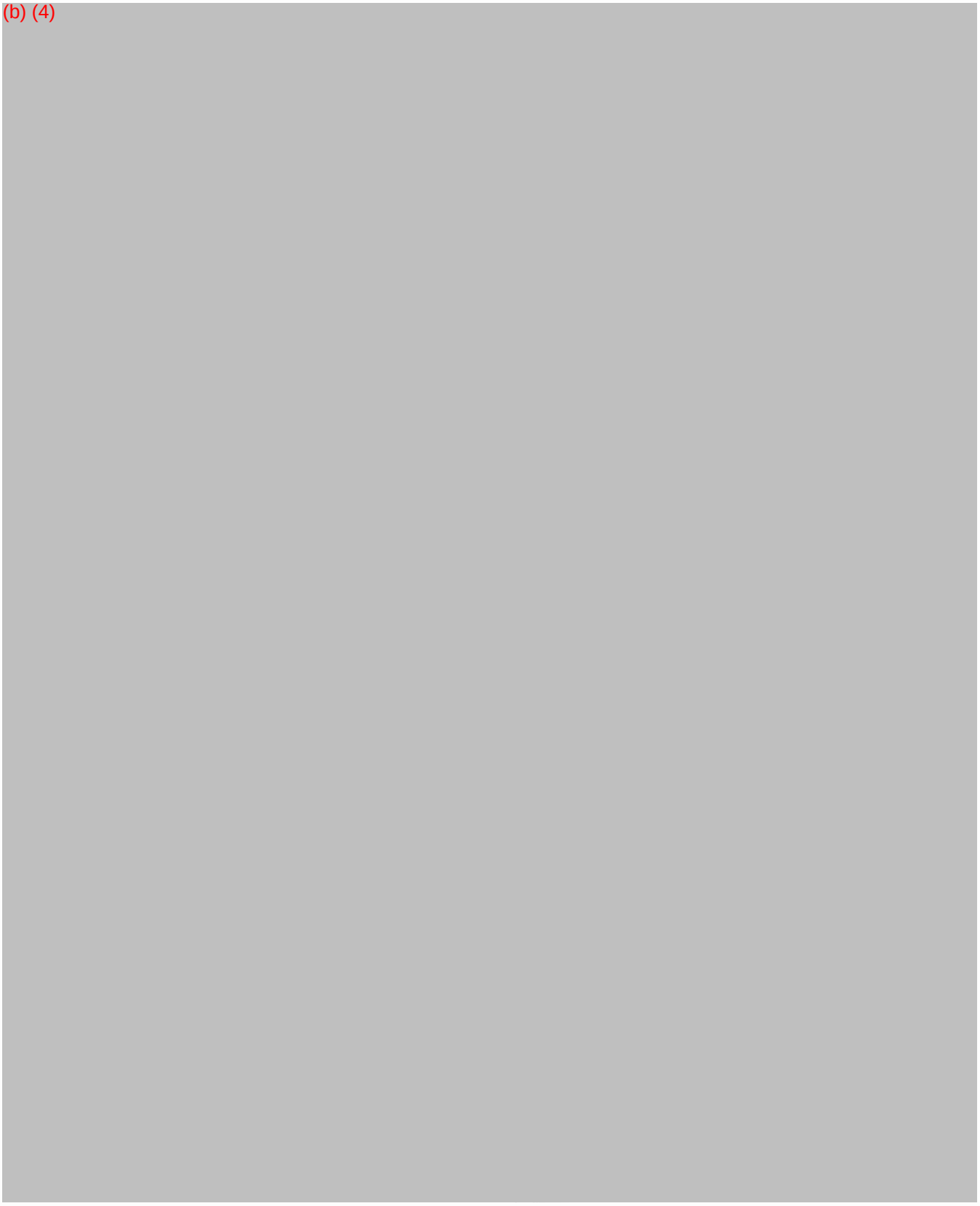

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Economic Impact of Renovating, Constructing, and Operating a Mixed-Use Commercial Building at Colorado Blvd and Lake Ave in Pasadena, CA

Prepared for:
Invest L. A. Regional Center, LLC
Los Angeles, CA

Prepared by:

Michael K. Evans
Evans, Carroll & Associates, Inc.
2785 NW 26th St.
Boca Raton, FL 33434
mevans@evanscarrollecon.com

March, 2010

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1. Executive Summary

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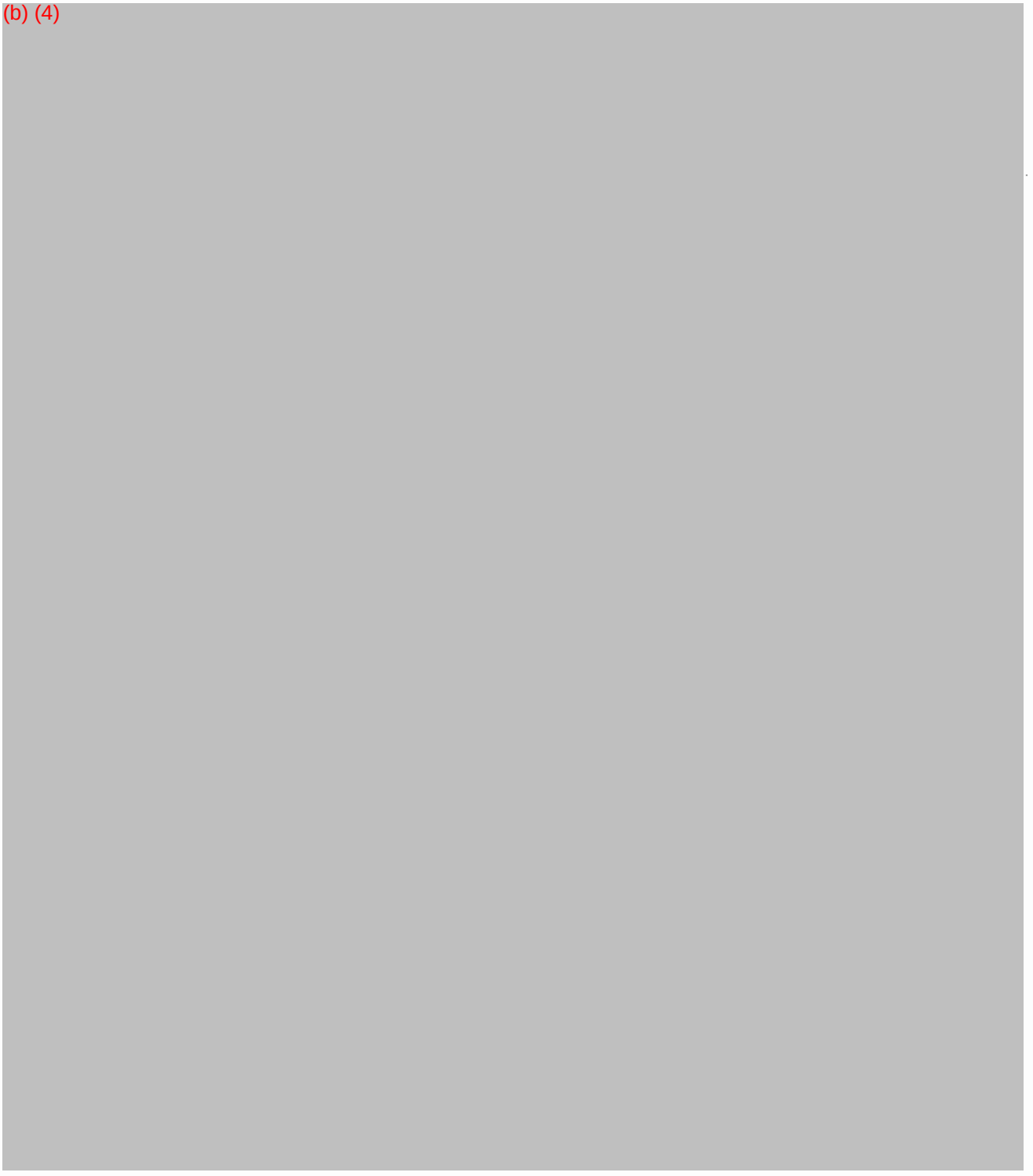

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The project will be located at the corner of E. Colorado Blvd. and S. Lake Avenue, in CT 4634, as shown in Figure 1. The location of Pasadena in Los Angeles County is shown in Figure 2.

Figure 1. Location of Colorado and Lake Project in Pasadena

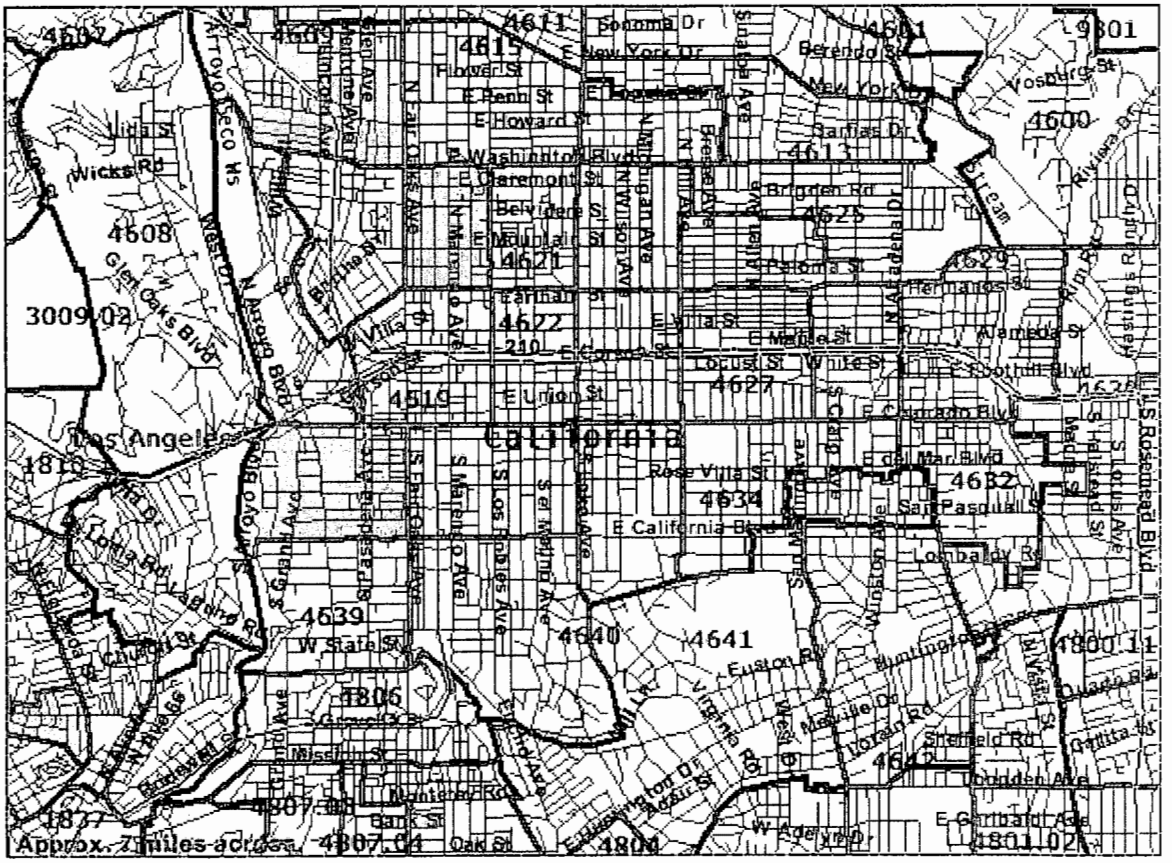


Figure 2. Location of Pasadena in Los Angeles County

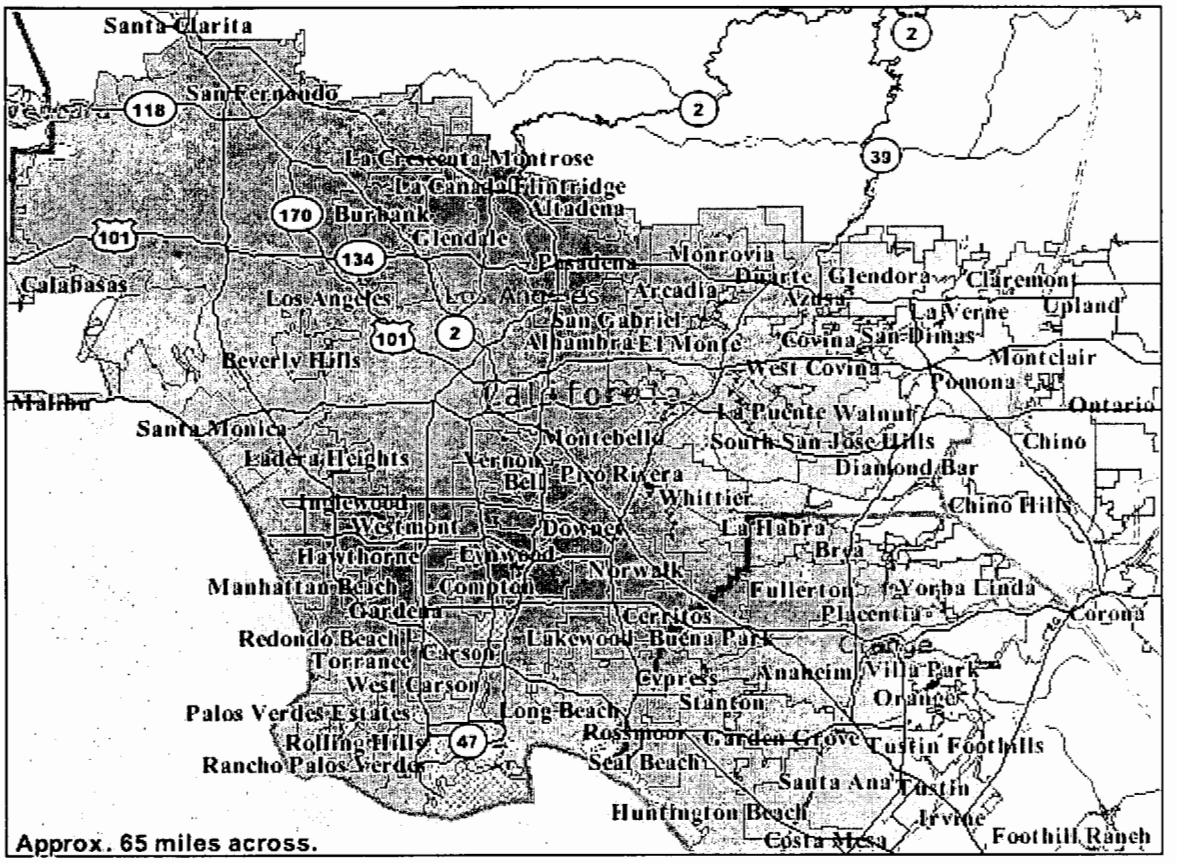
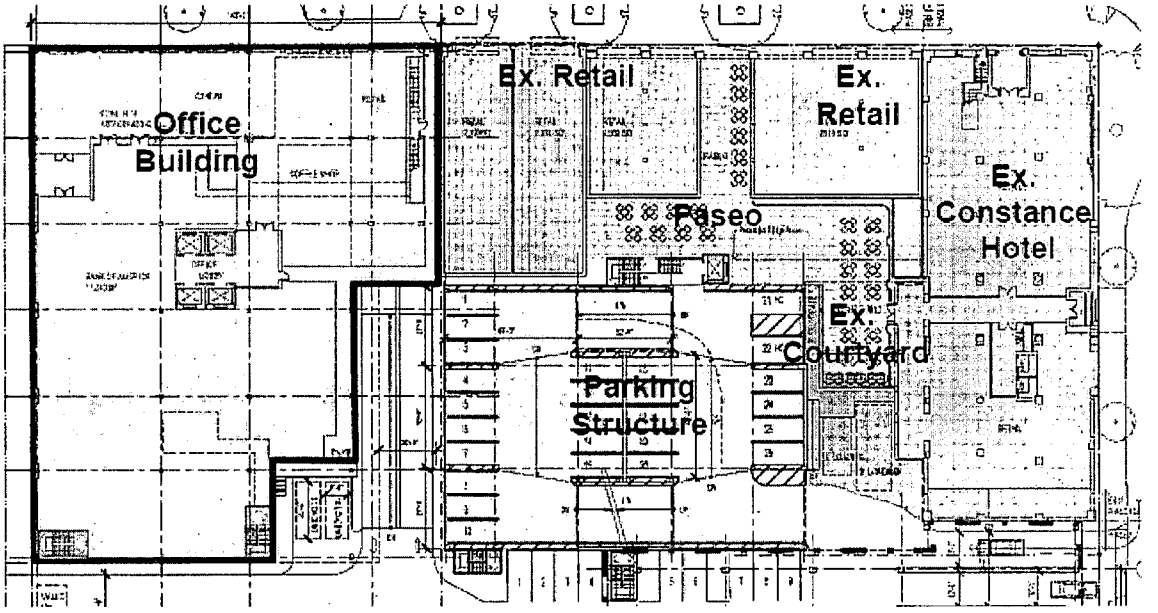


Figure 3. Floor Plans of Colorado at Lake Project



The project plans to restore the 1926 Constance Hotel and replace small businesses lining the 900 block of East Colorado Blvd. with new stores, restaurants, and offices. The first phase will include the renovation of the historic eight-story building – most recently the Pasadena Manor retirement home – on the southwest corner of Colorado and Mentor Avenues – to be renovated into an upscale boutique hotel. Phase II will expand the hotel, enlarge the public plaza, include additional parking spaces, and add an office building and a bank. The project is expected to bring more tourist and pedestrian activity to the neighborhood, which borders the Playhouse and South Lake districts.

5. Economic Parameters for Pasadena and Los Angeles County

Table 1 compares the key economic parameters of Pasadena with those for Los Angeles County and the overall U.S. economy.

Table 1. Key Economic Parameters for Pasadena, Los Angeles County, and the U.S.

Category	Pasadena	%	L.A. County	%	Total U.S.	
EMPLOYMENT STATUS						
Population 16 years and over	111,408	100.0%	7,617,775	100.0%	238,764,455	100.0%
In labor force	71,748	64.4%	4,998,989	65.6%	157,465,113	65.9%
OCCUPATION						
Civilian employed population 16+	66,284	100.0%	4,650,036	100.0%	146,266,253	100.0%
Management & professional	31,862	48.1%	1,589,067	34.2%	51,064,301	34.9%
Service occupations	11,729	17.7%	815,366	17.5%	25,084,498	17.1%
Sales and office occupations	14,415	21.7%	1,226,053	26.4%	37,252,708	25.5%
Farming & fishing	0	0.0%	9,799	0.2%	997,997	0.7%

Construction & maintenance	3,462	5.2%	384,658	8.3%	13,612,976	9.3%
Production & transportation	4,816	7.3%	625,093	13.4%	18,253,773	12.5%
INDUSTRY						
Civilian employed population 16+	66,284	100.0%	4,650,036	100.0%	146,266,253	100.0%
Agriculture & mining	0	0.0%	16,647	0.4%	2,653,081	1.8%
Construction	3,836	5.8%	302,193	6.5%	10,777,675	7.4%
Manufacturing	4,004	6.0%	538,989	11.6%	16,381,624	11.2%
Wholesale trade	1,780	2.7%	180,565	3.9%	4,383,802	3.0%
Retail trade	5,842	8.8%	509,493	11.0%	16,994,717	11.6%
Transportation & utilities	1,473	2.2%	258,560	5.6%	7,595,843	5.2%
Information	3,085	4.7%	206,192	4.4%	3,527,777	2.4%
Finance, insurance, real estate	5,058	7.6%	302,566	6.5%	10,112,239	6.9%
Professional & administrative	11,581	17.5%	542,861	11.7%	15,242,426	10.4%
Education & health	19,780	29.8%	913,228	19.6%	31,757,530	21.7%
Arts, entertainment, hotels, food svcs	4,670	7.0%	455,042	9.8%	12,904,517	8.8%
Other private services	2,814	4.2%	279,829	6.0%	7,092,352	4.8%
Public administration	2,361	3.6%	143,871	3.1%	6,842,670	4.7%
INCOME AND BENEFITS						
Total households	50,625	100.0%	3,168,362	100.0%	113,101,329	100.0%
Less than $10,000	3,381	6.7%	194,271	6.1%	8,149,557	7.2%
$10,000 to $14,999	3,101	6.1%	184,485	5.8%	6,141,047	5.4%
$15,000 to $24,999	4,699	9.3%	345,478	10.9%	12,049,123	10.7%
$25,000 to $34,999	3,508	6.9%	308,425	9.7%	11,718,207	10.4%
$35,000 to $49,999	6,262	12.4%	404,628	12.8%	16,028,909	14.2%
$50,000 to $74,999	9,306	18.4%	555,761	17.5%	21,251,695	18.8%
$75,000 to $99,999	6,876	13.6%	369,361	11.7%	14,015,215	12.4%
$100,000 to $149,999	5,703	11.3%	428,563	13.5%	13,921,120	12.3%
$150,000 to $199,999	3,112	6.1%	179,830	5.7%	4,954,443	4.4%
$200,000 or more	4,677	9.2%	197,560	6.2%	4,872,013	4.3%
Median household income (dollars)	57,796	111.1%	55,499	106.7%	52,029	*
Mean household income (dollars)	91,260	127.6%	81,169	113.5%	71,498	*
With earnings	40,954	80.9%	2,661,068	84.0%	90,791,365	80.3%
Mean earnings	91,094	126.1%	80,697	111.7%	72,235	*
With Social Security	11,228	22.2%	685,562	21.6%	30,562,552	27.0%
Mean Social Security income	14,520	96.7%	14,208	94.7%	15,010	*
With retirement income	6,124	12.1%	362,899	11.5%	19,474,163	17.2%
Mean retirement income	47,044	219.8%	25,202	117.7%	21,407	*
Families	27,891	100.0%	2,119,091	100.0%	75,030,551	100.0%
Less than $10,000	1,053	3.8%	93,269	4.4%	3,211,198	4.3%
$10,000 to $14,999	1,627	5.8%	83,597	3.9%	2,404,943	3.2%
$15,000 to $24,999	2,704	9.7%	218,626	10.3%	6,148,998	8.2%
$25,000 to $34,999	1,311	4.7%	201,251	9.5%	6,827,538	9.1%
$35,000 to $49,999	3,050	10.9%	265,573	12.5%	10,239,597	13.6%
$50,000 to $74,999	4,429	15.9%	376,130	17.7%	15,144,495	20.2%
$75,000 to $99,999	4,054	14.5%	261,690	12.3%	11,047,974	14.7%

$100,000 to $149,999	3,261	11.7%	321,604	15.2%	11,568,389	15.4%
$150,000 to $199,999	2,353	8.4%	141,667	6.7%	4,251,923	5.7%
$200,000 or more	4,049	14.5%	155,684	7.3%	4,185,496	5.6%
Median family income (dollars)	71,291	112.5%	61,937	97.7%	63,366	*
Mean family income (dollars)	115,645	138.7%	89,253	107.1%	83,351	*
Per capita income (dollars)	39,833	144.4%	27,655	100.2%	27,589	*
Median earnings for workers	32,429	108.6%	29,026	97.2%	29,868	*
Median earnings for male full-time	46,770	102.7%	41,079	90.2%	45,556	*
Median earnings for female full-time	46,268	130.4%	37,126	104.7%	35,471	*
PERCENTAGE BELOW THE POVERTY LEVEL						
All families	13.30%	137.1%	12.40%	127.8%	9.7%	*
All people	16.70%	126.5%	15.20%	115.2%	13.2%	*

All figures are for 2008. Source: American Fact Finder, U.S. Census
* % for Pasadena and L. A. County are relative to U.S. averages. Other % are relative to the total in that category.

The percentage distribution of employment by industry shows that Pasadena has a far lower proportion of workers in manufacturing, trade, and transportation, with a far higher proportion in professional and administrative services, and in education and health care.

All measures of income shown here are higher than the U.S. average; they are also higher than L. A. County. The median household income is 111% of the national average, compared to 106% for L.A. County, and median family income is 113% of the national average, compared to 98% for L.A. County. The mean values are much larger, skewed by a heavier concentration in the upper income brackets. For example, 14.5% of all families in Pasadena have incomes of $200,000 or more, compared to 7.3% for L.A. County and 5.6% for the U.S. As a result, mean family income is 138.7% of the national average. Per capita income is even higher in Pasadena, at 144.4% of the national average.

The income distribution is skewed at both ends. In spite of having a much higher proportion of wealthy families, the measures of poverty in Pasadena are also well above those for L. A. County and the U. S. The poverty rates of 13.3% for all families and 16.7% for all people in Pasadena are both well above the national average figures of 9.7% and 13.2% respectively.

Table 2. Labor Force, Employment, and Unemployment for Pasadena, Los Angeles County, and California

	Labor Force	Employed	Unemployed	Un Rate, %
Pasadena				

2007	77,403	74,444	2959	3.8
2008	77,841	73,415	4426	5.7
2009	76,565	69,724	6841	8.8
Los Angeles County				
2007	4,863806	4,617143	246,663	5.1
2008	4,924529	4,557285	367,244	7.5
2009	4,896067	4,328589	567,478	11.6
California				
2007	17,970,776	17,010,986	959,790	5.3
2008	18,251,558	16,938,333	1,313,225	7.2
2009	18,250,169	16,163,937	2,086,232	11.4

The unemployment rate for Pasadena, while it rose substantially in 2009, is still below the national average of 9.3% for 2009, whereas the rates for Los Angeles County and California are well above the national average. Please note that all figures for 2009 are preliminary.

6. Guide to Using the IMPLAN model for USCIS Adjudicators

Note: this material has been prepared for USCIS Adjudicators who may not be familiar with input/output model methodology for the IMPLAN model. It can be skipped without loss of continuity by those readers who are already familiar with this approach.

Evans, Carroll & Associates, Inc. has used the IMPLAN model in over 50 studies to determine the economic impact of EB-5 and similar programs. This section explains in more detail how the IMPLAN model works, and why it is a valid approach for determining the economic impact for EB-5 regional centers.

The IMPLAN model calculates job creation for each category of economic activity. This model has been approved in many earlier applications by USCIS and is one of the two recognized models (the other one is RIMS II) that are generally used in these applications.

IMPLAN (and other input/output models) are based on the concept of a production function, which determines the quantities of inputs are required to produce a unit of output. The basic data are collected by the Commerce Department from a variety of sources, such as the Annual Survey of Manufacturers and various annual surveys of the service sector. The data are benchmarked to the Economic Census figures once every five years and then updated annually. These figures comprise a national input/output model.

The regional coefficients are then modified to take into account the proportion of goods and services required to produce one unit of output that are produced locally. These regional coefficients are based on data from the Economic Census.

For a manufacturing plant, for example, the raw materials required are measured by the input/output coefficients. Using the data for output per employee, these figures are then converted into new jobs created for indirect employees. The regional coefficients are then used to determine what proportion of these employees work in facilities in the local area. All these coefficients are imbedded in the IMPLAN model. The results shown in the tables submitted in this report are the end product of entering the inputs for direct jobs and solving the model for the indicated region.

For a service industry such as a hotel, office building, life sciences laboratory, retail store, or restaurant, the same concept is employed, except in this case most of the indirect jobs are also in a service occupation. In order for these businesses to function, they must hire lawyers, accountants, computer programmers, and administrators. They deposit their funds in banks and other financial institutions, creating new jobs in those industries. The buildings must be leased and the business must be insured, creating new jobs in those industries. Once again, the new jobs created are based on the regional coefficients of the IMPLAN model.

An input/output model is not a forecasting model that takes into account varying economic conditions. Instead, input/output models are designed to be static models. At any given time – based on production data gathered by the Department of Commerce – it is ascertained that a given quantity of inputs are used to determine a unit of output. These coefficients are assumed to be the same regardless of whether there is a boom or a recession. For example, it takes the same amount of coal, scrap iron, limestone, machinery, and labor to produce a ton of steel regardless of the underlying business cycle conditions.

Input/output models have been used in thousands of applications to determine the economic impact of a given investment of a specific project; sometimes these are regional models, sometimes they are national models.

The use of input/output models in general, and IMPLAN in particular, represent the standard and accepted way of determining the increase in (i) employment and (ii) the economic impact of regional center projects. In addition to employment, economic impact is measured by increases in output and labor income (sometimes referred to as household earnings) that will be generated by a given increase in direct jobs or expenditures for a given project. Output and labor income capture all of the factors listed in 8 C.F.R. Section 204.6(m)(3)(iv)

such as "increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction."

The calculation of the employment multipliers is accomplished as follows:

1. The first step is to determine employment per dollar of output for each industry. There are 440 industries in the IMPLAN input/output matrix, but in this report these are generally aggregated into about 30 industry classifications. The figures for industry output and total employment are taken from Census data and vary for each county.

2. The figures for employment per dollar of output are then multiplied by various coefficients in the model, representing direct, indirect, and induced effects. The column for direct effects has a coefficient of 1 for the specific industry and 0 for all other industries. The column for indirect effects is based on the technical coefficients of production (e.g., how much coal is required to produce one ton of steel). These coefficients range from 0 to 1.

3. The column for induced effects is based on the proportion of household income that is spent in that industry. Usually the figures would be higher for health care and retail trade and lower (or zero) for manufacturing industries.

To illustrate this, consider a very simple three-sector model in which we determine the employment multiplier for auto manufacturing. The three sectors are auto manufacturing, other manufacturing, and services.

	Output	Employment	Empl/Output
Auto mfg	100	10	0.10
Other mfg	2,000	250	0.08
Services	4,000	800	0.20

Employment Multipliers for Auto Manufacturing (in actual work, these would be taken from the IMPLAN model)

	Direct	Indirect	Induced
Auto mfg	1.00	0.05	0.08
Other mfg	0.00	0.25	0.40
Services	0.00	0.20	1.20

These figures are multiplied by the empl/output column to obtain the following results:

	Employment Effects		
	Direct	Indirect	Induced
Auto mfg	0.10	0.005	0.008
Other mfg	0	0.002	0.005
Services	0	0.040	0.240

Total	0.10	0.047	0.253

In this case, the employment multiplier would be calculated as (0.10 + 0.047 + 0.253)/0.10, which in this case is 4.0. The total number of jobs created by the new auto plant is then equal to 4.0 times the number of direct new jobs, which has been calculated outside the IMPLAN model.

In EB-5 regional center applications, the number of direct jobs is calculated outside the model. While there are a variety of methods for doing this, one standard method is to determine the number of square feet per employee. Then the number of employees is identically equal to the number of square feet divided by square feet per employee. Another method is to calculate the ratio of output to capital (from government statistics), multiply by the amount of investment to get the incremental change in output, and then divide by output/employee in the particular county or region. These methods are discussed in greater detail in the next section. Once the number of direct new jobs has been determined, the IMPLAN model is then used to determine the number of indirect and induced jobs.

Indirect jobs are those created when the new business purchases goods and services that are produced or sold locally. These are discussed in more detail in Section (8).

In the case of a restaurant, for example, some of the food might be purchased from local farms, or food manufacturing plants. The proportions are determined by the coefficients imbedded in the IMPLAN (or other input/output) model. These coefficients are based on actual data for purchased goods and services taken from the Economic Census, the Annual Survey for Manufacturers, and other similar sources compiled by the Commerce Department. The regional purchase coefficients are based on regional estimates prepared by the Commerce Department. These figures can be found on the BEA website.

In general, food purchases account for about 1/3 of total restaurant output. Thus if the restaurant generated $6 million in sales, $2 million would be spent on purchasing food. Some of this would be grown or produced locally, while some of it would be grown or produced outside the region, but sold locally.

Suppose, for example, that the restaurant purchased its desserts from a nearby bakery. In this example, suppose desserts account for 10% of the food bill, which means $200,000 worth of dessert would be purchased. That amount of activity would increase the number of employees at the bakery, both in terms of salespeople and in terms of bakers. The bakery would then buy sugar, flour, eggs, and other ingredients from other sources; here again, some would be local, and some would be out of the region. If the flour is purchased from a local source, then that would generate further jobs in growing and milling wheat, and so forth. The input/output table captures all of these relationships and converts

them to the number of additional employees that are generated by the purchase of desserts. Similar calculations would be taken for all other food served at the restaurant.

The restaurant would also hire a cleaning service to launder the tablecloths and napkins, it would hire an accountant to keep track of its receipts and pay taxes, and from time to time it would need to hire plumbers, electricians, and carpenters to perform repairs. There are many other services they would also need to use. The input/output model shows the fraction of total sales expended in each of these categories. There are 440 categories in the latest input/output table, although not all of them apply to all categories.

Induced jobs are those created when the restaurant employees spend some of their paychecks on goods and services produced or sold locally. This would include expenditures on food, clothing, health care, entertainment, and a variety of other goods and services. These figures are based on consumer surveys showing the amount spent by individuals and families at different income levels in different locations, and are prepared by the Bureau of Labor Statistics.

All the calculations for the number of indirect and induced jobs are done by the computer program imbedded in the IMPLAN model, using these coefficients calculated from BEA and BLS data, which are then used to invert and solve a matrix that contains 440 * 440 (equals 193,600) elements. Obviously all these elements cannot be reproduced in each report; however, a related table is found on the BEA website (http://www.bea.gov/bea/interactive.htm).

In the same manner, the IMPLAN model also generates predictions of output and labor (household) income for each industry category; these are referred to as the "derived monetary predictions" by USCIS. The coefficients that determine output and income are based on the same methodology used to generate the employment numbers; the figures are then multiplied by the output per worker, and labor income per worker. These figures are also taken from data found in the Economic Censuses and supplemented by the BLS.

All these calculations are part of the input/output algorithm, which is internal to the IMPLAN (or other input/output) model. Hence the pathway for determining the results is as follows:

1. Calculate the number of new direct employees for each new business.

2. Use the computer program algorithm that contains coefficients in the input/output model that determine the number of new employees per dollar of new sales for each industry category where the new business purchases goods and services produced or sold locally.

3. Use the computer program algorithm that contains coefficients in the input/output model that determine the number of new employees per dollar of new sales for each industry category where employees spend part of their paychecks on goods and services produced or sold locally.

4. Solve the entire input/output model to take into consideration secondary links (i.e., bakers purchase flour, which is grown from wheat) that create employment gains throughout the economy.

5. Use the gains in employment to determine the increase in output by multiplying employment by the average output/employee for all relevant industries.

6. Use the gains in employment to determine the increase in labor income by multiplying employment by the average compensation/employee for all relevant industries.

The IMPLAN model is a regional input/model developed and maintained by the Minnesota IMPLAN group, headquartered in Minneapolis. The basic model was originally developed by the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management.

The IMPLAN model has certain similarities with the RIMS (Regional Input/Output Modeling system) model developed by the Department of Commerce, but is generally thought to contain several superior features besides its greater ease and flexibility of use. These improvements can be summarized as follows:

1. The Commerce Department is not permitted to publish data in any category where there are less than three organizations in a given economic area. IMPLAN has developed an algorithm to fill in the missing numbers.

2. IMPLAN has introduced improved methods of accounting for flows of goods and services among counties.

3. IMPLAN permits aggregation of any subset of industries for calculation and tabular purposes. This is useful when results are desired for, say, 1-digit industries instead of the 509 industries actually found in the input/output table.

4. As seen in the tables throughout this text, IMPLAN estimates three separate effects, labeled "direct", "indirect" and "induced". The direct effects are those entered by the user. The other two columns represent the multiplier effects, but they are usually combined in other input/output models. Briefly, the indirect effect represents purchases made by businesses when their sales rise. For example, a restaurant might order more food produced or sold in the region, or

an automobile plant might order more steel. The induced effect represents the additional household spending because income has risen. For example, restaurant workers would spend their paychecks on various goods and services, some of which are produced in the region. In general, then, the larger the region under consideration, the larger the multipliers would be.

The following material, taken from the IMPLAN manual, describes the input/output process in more detail.

Input/output analysis is a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all of the monetary market transactions for consumption in a given time period. The resulting mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy.

A descriptive model includes information about local economic interactions known as regional economic accounts. These tables describe a local economy in terms of the flow of dollars from purchasers to producers within the region. The initial IMPLAN data details all purchases, including imported goods and services. When regional economic accounts are created, imports to the region are removed from the initial data, allowing examination of local inter-industry transactions and final purchases.

The regional economic accounts are used to construct local level multipliers. Multipliers describe the response of the economy to a stimulus (a change in demand or production). The multipliers represent the Predictive Model.

Purchases for final use (final demand) drive an input/output model. Industries producing goods and services for consumption purchase goods and services from other producers. These other producers, in turn, purchase goods and services. These indirect purchases (or indirect effects) continue until leakages from the region (imports, wages, profits, etc.) stop the cycle.

The indirect effects and the effects of increased household spending (induced effects) can be mathematically derived as sets of multipliers. The derivation is called the Leontief inverse. The resulting sets of multipliers describe the change of output for each industry caused by a one dollar change in final demand for any given industry.

The input/output analysis framework is similar to a financial accounting framework that tracks purchases of and expenditures on goods and services in dollars. Input/output accounting traces the flow of dollars between businesses and between businesses and final consumers. An input/output accounting framework can be illustrated using classic financial accounting T-accounts, which

include receipts (income) and expenditures (expenses) on each side of a "T", as shown below.

Final Consumption (or final demand) drives input/output models. Industries respond to meet demand directly or indirectly, by supplying goods and services to industries responding directly. Each industry that produces goods and services generates demands for other goods and services, and so on. Multipliers describe these iterations.

There are three different multipliers developed for predictive modeling: Type I, Type II, and Type SAM. We start with the transactions table and derive a coefficient by dividing each industry column by the column total. This coefficient matrix is also known as the ***A Matrix***.

The columns of the A Matrix are production functions. A production function shows where an industry spends, and in what proportions, to generate each dollar of output.

Receipts	Expenditures
Sales to industries	Purchases of goods and services
Sales to institutions	Local
Exports	Imported
	Investment
	Payroll
	Taxes
	Profits
	Distributed
	Retained

Through algebraic manipulation of the A Matrix, we can derive the multipliers. The predictive model shows how output will change with a given change in final demand. The inverse is the matrix of multipliers.

Multipliers break the effects of stimuli on economic activity down into three components:

1. Direct effects are the changes in the industries to which a final demand change was made.

2. Indirect effects are the changes in inter-industry purchases as they respond to the new demands of the directly affected industries.

3. Induced effects typically reflect changes in spending from households as income increases or decreases due to the changes in production.

The Type I multiplier measures the direct and indirect effects of a change in economic activity. It captures the inter-industry effects only, i.e., industries buying from local industries.

The Type II multiplier captures direct and indirect effects in addition to the inter-industry effects; it also takes into account the income and expenditures of household. The household income and expenditures are treated as industries. This internalizes the household sector, including the induced or household spending effects.

The Type SAM multiplier uses all information about the institutions selected to be included in the predictive model. If only households are included, all information for industries, factors, and households are included.

The latest version of the IMPLAN model contains 440 separate industrial sectors. In preparing these calculations, the direct employment effects were entered for construction, retail outlets, hotels, office space, and residential operations. The remaining sectors are then aggregated, generating a total of 25 to 30 sectors, which are reproduced in the tables in the following sections.

Each IMPLAN calculation is based on separate figures for a specific set of counties, which is determined by the location of the project and the likely flow of the workforce to the new businesses that are in operation. The size of the multipliers for any county depends in part on its size; a very small county would have a smaller multiplier because a larger proportion of the goods and services would be purchased outside the county. A very large county, such as Cook County in Chicago, would have a larger multiplier.

There is always a tradeoff here in the following sense. The more contiguous counties that are included – i.e., the larger the overall area – the higher the multiplier is likely to be, and hence the higher the number for indirect and induced job creation. On the other hand, making the area larger than it should be overstates the result and vitiates its usefulness.

The Census publishes data on county-to-county workflow. In most cases, most of the people who work in a given county also live there. The question is how to identify those other counties that provide a significant proportion of the workers, because they will spend part of their paychecks at home, which means those counties should also be included in the multiplier calculations. In general, the multipliers are likely to be the most accurate when they include those

counties whose residents represent 90% to 95% of the county workforce. In this case, since Los Angeles County is such a large county, no other counties are used to determine the economic multipliers.

7. Methodology for Calculating Indirect Job Gains

In spite of the explanation of the IMPLAN model given above, some USCIS adjudicators have raised questions about how that model is used to determine the increase in the number of indirect jobs. That is an important issue because, unlike the direct job count, which can be verified by USCIS from various payroll and withholding documents, the calculation of indirect jobs cannot be verified directly but depends on mathematical calculations.

The general concept is based on the coefficients in the input/output model itself (the same methodology applies to IMPLAN, RIMS II, or any other generally recognized and accepted input/output model). In any given year, the government calculates how much input is used for a given production of output. The detailed figures are taken from the Economic Censuses taken once every five years; the figures are then updated from various annual supplements.

Basically the process has two steps, each of which is described next in greater detail. The first is to determine the amount of output, and hence the number of jobs, required to produce a given amount (say $1 million) of the final product or service. These are national coefficients. The second is to determine what proportion of those goods and services are purchased within the local region (the regional purchase coefficients, or RPCs).

In the case of a manufacturing process, the national coefficients are based on production functions: how much coke per ton of steel, how much steel per motor vehicle, how much flour for a loaf of bread, and so on. However, most of the jobs are created in the service sector, where Commerce Department data are used to determine, for example, how much restaurants spend on laundry services, how much airlines spend for attorneys, and so on. These figures are based on information contained in the various Economic Censuses. The national coefficients would also determine, for example, how many architects and engineers would be hired for a construction project of a given scope and size, and how many new employees at financial institutions would be required to handle the additional cash flow generated by the new business. Both of these are discussed below in greater detail.

Even after these coefficients are determined, however, the regional purchase coefficients (RPC) must still be estimated. If, for example, a trucking firm spends 1% of its revenue on accountants, how much of that money is spent on local firms, and how much is spent outside the region?

That answer depends on various factors. The most important is the amount of the good or service produced within the region. If a trucking firm, for example, were located in a small county with no accountants, obviously it would not spend any of that money locally. That sets a lower limit but is not generally the case. Instead, a balancing algorithm is used.

Suppose, for example, that all the firms producing, distributing, or selling goods and services in a given county spent $10 million on accounting services. Also, suppose that total billings of all accountants in the county were $20 million. In that case, local accountants could handle all the local business, plus business from neighboring counties. If, on the other hand, total accountant billings in the county were only $5 million, local firms could not spend more than half of the money on local accountants.

Of course it is possible that there are adequate resources in the county but local firms choose to use companies outside the county; perhaps prices or service is better. No input/output model can account for such anomalies. On the other hand, given transportation costs, it would be highly unusual for a firm to be located in a given location and not serve the nearby businesses, instead choosing only those clients who were farther away.

The IMPLAN model – and other regional input/output models – assigns regional purchase coefficients (RPCs) in all cases where the local industry purchases goods and services from local firms. This matrix could have as many as 440 * 440 = 193,600 elements, although in practice many of them are zero. Large counties with a wide variety of businesses have more non-zero elements than small counties with relatively few businesses.

In general, the RPCs tend to be close to zero for most manufactured goods, and close to unity for most services. While there are many exceptions to this rule, most firms will use financial, professional, business, and health care services that are located in that county or contiguous areas.

To take just one example of many, consider the number of new jobs created by architects and engineers for a new construction project of any given size. Most construction cost manuals, such as those published by R. S. Means, indicate that those costs are usually about 5% to 9% of the total job. According to the national IMPLAN file, the figures are 9.2% for commercial construction and 4.5% for industrial construction.

These figures can be compared with the proportions of architects and engineers in the specific counties that are used to determine the economic multipliers. For Los Angeles County, the IMPLAN model shows proportions of 8.4% for commercial and 4.3% for industrial construction, indicating that 91% of the architects and engineers for commercial jobs and 95% for industrial jobs are hired locally. These figures are fairly typical of other locations and regions;

except for "signature" buildings designed by famous names, most architects and engineers live in the same region as the buildings that are being constructed.

To summarize to this point, the number of indirect jobs as a proportion of direct jobs depends on (a) the national relationships, and (b) the regional purchase coefficients. In our presentation of the individual projects later in this report, we generally provide further discussion of those industries with the largest number of indirect jobs. However, there are a few industries that produce relatively large numbers of jobs in almost all cases, and these can be generally discussed at this stage in order to avoid repeating this information several times. The industries discussed here include banking, real estate, legal and accounting, architects and engineers, other professional services, employment services, other business services, restaurants, and government. In all of these cases, the vast majority of workers are hired locally. Our comments for the rest of this section are based on the assumption of a $10 million investment.

Banking and credit: On an aggregate basis, for every $10 million in deposits, using the very broadly defined M3 measure of the money supply, there is about 1 new banking employee. As a rough rule of thumb, the size of M3 is roughly equal to the size of GDP. Hence we would expect about 1 new financial services employee (excluding real estate) for every $10 million increase in output, as calculated from the IMPLAN model.

Real estate: Additional real estate employees are based on two factors. One is the leasing activity of the new building. The other is the increase in residential real estate activity as people get new jobs, either within the area or by moving into the area; that factor varies depending on whether the new business is likely to cause people to move into the area. On a lease basis, a $10 million investment is likely to result in a building of 80,000 square feet. If it leases for $40/square foot, that would be $3.2 million in annual lease payments, and with a 6% commission would generate $192,000 in revenues, which would account for about 2 new real estate employees (the figure would be less for industrial buildings).

The increase in employment would also result in some real estate activity as workers moved into better housing in the same location, or moved in from other areas; that movement would depend on how large the area is, and therefore how many people might move in to fill the new jobs. In a normal year, there are about 7 million sales of new and existing homes for a labor force of about 140 million, or 5%. Hence if the total increase in direct employment were 200, that would imply 10 real estate transactions; if home price sales average $200,000 and a 6% commission applies, that would be $12,000 per home or a total of $120,000, which would support 1 to 2 new real estate jobs.

Legal & Accounting: Each of these accounts for about 1% of total employment; so if there were a total increase of 200 direct jobs, we would expect an average of 4 new employees in this classification.

Architects & Engineers: almost all of these jobs stem from the new construction activity. This category has already been discussed above; for a $10 million construction project, which would create about 80 new construction jobs, we would expect about 7 new jobs in architects and engineers for a commercial project and 3 to 4 new jobs for an industrial project. In areas where construction costs are higher, say $200 per square foot, we would expect to find only about 5 new jobs for a commercial project and 2 new jobs for an industrial project.

Other professional services: This category includes employees in consulting, scientific research and development, advertising, and management, as well as several other smaller, specialized categories. In general, consulting, management, and all other professional services each account for about 1% of total employment, and R&D and advertising account for about ½% of total employment, for a total of about 4% of total employment. This figure will vary widely depending on the degree to which consultants and R&D are used by the new business.

Employment services: On a national average basis, 1 out of every 45 people is employed by this industry. Here again, the figures will vary widely depending on (a) the proportion of people who are hired through employment agencies, and (b) the proportion of the work that is outsourced to employment services. The new jobs in this category are primarily those tasks that are outsourced, although employment agencies that find people new positions represent a significant proportion of this category.

Business support services include office management, travel arrangement, security, credit bureaus, telemarketing, and back-office jobs that are outsourced, such as direct mail, copying, and duplicating services. The back-office services would vary widely depending on the type of new business; retail stores, for example, would print and distribute more advertising brochures than a manufacturing operation. On a national average basis, these jobs account for about 1% to 2% of total employment, depending on the type of business.

Building support services, which includes janitorial services, lawn maintenance, and waste management. For an office building of 80,000 square feet, the cost would be approximately $2/sq ft per year for maintenance, or $160,000, which would support about 3 new jobs; here again, the figure would be lower for industrial buildings.

Restaurants: This category reflects business meals. Of course the number of business meals depends greatly on the type of business; lawyers, accountants, and consultants will have more business meals than manufacturing

plants or water treatment facilities. On a national average basis, Commerce Department figures show that total restaurant sales in 2007 were $580 billion, while consumer expenditures at restaurants were $500 billion. However, that figure also includes tips, which are not included in restaurant sales. After subtracting 15% for tips, that indicates about $425 billion in food and beverage purchases by consumers, indicating about $155 billion for business expenses. With a labor force of approximately 140 million, that is equivalent to about $1,100 per employee. Hence if 200 new direct jobs were created, business meal expenses would rise an average of $221,000, which would imply about 4 new indirect jobs in the restaurant industry. These figures are generally higher when direct jobs are created for office buildings and professional services, and also for hotels where some of the food service operations are outsourced.

Government: The increase in public sector employees represents the amount funded by increased real estate taxes. For a construction project with $10 million in hard costs, the total value is likely to be between $15 and $20 million when furniture, fixtures, equipment, and land values are included. Using a national average property tax rate of 1% would raise taxes by $150,000 to $200,000, which would create 3 to 4 new jobs in the public sector. This ratio is closely correlated with the actual real estate tax rate on nonresidential property and equipment in various locations.

These general ratios will be applied to the indirect job figures generated by the IMPLAN model in the remainder of this report, with additional comments where the estimated numbers vary substantially from these guidelines.

8. Estimates of Direct Jobs Created

A. Introduction

This section of the report contains the estimates for direct job creation for each major phase of the project. The summary figures for each of these components have already been presented in Section A. The following comments apply to the direct job estimates that will be presented:

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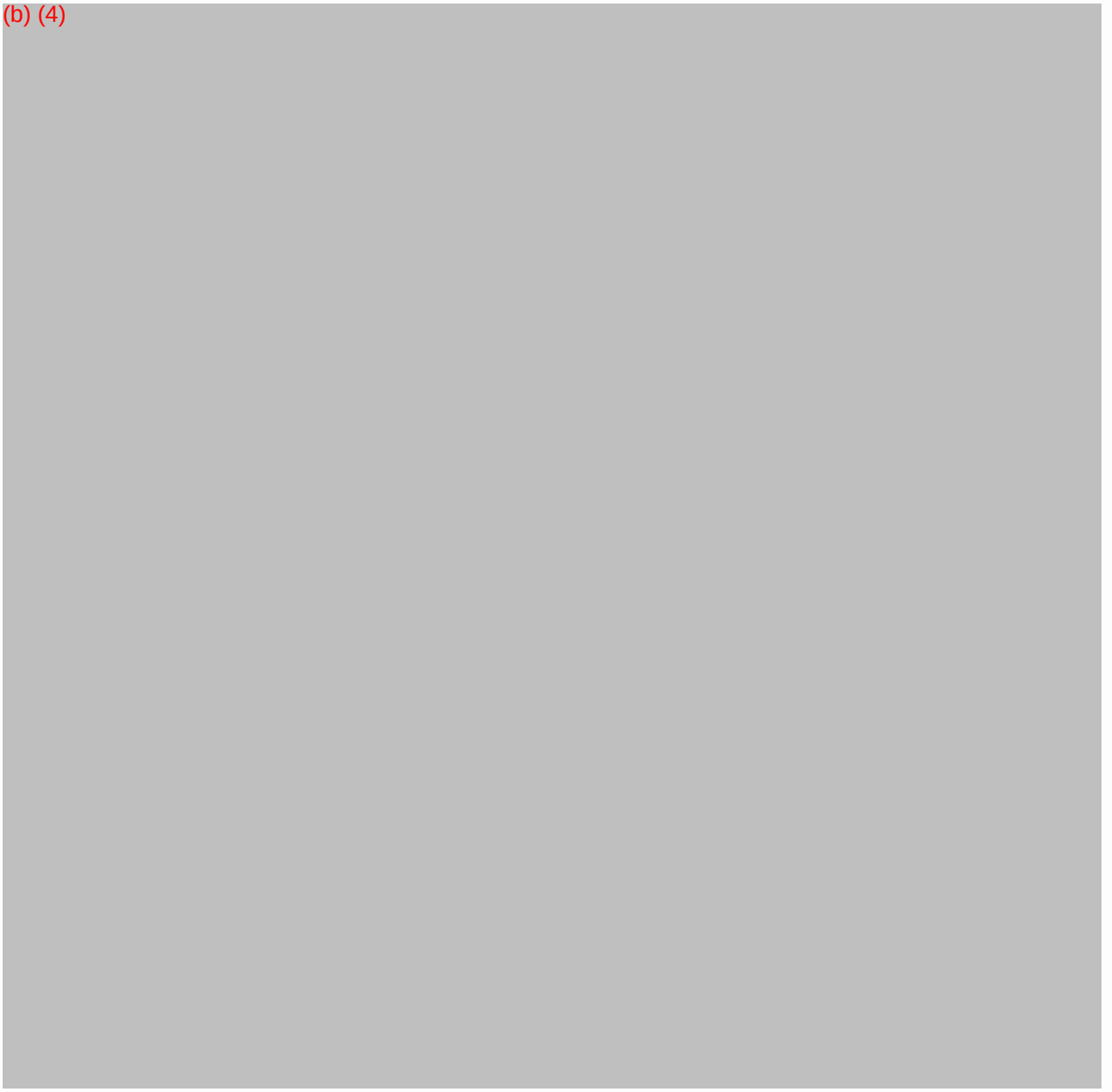

Before proceeding further, we note that the definition of "direct jobs" used in this report should not be confused with the concept of direct job creation measurable by Forms I-9, payroll records, or other similar documentation as set forth in 8 C.F.R. § 204.6(j)(4)(i)(A). That section contemplates jobs created by the actual employees of the new commercial enterprise, specifically in the non-regional center context.

When economists use the term "direct" jobs in the context of an econometric methodology such as IMPLAN, what is meant are jobs created directly by revenues (which in the EB-5 Pilot Program results from an immigrant investor's investment). For example, where a regional center-based new commercial enterprise comprised of immigrant investors renovates a building it purchased, the employees of the various unaffiliated tenants of that building

would be considered "direct" jobs in the context of an econometric report. However, those jobs are not "direct" in the sense set forth in 8 C.F.R. § 204.6(j)(4)(i)(A) where the new commercial enterprise is itself the employer that can provide Form I-9 or other similar documentation on its own employees. The tenants' employees are not "direct" employees of the regional center-based new commercial enterprise.

To be clear, this report does set forth the number of jobs that are likely to be created by the new commercial enterprises. However, as 8 C.F.R. § 204.6(j)(4)(iii) clearly states, the proof of job creation in the context of regional centers is not Forms I-9, payroll records, or similar documentation, but rather "reasonable methodologies" such as this report.

B. Direct Construction Jobs

For EB-5 purposes, only hard construction costs can be used to determine construction jobs. While design and management costs are important, they are included in the indirect jobs category in the IMPLAN model, so including them as direct jobs would represent double-counting. Furniture and equipment costs are not included because they would probably be purchased outside the area. Purchase of insurance policy and permits do not create more direct jobs, although there could be a slight indirect effect. Escalation costs reflect higher costs for wages, not more employees. Similarly, the owner's contingency reflects higher than expected costs rather than the creation of more jobs.

Figures for hard construction costs have been provided by the developer. The total construction cost budget for Phase I is estimated at (b) (4) .

Based on IMPLAN data updated to 2010 levels, the estimated output per construction worker for this mix of business in Los Angeles County is estimated to be (b) (4) direct construction jobs will be created from the construction phase of this project, assuming that phase of the project took one year to complete.

Phase II is expected to be about (b) (4) direct construction jobs, assuming that phase of the project took one year to complete.

C. Hotel Operating Jobs

The floor plans indicate approximately 66,000 square feet for the hotel rooms. Since there will be 136 rooms (keys), that equals 485 square feet per room, which includes common areas such as hallways, stairs, elevators, and

utility rooms but not meeting rooms or banquet facilities. In general, these types of common areas occupy about 25% of the total space, so the rooms would average about 364 square feet, in line with the average for upscale hotels.

The number of employees per room for an upscale hotel is discussed next. According to various surveys of the hotel industry, the average number of employees per hotel room recently was 0.612. Furthermore, this figure has not changed very much over the years; earlier surveys also estimate it to be in the 0.6 to 0.7 range for U.S. hotels. However, while this survey covers a wide range of hotels, ranging from low-end motels to upscale hotels, and is a good starting point for our analysis, it does not fully apply to luxury resorts, where the ratio is 1.6 employees per room, as shown in a recent survey published in USA Today.

Evans, Carroll & Associates has calculated the likely breakdown of the 61 employees per 100 hotel rooms for a standard hotel with a 75% occupancy rate, which is the national average; these figures can then be adjusted upward to reflect hiring practices at upscale and luxury hotels. The maid service figure is based on each maid cleaning 12 rooms per day; in some hotels, the figure is as high as 15 rooms per day, but that is unusual. This figure declines as the size of the room increases, and is estimated to be 8.3 rooms per day for luxury establishments. The front desk figure for a standard hotel assumes 4 people for each of 3 shifts; this figure also includes receptionists and people who answer the phone.

A recent survey of luxury hotel chains in the U.S., including the Mandarin Oriental, St. Regis Hotel, Ritz Carlton, and Four Seasons chains, found an average hotel room of 430 square feet, and an average of 1.7 employees per room except for the Ritz Carlton, which is slightly less luxurious at a rate of 1.2 employees per room. It is assumed that at a luxury hotel there are 6 people per shift at the front desk, and the addition of concierge and bellhop personnel throughout the day and night. The food service figures have been expanded to include room service and an extensive trade in meeting and banquet facilities. Three employees are available on each shift for customer relations instead of one. Similarly, three employees instead of two are available per shift for management, security, engineering, and inside maintenance, and janitorial services and outside maintenance, In addition, two employees per shift are added for reservations and for meeting and banquet facilities. These results are summarized in Table 3.

Table 3. Hotel Employees Per 100 Rooms

Category	Budget	Standard	Upscale	Semi Luxury	True Luxury
Maid Service	6	8	10	11	12
Front Desk	6	12	15	18	18

Doormen	0	3	3	4	6
Bellhops	1	0	4	6	8
Parking Valets	0	0	3	6	8
Concierge	0	0	3	6	6
Food Service	3	14	20	30	45
Customer relations	3	3	6	7	9
Management	3	6	6	7	9
Security	3	6	6	7	9
Engineering/inside maint	4	6	6	7	9
Janitor/outside maint	3	3	6	7	9
Reservations	0	0	3	6	6
Meeting & Banquet	0	0	0	3	6
Total	32	61	91	120	160

Further calculations are included to demonstrate that (a) this will be an upscale hotel, and (b) it will employ 91 people per 100 rooms. The cost per room puts this hotel very near the median figure for all upscale hotels. As shown in Table 4, the median cost per room for an upscale hotel is $121,600. (b) (4)

[redacted]

(b) (4)

D. Retail and Restaurant Operating Jobs

The methodology for calculating employees/square foot uses the identity that employees per square foot equals sales per square foot divided by sales per employee. Figures are available from Census and the IMPLAN model on sales per square foot by county. Figures on sales per square foot by type of establishment on a national basis are available from the Bizminer survey data.

However, figures are not available for sales per square foot by county, and must be calculated by ECA. In general, sales per square foot would probably be higher in high-income urban areas than in low-income rural areas. Also, to a certain extent, higher sales per square foot would probably result in more employees per square foot, although only partially. The following discussion explains how these ratios are calculated.

Figures are available for sales/employee by retail sectors for each county, so we can determine (for example) that sales at clothing stores in Los Angeles County are 37.3% above the national average. That information can be used to determine how much that would increase employees per square foot.

(b) (4)

(b) (4)

F. Office Building Jobs

The number of employees per square foot for office buildings can be taken from data supply by the U.S. Energy Information Agency. As part of its comprehensive study on energy use, the Energy Information Agency prepares annual estimates on the amount of energy used by type and size of commercial building. This study also estimates the number of mean square feet per worker by type of building. Their figure for office buildings, 434 square feet per worker, is used in this study. Since some figures for other types of buildings are also used here, the complete table from the EIA study is given below, in Table 6.

Table 6. Estimates of Square Feet per Worker by Type of Building

	Number of Buildings (thousand)	Total Floorspace (million square feet)	Total Workers in All Buildings (thousand)	Mean Square Feet per Building (thousand)	Mean Square Feet per Worker	Mean Hours per Week
All Buildings*	4,645	64,783	72,807	13.9	890	61
Building Floorspace (Square Feet)						

1,001 to 5,000	2,552	6,789	9,936	2.7	683	57
5,001 to 10,000	889	6,585	7,512	7.4	877	61
10,001 to 25,000	738	11,535	10,787	15.6	1,069	67
25,001 to 50,000	241	8,668	8,881	35.9	976	72
50,001 to 100,000	129	9,057	8,432	70.4	1,074	80
100,001 to 200,000	65	9,064	11,632	138.8	779	89
200,001 to 500,000	25	7,176	6,883	289.0	1,043	100
Over 500,000	7	5,908	8,744	896.1	676	115
Principal Building Activity						
Education	386	9,874	12,489	25.6	791	50
Food Sales	226	1,255	1,430	5.6	877	107
Food Service	297	1,654	3,129	5.6	528	86
Health Care	129	3,163	6,317	24.6	501	59
Inpatient	8	1,905	3,716	241.4	513	168
Outpatient	121	1,258	2,600	10.4	484	52
Lodging	142	5,096	2,457	35.8	2,074	167
Retail (Other Than Mall)	443	4,317	3,463	9.7	1,246	59
Office	824	12,208	28,154	14.8	434	55
Public Assembly	277	3,939	2,395	14.2	1,645	50
Public Order and Safety	71	1,090	1,347	15.5	809	103
Religious Worship	370	3,754	1,706	10.1	2,200	32
Service	622	4,050	3,667	6.5	1,105	55
Warehouse and Storage	597	10,078	4,369	16.9	2,306	66
Other	79	1,738	1,819	21.9	956	63

However, an additional adjustment should be made. The 434 square feet per person assumes that the professionals in those offices need space for customer accommodations, which is indeed the case for lawyers and accountants. However, considering the emphasis in this report on high-tech manufacturing and renewable fuels, part of the building will probably be used for scientific research, computer programming, and information technology jobs. For these jobs, the number of square feet per employee is substantially smaller, and the number of employees larger, since it is not necessary to have reception areas, conference rooms, and other similar amenities for customers.

Data available on 10 web sites of companies who specialize in research and development reveals the following number of square feet per employee: 250, 215, 219, 230, 250, 200, 200, 300, 300 and 250 -- for an average of 245 square feet per employee. Hence a 100,000 square foot office building housing those types of businesses would have 408 employees, or 77% more than the example given above.

In terms of office staffing and space requirements for computer programmers, the layout would probably be similar to a company such as Amazon or Google. Amazon states that it allocates 180 to 250 square feet per programming employee, although the higher number is reserved for senior level

personnel. Google states that it allocates 150 to 200 square feet per programming employee. Other similar office arrangements, based on Internet data, also show figures of 150 to 200 square feet per employee.

Based on these available data, we estimate that there would be an average of 250 square feet for computer programmers, design specialists, research and development workers, and their managers. We have also assumed that half of the office space would be occupied by these occupations.

Hence the number of employees occupying this office building will be as follows, based on the assumption that half the space would be occupied by offices of lawyers and accountants, and half would be occupied by computer designers and programmers and research and development personnel.

(b) (4)

G. Bank Facilities Operating Jobs

Two surveys, once by the American Bankers Association and the other by the U. S. government, both put the number of square feet per banking employee at 450. While this figure may seem high, it includes a relatively large proportion of the total space for the open area where consumers deposit and withdraw funds. By comparison, three different surveys for brokerage offices put the number of square feet per employee at 230, 221, and 250; we have taken the conservative estimate of 250 for these calculations. Some of these surveys were conducted by Cushman & Wakefield real estate brokers, and others were reported in the Real Estate Journal. Since this will be a branch bank, we assume 250 square feet per employee. (b) (4)

G. Parking Garages Jobs

For the number of direct jobs at the parking garage, we first need to determine the annual revenue, then divide by the revenue per full-time equivalent employee for parking garages in Pasadena, which is $62,000, based on data from the IMPLAN model and the economic census. A study of public sector parking garages in Pasadena, taken when the daily maximum rate was $6, indicated an average daily revenue of $5.68. The daily maximum has since risen to $9, so assuming proportionality, that would indicate an average daily rate of

$8.52. We assume this garage will be competitive with the public garages in Pasadena and hence will charge the same rates and receive the same revenue.

(b) (4)

[redacted]

H. Summary of Direct Jobs, Phases I and II

The number of permanent new direct jobs is summarized in Table 7 for ease of exposition.

(b) (4)

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Appendix: Resume of Dr. Michael K. Evans

mevans@evanscarrollecon.com

CURRENT AND PREVIOUS POSITIONS

• Chairman, *Evans, Carroll & Associates, Inc.*, 1980-present (previously Evans Economics)

Economic consulting firm specializing in EB-5 immigration analysis, economic impact studies of development projects and new construction, models of state and local tax receipts, impact of current and proposed government legislation, and construction of econometric models for individual industries and companies.

• Chief Economist, *American Economics Group*, 2000-present.

Built a comprehensive state modeling system that provides economic analysis for a variety of consulting projects (see below).

• Clinical Professor of Economics, Department of Managerial Economics and Decision Sciences (MEDS), Kellogg Graduate School of Management, Northwestern University, 1996-99.

Taught courses in macroeconomics and business forecasting. Wrote textbooks for both courses.

• Winner of Blue Chip Economic Indicator Award for most accurate macroeconomic forecasts during the past four years, November 1999

• Founder and President, *Chase Econometric Associates*, 1970-1980

• Assistant and Associate Professor of Economics, Wharton School, University of Pennsylvania, 1964-69. Co-developer of the original Wharton Model.

• Visiting Professor, Radford University, (Radford, VA), 1987

Chairman of Institute for International Economic Competitiveness

• Visiting Lecturer, Hebrew University (Jerusalem), 1966-67

Built econometric model of the Israeli economy

Ph. D. in Economics, Brown University. Dissertation, "A Postwar Quarterly Model of the United States Economy, 1948-1962". A. B. in Mathematical Economics, Brown University

PREVIOUS ACTIVITIES AND EDUCATION

- Contributing Editor, *Industry Week*

Wrote a column in each issue on economic and financial trends as they impact the manufacturing sector.

- Editor, *The Evans Report*

Weekly newsletter discussing economic trends and financial markets. Pioneered the concept of the Monthly Tracking Model to incorporate recent economic releases into the overall economic forecast, including methods to predict these economic data.

- Consultant, *National Printing Equipment and Supply Association*

Prepares quarterly forecasts of shipments of printing equipment and graphic arts supplies by product line, based on an econometric model constructed for NPES. Also prepares analysis and forecasts of exports and imports by principal product line.

- Consultant, *APICS -- The Educational Society for Resource Management*,

In 1993, designed and developed the *APICS Business Outlook Index*, which uses survey data collected by the Evans Group to measure current production, production plans, shipments, employment, new orders, unfilled orders, inventory stocks, and the comparison of the actual to desired inventory/sales ratio to predict short-term changes in manufacturing sector activity. The results of this survey appeared every month in *APICS: The Performance Advantage*

- Consultant, *American Hardware Manufacturing Association*

Wrote a separate weekly edition of the Evans Report analyzing recent trends in the hardware and housing industries, including forecasts of the hardware industry based on an econometric model developed for AHMA.

- Board of Economists, *Los Angeles Times*

Wrote column every 6 weeks (5 other economists on the Board)

- Columnist, *United Press International*

Wrote twice-weekly column, "Dollars and Trends"

- Consultant, Senate Finance Committee,

  Built the first large-scale supply-side model of the U. S. economy

- Consultant, Environmental Protection Agency and Council on Environmental Quality

  Estimated inflationary impact of government regulations

- Consultant, National Aeronautics and Space Administration

  Estimate impact of R&D spending on productivity growth

- Consultant, U. S. Treasury

  Estimated impact of investment tax credit and accelerated depreciation on capital spending by industry

- Consultant, U. S. Department of Agriculture

  Built large-scale econometric model of agricultural sector of U. S. economy

- Consultant, Organization of Economic Cooperation and Development

  Built econometric model of the French economy

SAMPLE OF RECENT CONSULTING PROJECTS

For more information on these projects, see www.evanseb5.com

A. Economic Impact of EB-5 Immigrant Investor Programs and New Markets Tax Credits

- Determined the economic impact of opening and operating a slot-machine casino in Hanover, MD, as part of a proposed EB-5 regional center for the Baltimore metropolitan area.

- Calculated the economic impact of renovating and expanding a restaurant on Martha's Vineyard, MA, as part of an EB-5 regional center in that state.

- Determined the economic impact of assembling and installing solar panels for residences in the state of LA.

- Determined a Targeted Employment Area for Dallas, TX as part of a proposed EB-5 regional center for the Dallas area.

- Calculated the economic impact for various mixed used projects for a proposed regional center for the entire State of Texas, including shopping centers, office buildings, restaurants, assisted living centers, medical technology facilities, and other personal and business services.

- Calculated the economic impact for the construction and operation of several fast-food restaurants in 10 counties in central California.

- Calculated the economic impact for the renovation and expansion of a shopping mall in Greenville, SC.

- Calculated the economic impact of buying existing apartment buildings at deep discount prices, renovating and operating them, in 21 counties in FL.

- Calculated the economic impact of building and operating an institute for proton cancer therapy for a proposed EB-5 regional center in Brooklyn, NY.

- Calculated the economic impact of building and operating a mixed-use facility with medical offices, hotels, and apartments for a proposed EB-5 regional center in Queens, NY.

- Determined a Targeted Employment Area for Philadelphia, PA as part of a proposed EB-5 regional center for the Philadelphia area.

- Calculated the economic impact of a proposed office building and mixed-use facility for an EB-5 regional center in Dallas, Texas

- Calculated the economic impact for various mixed-use projects for a proposed EB-5 regional center in the greater New York City area, including an extended stay hotel, urgent care center, financial lending firm for alternative assets, retail stores, apartments, office space, warehouses, industrial "flex" space, entertainment centers, restaurants, conference and convention centers, nursing home and assisted living facilities, medical offices, medical technology facilities, and high-tech manufacturing.

- Calculated the economic impact of "green" hotels in 10 counties in Central California.

- Calculated the economic impact of generic projects in manufacturing, financial services, health services, hotels, and restaurants for a proposed regional center for the state of Florida.

- Calculated the economic impact of 12 different types of economic activity for an expansion of the Palm Beach Regional Center to five contiguous counties.

- Calculated the economic impact of a new auto parts plant in Alabama to supply parts to Kia automobiles.

- Calculated the economic impact of opening fast-food restaurants in Miami-Dade and Broward counties in FL.

- Calculated the economic impact of a mixed-use commercial center in Flushing, Queens County, NY.

- Calculated the economic impact of revitalizing and renovating part of the Brooklyn Navy Yard for "green" manufacturing facilities.

- Calculated the economic impact of 12 different types of economic activity for various counties in Charlotte and Sarasota counties, FL

- Calculated the economic impact of four new manufacturing and distribution companies in Palm Beach County, FL.

- Calculated the economic impact of developing a resort area and building residences in rural Tennessee.

- Calculated the economic impact of developing and operating a resort area in Southern Arizona.

- Calculated the economic impact of revitalizing the depressed East Side of Cleveland, Ohio, with new commercial and industrial buildings.

- Determined the nationwide economic impact of a $1 billion investment in Mississippi for a new hybrid motor vehicle plant.

- Determined the economic impact of expanding a shipyard in Southeastern Louisiana.

- Calculated the economic impact of a new shopping center in Buena Vista, California, and two other generic shopping centers in Los Angeles and San Bernardino counties.

- Calculated the economic impact of enhancing resort areas in eight rural counties in Colorado.

- Calculated the economic impact of the rehabilitation of Fitzsimons Village in Aurora, Colorado, by adding an office building with medical labs, hotel, shopping center, and residences.

- Determined the economic impact of a mixed-use commercial center for the Kansas City metropolitan area.

- Calculated the number of jobs created for a film production company in New York City.

- Calculated economic impact of small-scale rooftop solar panels in various counties in California.

- Calculated economic impact of 7 different types of proposed businesses for a proposed regional center in the Bay Area of California.

- Determined the economic impact of a new biological research park, office building, and logistics center in Wooster, Ohio.

- Calculated the economic effect of a mixed-use urban renewal project in Cleveland, Ohio.

- Calculated economic impact of dairy farm and cheese processing plant in Northern California.

- Determined economic impact of a shipyard, food processing plant, and semiconductor plant for a proposed regional center in Louisiana and Mississippi.

- Calculated the economic impact of a new gaming casino in Natchez, Mississippi.

- Calculated the economic impact of a retail shopping center in suburban Los Angeles County.

- Prepared an economic impact analysis for the "timber to homes" project for a proposed regional center in Colorado.

- Calculated the economic impact for a proposed regional center in Baltimore, Maryland that would include the rebuilding of depressed areas in East Baltimore and along the riverfront.

- Prepared the economic analysis for a proposed EB-5 regional center for the entire state of Florida that included impact calculations for 14 different types of industries.

- Prepared the economic analysis for a proposed EB-5 regional center in the San Francisco Bay area that included calculations for 10 different types of industries.

- Prepared economic impact calculations for proposed EB-5 regional centers in New York City and Northeastern New Jersey.

- Calculated the economic impact of a rehabilitated office building in Albuquerque, New Mexico, including the increase in high quality jobs.

- Calculated the economic impact of a rehabilitated skilled nursing center in East Los Angeles, California, including the impact on nearby census tracts.

- Calculated the economic impact of development of warehouse and light industrial manufacturing space in Las Vegas, Nevada.

- Calculated the economic impact of rehabilitation and expansion of a vacation and health spa in Sharon Springs, New York

- Calculated economic impact of revitalizing an old resort hotel and adding new facilities for Lake Geneva, WI.

- Calculated the employment and tax effects for a portfolio of projects undertaken under the New Market capital program.

- Calculated generic employment changes for proposed EB-5 project for an Inland Port in Palm Beach County, FL

- Calculated the economic impact of construction of El Monte Village in El Monte, CA.

- Built an input/output model of Guam to be used to calculate economic impact of EB-5 projects. Used this model to estimate impact of various proposed projects.

- Calculated the economic impact of moving the Social Security Administration building in Birmingham, AL, and revitalizing the surrounding neighborhood.

- Calculated the economic impact of rehabbing and expanding the Everett Mall in Everett, WA.

- Determined the economic impact of building a new medical center in Charleston, SC

- Calculated economic impact of expanding Sugarbush resort in VT. Study included expansion of existing facilities and addition of new facilities.

• Calculated economic impact for new market tax credit program in Portsmouth, N.H. Study included both overall economic impact, and the increase in employment and income and the decrease in the unemployment rate and incidence of poverty in individual census tracts.

• Calculated the economic benefits of EB-5 programs for foreign investors for a mixed-use construction project, including a hotel, retail stores, apartments, and a sports stadium in the Washington, D. C. metropolitan area

• Calculated the economic benefits of EB-5 programs for foreign investors for a mixed-used retail shopping center in the New York City metropolitan area.

• Calculated the economic benefits of EB-5 programs for foreign investors for proposed shopping centers in five separate counties in Southern California, including differential impacts of building the shopping centers in different counties.

B. Projects for State and Local Governments

• Constructed an econometric model for the State of New York and determined the change in employment, labor income, and tax revenues for 43 different tax changes proposed by the Governor's office.

• Constructed a detailed econometric model for the State of Pennsylvania to determine the economic impact of the complete panoply of state taxes levied; the model contains over 1,000 equations. In cooperation with American Economics Group, the model was developed to simulate the effect of changes in any state tax rate on households and businesses by income deciles, household status, age of individuals, size of households, and many other demographic variables. The change in business taxes can also be simulated for detailed industry classifications.

• Determined whether the Washington, D.C. water and sewer authority should accept a high bid for a new waste disposal system. Decision to reject has saved the authority over $200 million, as construction prices turned down sharply as predicted.

• Built an econometric model to determine the "tax gap" caused by Internet sales for the state of Minnesota.

• Determined appropriate levels of shelter grants individual counties in New York State, and for utility allowances in New York City. Reviewed and prepared testimony in ongoing court cases in these areas.

• Calculated the economic impact of the revitalization of downtown Milwaukee, Wisconsin.

C. Economic Impact of Casino Gaming

• Built an econometric model to predict the growth of the gaming industry over the next decade, and the economic impact of that industry on employment and tax revenues at the Federal and state levels.

• Estimated the economic impact of Indian casino gaming nationally and for the State of Wisconsin.

• Determined the economic impact of the Oneida Indian gaming casino on the Green Bay metropolitan area.

• Estimated the negative economic impact on the Milwaukee area if a new Indian gaming casino were to be built in Kenosha, Wisconsin.

D. Economic Impact of Smoking Bans and Higher Taxes

• Testified on economic impact of smoking bans in Canada; certified as an expert witness by the Court.

• Examined the impact of smoking bans on restaurant sales in several different locations in the U.S. to determine how much sales changed when these bans were imposed, and the differential effects depending on whether these bans were partial or total.

• Determined the cross-border effects on retail sales from differential rates in cigarette, gasoline, and alcohol excise taxes

• Determined the economic impact of higher cigarette taxes on minority group employment.

• Estimated the economic impact and loss of Federal and state tax revenues when higher cigarette prices lead to increased smuggling.

E. Consulting Projects for Travel and Tourism

• Built an econometric model to predict tourism trips and revenues for the major regions of the U.S. economy.

• Constructed econometric models to predict tourism in Las Vegas and Orlando.

• Using the IMPLAN model, predicted economic impact of tourism and travel expenditures for all counties in Pennsylvania.

F. Other Private Sector Consulting Projects

• Calculated the revenue gain at the Federal, state and local level generated by domestic manufacturing of Airbus parts and equipment.

• Calculated the economic impact of proposed EPA bans on fluoropolymer production.

• Estimated the size and economic importance of the fluoropolymer industry, and calculated economic impact of shutting down domestic production.

• Built an econometric model to examine how U.S. tax and regulatory policies help determine whether the gold mining industry would invest in the U.S. or other countries. Testified before Congress to help defeat legislation inimical to the mining industry.

• Built an econometric model to predict consumer bankruptcies, based on recent growth in consumer credit outstanding, the overall economic environment, and recent changes in credit regulations

• Estimated the economic impact of the ethanol subsidy on the U.S. economy and Farm Belt States, including the impact on the balance of payments, employment, and tax receipts. Testified before Congress to help pass legislation to extent subsidies to the ethanol industry.

• Built an econometric model to determine the impact of updating and improving the system of locks on the Upper Mississippi River on corn prices and exports, farm income, and the overall economy.

BOOKS PUBLISHED

Macroeconomics for Managers, Blackwell, 2003

Practical Business Forecasting, Blackwell, 2002

Economic Impact of the Demand for Ethanol, Diane Publishing Company, 1998

How to Make Your Shrinking Salary Support You in Style for the Rest of Your Life, Random House, 1991

The Truth About Supply-Side Economics. Basic Books, 1983.

A Supply-Side Model of the U. S. Economy, mimeo (prepared for Senate Finance Committee), 1980.

An Econometric Model of the French Economy: A Short-Term Forecasting Model. O.E.C.D, March 1969.

Econometric Gaming (with L. R. Klein and M. J. Hartley). Random House, 1969.

Macroeconomic Activity: Theory, Forecasting and Control. Harper & Row, 1969.

The Wharton Econometric Forecasting Model (with L.R. Klein), Economics Research Unit, Wharton School: University of Pennsylvania Press, 1967. Enlarged edition, 1968.

Over 30 articles in major academic journals and publications (list on request)

Kin Hui

231 West Foothill Blvd.,
Arcadia, CA 91006
626-3806476

Personal Profile

2007- Present: Managing Member of Singpoli Pacifica, LLC, the general partner of Park Place Commercial, LP and Boardwalk Capital, LP which jointly own a hotel and mixed-use development project located at the Southeast corner of two major arterials in the heart of downtown Pasadena – Colorado Boulevard and Lake Avenue, one of the most prestigious commercial zones in City of Pasadena. The estimated value on completion of the project is approximately $160 million.

2009 – Present: Managing Partner of Singpoli 2 N Lake, LLC, the company is also the owner and operator of 2 N. Lake tower in Pasadena which is located at the Northeast corner of Colorado Boulevard and Lake Avenue in Pasadena. Grosvenor Americas has sold its 2 N. Lake Ave. office tower to Singpoli for $52 millions in a transaction that ranks as the largest office deal in L.A. County 2009 and one of the largest in Southern California.

1992 – Present: Managing partner of Singpoli Investment LLC, which focuses on commercial real estate in Southern California. The firm was founded in 1992 to invest in distressed real estate properties.

1992 – Present: President of Singpoli Construction, which is one of the more prominent Asian developers in Southern California. Singpoli Construction was founded by the elder Mr. Hui in Hong Kong in the early 1980's. The construction portfolio included Internationally Recognized Projects such as Asian Games Village, Beijing International Convention Center; Hospitality projects such as Sunshine Hotel (5 Star) in Shenzhen, China, West Lake Hotel (5 Star) in Fuzhou; Public Construction such as Queen Mary Public Area, Los Angeles Pierce College Classroom; Office Buildings such as Columbia Office Building, Social Service Agency of Orange County, Golden Circle Office Tower in Santa Ana; Bank Construction clients include Wachovia Bank, East West Bank, China Trust

Bank(USA), First Commercial Bank(USA), Bank of East Asia, United Commercial Bank, First General Bank, Ever Trust Bank.

1997 – Present: Mr. Hui is also the president of Pacific Design Group, LLC, an architectural firm that serves a wide range of clients, including commercial, health care, and government organizations. Currently, Pacific Design Group LLC ("PDG") is the lead architectural firm of the U.S. Navy data centers in the west coast. Other noteworthy clients include IBM, Boeing, Southern California Edison, Adaptec, County of Orange, China Trust Bank USA, TVB (USA), Bank of America, City of Hope.

Education

1988–1991 Woodbury University California

- § B.S., Major in Interior Design
- § Minor in Business Administration

Licenses

California General Contractor License

Hobbies

Kin Hui is actively engaged in Breeding and Racing Thoroughbred Horses.

Community Service

Kin Hui Charity Foundation. The foundation is 501 (c) (3) tax-exempt non-profit corporation devoted to advancing charitable causes. The primary focus is to assist disadvantaged orphanages in meeting both daily needs, such as formula and diapers, and the medical care required for their special needs children.

Philip Y. Kim

25 E. Foothill Blvd. • Arcadia, CA 91006

INTRODUCTION

Philip Kim has been involved with real estate litigation and transaction for most of his legal carrier. His background in engineering makes him unique among attorneys working in real estate development. His engineering knowledge helps him bring a level of technical understanding that most attorneys lack. As a result, Mr. Kim has been very adept in the real estate transaction and development field.

Additionally, because of Mr. Kim's immigrant background and expertise in real estate, he has been selected to be one of the principals of a proposed EB-5 Regional Center covering the San Gabriel Valley, California area.

EXPERIENCE

- Law Offices of Philip Y. Kim (2007-Present)
  - Philip Kim is the principal of this law office that specializes in real estate transactions, real estate development, corporate governance, and general civil litigation. Mr. Kim has worked on multimillion dollar real estate transactions. Most recently, Mr. Kim worked on the syndication and purchase of a $52 million dollar high rise building in downtown Pasadena.

- AmerEstate Realty, Inc. (2007-Present)
  - Philip Kim is the president and principal of this brokerage company. The company handles both residential and commercial properties.

- Director of Singpoli Pacifica, LLC (2007-Present)
  - Singpoli Pacifica, LLC is the general partner of Boardwalk Capital, LP and Park Place Commercial, LP, which owns a commercial development property in Pasadena, California estimated value once completed to be $100 million. Mr. Kim is in charge of the overall project entitlement and development.

- Singpoli Construction (2006-Present)
  - Philip Kim has been the Chief Operating Officer. The duties include reviewing the policies and procedures of the company and advising and implementing such policies. Duties also include assisting to market and expand the busy reach of the company towards growth.

- Anderson & Kriger (2001-2006)
  - Mr. Kim was the managing attorney for the Orange County office of Anderson & Kriger. He mostly specialized in civil litigation. He supervised large construction defect cases. The largest case being a 100 plus home litigation against a residential developer in Rancho Cucamonga, California.

EDUCATION/PROFESSIONAL LICENSES

- University of California, Los Angeles, BS in Mechanical Engineering (1993)
- Trinity Law School, Juris Doctorate (1998)
- Admitted to Practice Law in California (1998)
- California Broker License (2007)

INTERESTS/LANGUAGES

- Loves all types of outdoor activities, especially basketball and baseball.
- Serves as a director with Kin Hui Charity Foundation. Mr. Kim has a heart for orphans. He has visited orphanages in China and is adopting a daughter from Korea.

philipkim@singpoli.com • phone: 626-566-1888 • fax: 626-566-1887

Philip Y. Kim
25 E. Foothill Blvd. • Arcadia, CA 91006

- Speaks fluent Korean.

philipkim@singpoli.com • phone: 626-566-1888 • fax: 626-566-1887

WILLIAM H. CHU

ACADEMIC ACHIEVEMENTS

University of Southern California, Los Angeles, California
Master of Business Administration, August 2003

California State Board of Accountancy
Certified Public Accountant, March 1990

Arkansas State Board of Public Accountancy
Certified Public Accountant, April 1988

Institute of Chartered Accountants of Manitoba, Canada
Chartered Accountant, December 1984

University of Winnipeg, Manitoba, Canada
Bachelor of Arts Degree in Economics, October 1981

EXPERIENCE

Singpoli Pacifica, Arcadia, California
(a real estate investment company)
May 2009 to Present

Director and Chief Financial Officer

- Identified, evaluated and recommended acquisition of distressed commercial real properties in Southern California. Largest project to-date was a $52 million acquisition of a Class A office tower in the City of Pasadena.
- Arranged syndication of local and overseas investors and secured commercial mortgage financing for these acquisitions.

FIRST ASIAN BANK, Las Vegas, Nevada.
(a de Novo state-chartered Financial Institution opened in June 2007)
March 2007 to May 2009

Founder, Director, President and Chief Executive Officer

- Obtained bank charter approval from the state of Nevada and the FDIC in less than 4 months after initial submission of bank charter application.
- Assembled the executive management team, including the Chief Financial Officer and Chief Credit Officer, which resulted in the quick bank charter approval.
- Along with the Chief Financial Officer, developed the 3-Year Strategic Plan and Profit Plan required for the bank charter application.
- Assisted in the successful capital campaign that raised $13.5 million (minimum required capital to open was $12 million), with no institutional investors.
- Supervised the successful completion of tenant improvement at the Jones corporate headquarters and branch office in time to open on June 6, 2007 to become the true first Asian American community bank in the state of Nevada.
- Supervised the successful opening of the second branch office on Spring Mountain Road on September 12, 2007.

UNITED PACIFIC BANK, City of Industry, California.
(a $100 Million Financial Institution and a former affiliate of East West Bank)
April 2003 to February 2007

Director, President and Chief Executive Officer

- Regained regulators' confidence that led to the termination of four outstanding cease and desist orders and one board resolution within 30 months.
- Reconstituted the entire board of directors and management team upon rejoining the bank.
- Strengthened regulatory compliance including the Bank Secrecy Act and GLBA.
- Improved asset quality by reducing classified assets from 150% of Tier 1 capital to zero classification when the regulatory enforcement orders were terminated.
- Restored profitability by improving operational efficiency (reduced staff from 35 to 28), reduced loan loss provisions, improved interest margins and introduced new loan products including SBA and insurance premium financing.
- Received Preferred SBA Lender "PLP" status within 8 months.

LOS ANGELES COMMUNITY DEVELOPMENT BANK
(Not a Commercial Bank), Los Angeles, California.
January 2000 to March 2003

President and Chief Executive Officer

- Directed all the programs of this federal Department of Housing and Urban Development (HUD) funded ($435 million of combined grant and loan guarantee funds) organization, including direct lending, indirect lending for loans under $500,000, co-lending with commercial banks, and venture capital investment in the federally-designated Empowerment Zone in the City and County of Los Angeles.
- Regained public and private confidence in this program by developing and managing annual business plans that successfully "balanced" all the needs of this public and private partnership among HUD, County of Los Angeles, City of Los Angeles and special interest groups within the Empowerment Zone.

EAST WEST BANK (formerly East-West Federal Bank, f.s.b.)
San Marino, California.
(then a $2.2 Billion Financial Institution)
June 1994 to December 1999

Senior Vice President and Director of Retail Banking
July 1999 to December 1999

- Managed the strategic directions of the Bank's then statewide retail network of 22 branches, and the planned expansion of 8 additional branches from the merger with American International Bank in January 2000.
- Successfully implemented the consolidation of First Central Bank, a three-branch bank, into the Bank's branch network in August 1999.
- Continued to be an active member of the Bank's Senior Management Committee, Senior Loan Committee, and Asset Liability Management Committee.

Director, Senior Vice President and Director of Planning & Business Development
June 1994 to June 1999

- Created the commercial lending division for the Bank in 1994.
- Assisted in the charter conversion from a federal savings bank to a full service commercial bank in 1995. Instrumental as the "peace keeper" to put the rest of the savings and loan executives and staff at ease during this transition period to becoming a commercial bank.
- Led the successful conversion of the Bank's data processing system from Fiserv's mortgage banking system to M&I's (Marshall & Ilsley) commercial banking system.
- Active member of the Bank's Board of Directors, Senior Management Committee, Senior Loan Committee, and Asset Liability Management Committee.
- As head of the division, managed the credit and loan administration departments and three marketing teams that focused on commercial real estate, international trade finance, and business banking loan products.
- Successfully developed and implemented a growth plan that resulted in the origination of well over $1 billion of commercial real estate, business, and international trade finance loans since the creation of the division. Accomplishments included:
  - Developed and recruited over 100 commercial banking staff, including the recruitment of the Chief Credit Officer, head of the trade finance unit and the business banking unit, and the identification of a commercial branch manager for each of the then 22 retail branches.
  - Developed a "team" approach to commercial lending that cut down on the length of time required to close a business transaction. Loan closings were typically accomplished within 60 days, but were usually kept to 30 days or less.
  - As a collaborative team effort, developed the marketing concept that "bridges" the needs on both sides of the Pacific Rim. This led to successful banking relationships totaling over $200 million with local public companies doing business internationally, particularly in Asia, and high net worth individuals from Hong Kong, Taiwan and China who were investing and doing business in the US.
  - Successfully developed banking relationships generating over $2 million in annual trade finance related fee income with businesses that specialized in the importation of toys, garment, seafood and other food products, etc.
  - Oversaw the completion of over $135 million of credit enhancements for low-income housing revenue bonds while acting as the Bank's Compliance and Community Reinvestment Act (CRA) officer in 1994 and 1995.

UNITED PACIFIC BANK, Los Angeles, California.
(then a $60 Million Financial Institution and an affiliate of East West Bank)
November 1990 to May 1994

Director, President and Chief Executive Officer
January 1992 to May 1994

Accountable to the Board of Directors and shareholders for the planning and controlling of the overall safety and soundness of the Bank. Restored profitability, improved asset quality, and regained regulators' confidence within the first 12 months.

Director, Executive Vice President and Chief Operating Officer
November 1990 to January 1992

Worked with Chief Executive Officer to implement and meet business plan and budget. Directed and monitored all day-to-day banking functions, including lending, credit administration, trade finance, operations, accounting, finance, and regulatory compliance, through the supervision of and coordination with the Chief Credit Officer and Chief Financial Officer. Active member of the Directors' Executive Committee and Loan Committee.

SEYEN INVESTMENT INC., Los Angeles, California.
(a former affiliate of East West Bank)

Executive Vice President and Chief Financial Officer
June 1990 to October 1990

Sought and evaluated investment opportunities in Southern California, including the successful acquisition of East-West Federal Bank, f.s.b.

LIPPOBANK (formerly Bank of Trade), Los Angeles, California.
(a $150 Million Financial Institution)
July 1986 to June 1990

Senior Vice President and Chief Financial Officer
January 1990 to June 1990

Supervised the Finance Division, which included the Controller, Cashier, and Data Processing Departments. Coordinated all internal and external audits and regulatory examinations. Contributed to the construction of effective Asset/Liability Management models supporting a proper distribution of funds and cash management.

Vice President and Controller
July 1986 to January 1990

Addressed questions regarding generally accepted accounting principles, current tax laws, and industry practices. Collected, analyzed, prepared, and submitted financial information and compliance returns required by all levels of government. Collected, analyzed, and prepared monthly financial and operation reports for the Board of Directors.

WORTHEN BANK & TRUST CO., N.A., (now Bank of America)
Little Rock, Arkansas.

Manager, Planning & Control
February 1985 to June 1986

Directly responsible for financial reporting and General Ledger maintenance, resulting in accurate collection of data. Contributed to construction of effective budgets, forecasts, and control systems. Completed a 6-month training program in all areas of banking, with major emphasis on retail, international, and loan operations.

DELOITTE HASKINS & SELLS, CHARTERED ACCOUNTANTS
(now Deloitte & Touche), Winnipeg, Manitoba, Canada.

Staff Chartered Accountant and Computer Applications Specialist
August 1981 to February 1985

Supervised and administered all facets of auditing activities for clients ranging from owner-managed proprietorships to multi-national corporations. Directly responsible for the preparation and implementation of computer assisted audit techniques. Provided client assistance on microcomputer installations and system conversions.

COMMUNITY INVOLVEMENT

Appointed by former City of Los Angeles Councilman Richard Alatorre to the Eastside Citizen Advisory Committee for the Redevelopment Feasibility Study of El Sereno/Boyle Heights.

Founder and Organizer of the Greater San Gabriel Valley Community Development Corporation and Vice Chairman of its Loan Committee, which approved and made loans under $50,000 to businesses which did not qualify for conventional bank financing.

Founding Member of the Board of Directors of the Center for Asian Americans United for Self Empowerment (CAUSE).

Treasurer and member of the Board of Directors of the Chinatown Service Center, member of the Audit Committee and Chairman of the Finance Committee.

TEACHING EXPERIENCE

Undergraduate Teaching Assistant - *Banking and Finance*
Discussion Leader in Continuing Professional Development - *Accounting*
Discussion Leader in Basic Credit Training - *Understanding Business Cashflows*
Discussion Leader in Commercial Lender Training

PARTNERSHIP AGREEMENT
OF
PARK PLACE EB5, LP
A CALIFORNIA LIMITED PARTNERSHIP

This Agreement is made by and among Invest L.A. Regional Center, LLC ("LAIRC," the "General Partner") and each of the persons set forth in Schedule A attached hereto and designated as Limited Partners (the "Limited Partners"). The Limited Partners and the General Partner(s) are collectively referred to as the "Partners."

AGREEMENT

ARTICLE I
FORMATION OF LIMITED PARTNERSHIP

Section 1.01. Formation. The undersigned hereby form Park Place EB5, LP, a California limited partnership, under the revised Uniform Limited Partnership Act of the State of California, as amended from time to time (the "Act"), to acquire and improve a commercial property located in the San Gabriel Valley, California, USA.

Section 1.02. Name. The name of the Limited Partnership is "Park Place EB5, LP, a California limited partnership." The Managing General Partner may from time to time change the name of the Limited Partnership to adopt such trade or fictitious names as it may determine to be appropriate.

Section 1.03. Principal Office of the Limited Partnership. The principal office of the Limited Partnership shall be at 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA. The Limited Partnership may maintain offices at such other location as may be determined appropriate by the Managing General Partner.

Section 1.04. Name and Place of Residence of Each Partner. The name, address, Capital Contribution, and number of Units of each of the Partners are designated on the attached Schedule A. The name and address of the Managing General Partner is LAIRC, 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA.

Section 1.05. Term. The term of the Limited Partnership shall commence upon filing of the Certificate in the office of the California Secretary of State and shall continue until the Limited Partnership is dissolved, wound up, and terminated in accordance with the provisions of this Agreement and the Act.

Section 1.06. Designated Agents for Service of Process. The Limited Partnership elects and appoints Philip Kim, 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA as the designated agent for service of process.

ARTICLE II
DEFINITIONS

The following terms used in the Agreement shall have the meaning specified below:

Section 2.01. "Act" means the Uniform Limited Partnership Act of the State of California, as amended from time to time.

Section 2.02. "Additional General Partner" means a person or entity that serves as a General Partner in addition to LAIRC.

Section 2.03. "Affiliate" means any person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control of the General Partners or Limited Partners.

Section 2.04. "Agreement" means this Agreement, as it may be amended from time to time.

Section 2.05. "Assignee" means a person who has acquired all or any portion of a Limited Partner's Interest in the Limited Partnership and has not been admitted as a Limited Partner.

Section 2.06. "Available Cash Flow" means funds provided from operation of the Limited Partnership, without deductions for payments made to service Secured Debt and for depreciation, but after deducting funds used to pay all expenses and debts of the Limited Partnership, including administrative operational expenses, debt payments, capital improvements, and less the amount set aside by the Managing General Partner, in the exercise of its sole discretion, for reserves.

Section 2.07. "Capital Account" means that as defined in Section 4.04 herein.

Section 2.08. "Capital Contribution" means the total amount of money or property contributed to the Limited Partnership by each Partner.

Section 2.09. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

Section 2.10. "Capital Event" The refinance, sale, exchange or other disposition of the Project or any portion thereof, including an involuntary conversion or condemnation of real property or any portion thereof.

Section 2.11. "Deficit Capital Account" means the situation whereby the Limited Partnership has distributed to a Partner distributions in excess of such Partners capital contributions plus allocable share of income less allocable share of loss and any other charges allowable under this Agreement, resulting in such Partner's capital account falling below zero.

Section 2.12. "Net Proceeds from a Capital Event" The net proceeds derived by the Limited Partnership from a capital event after payment or allowance for the expenses incurred in connection with such Capital Event and after payment or allowance for existing indebtedness

(but not including any outstanding Secured Debt), the discharge of any other expenses or liabilities of the Limited Partnership and the establishment of appropriate reserves, all as determined by the Managing General Partner, in its sole discretion.

Section 2.13. "General Partner" means LAIRC and/or any other entity or person admitted as a General Partner pursuant to the Agreement and their successors.

Section 2.14. "Interest" or "Limited Partnership Interest" or "Partnership Interest" means the ownership interest of a Partner in the Limited Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in the Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of the Agreement and the Act. The Limited Partnership Interests held by each Partner is set forth on the attached Schedule A.

Section 2.15. "Limited Partner" means each Limited Partner listed on Schedule A and any person admitted to the Limited Partnership as a Limited Partner.

Section 2.16. "Managing General Partner" means Invest L.A. Regional Center, LLC, or any other General Partner elected to serve as the Managing General Partner.

Section 2.17 "Partners" means collectively the General Partners and the Limited Partners, and a reference to a Partner shall be to any one of the Partners.

Section 2.18 "Limited Partnership" means the Park Place EB5, LP, a California limited partnership.

Section 2.19 "Limited Partnership Project" means finding, purchasing, renovating and repositioning an undervalued property located in the Los Angeles County, California, USA.

Section 2.20 "Partnership Interest" means the total of all ownership rights of a Partner in the Partnership, including a Limited Partner's right to vote on certain limited matters and the right to receive information concerning the business and affairs of the Partnership.

Section 2.21. "Person" means any natural person, partnership, corporation, association or other legal entity.

Section 2.222. "Positive Capital Account" means that the balance of a Partner's Capital Account is greater than zero.

Section 2.23. "Profit or Loss" means the income or loss of the Limited Partnership as determined by the method of accounting chosen by the Managing General Partner and permitted by the Code.

Section 2.24 "Regional Center" means a special designation of the United States granted to the General partner 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).

For purposes of this Agreement, any reference to the geographic area of the Regional Center shall mean the areas designated by USCIS in its authorizing letter to the General Partner, which areas are presently located in or about San Gabriel Valley, California, and which areas may be hereafter expanded by USCIS.

Section 2.25. "Subscription Agreement" means the agreement signed by each Limited Partner in connection with their Capital Contribution to the Limited Partnership.

Section 2.26 "Syndication Fee" means a fee of Seventy Five Thousand Dollars ($75,000) per each Unit acquired in connection with the Offering. The Syndication Fee shall be paid to the General Partner from the Subscription Price paid by each Limited Partner. The Partners acknowledge and agree that the Syndication Fee does not constitute a Capital Contribution made by a Limited Partner and is being paid to the General Partner by the Partnership, rather than directly to the General Partner by each Limited Partner, for purposes of convenience only. The General Partner will use the Syndication Fee to meet the following expenses for which the General Partner will be responsible: (a) the initial expenses associated with the establishment of the Partnership and the Offering of the Units, including legal and promotional fees, including a "finders' fee", and (b) the legal fees to be incurred in connection with the preparation of Partnership related documents that a Limited Partner and/or his or her legal counsel may reasonably request for submission of his or her applications for classification as an alien entrepreneur. The Partners acknowledge and agree that (i) under no circumstances shall it be construed that the Partnership or General Partner has any obligation to file any immigration petition or application on behalf of a Limited Partner, and (ii) that each Limited Partner shall retain his or her independent separate counsel in connection with the submission of such Limited Partner's application for classification as an alien entrepreneur, and in no event will any portion of the Syndication Fee be used for the legal fees of such separate counsel.

Section 2.27. "Units" or Limited Partnership Interests means each Partner's percentage of ownership in the Partnership as set forth adjacent to their name in Schedule A.

ARTICLE III
PURPOSE, BUSINESS, AND POWERS OF THE LIMITED PARTNERSHIP

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[redacted]

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and your first above written.

MANAGING GENERAL PARTNER:
Invest L.A. Regional Center, LLC

_____
Kin Hui, Managing Member

SUBSCRIPTION AGREEMENT

Dear Prospective Investor:

This Subscription Agreement is made by and between **Park Place EB5, LP**, a California Limited Partnership ("**Partnership**"), and the undersigned purchaser who is subscribing for Limited Partnership Interests as set forth below pursuant to the terms of this Subscription Agreement. **Invest L.A. Regional Center, LLC ("LAIRC") will be the General Partner of all Limited Partnerships formed under this Subscription Agreement and each purchaser's admission to a particular Limited Partnership shall be at the sole discretion of LAIRC.**

The information contained herein is being furnished to determine whether the undersigned's Subscription Agreement to purchase an Interest complies with the requirements of Section 4(2) of the Securities Act of 1933, as amended (the "Act"), and Rule 506 incorporated in Regulation D promulgated there under by the Securities and Exchange Commission, and the requirements of certain state securities laws. The undersigned understands that LAIRC and the Partnership will rely upon the information contained herein for purposes of such determination.

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[redacted]

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement on the date set forth on the signature page, and desires to take title in Partnership Interests organized by LAIRC as General Partner:

If subscriber is an individual or husband and wife:

a. _____
Name of Individual

b. By: _____
Signature

c. _____
Name of Spouse

d. By: _____
Signature of Spouse

If subscriber is a Trust/Custodian:

a. _____
Name of Trust

b. _____
Name of Custodian

c. _____
Date formed

d. By: _____
Signature

If subscriber is a Partnership:

a. _____
Name of Partnership

b. By: _____
Signature of General Partner

c. By: _____
Signature of Additional General Partner if required by Partnership Agreement

If subscriber is a Corporation:

a. _____
Name of Corporation

b. By: _____
Signature of Authorized Agent

c. _____
Title of Signer

If subscriber is a Limited Liability Company:

a. _____
Name of Limited Liability Company

b. By: _____
Signature of Authorized Agent

c. _____
Title of Signer

Additional Members' Signatures (if needed):

_____	_____
Signature of Member	Print Name
_____	_____
Signature of Member	Print Name
_____	_____
Signature of Member	Print Name
_____	_____
Signature of Member	Print Name

Subscription Accepted this _____ day of _____, 20__.

By: Invest L.A. Regional Center, LLC, a California Limited Liability Company

By: _____
Kin Hui
Managing Member

ESCROW AGREEMENT

ESCROW AGREEMENT

Escrow Agreement dated as of the effective date (the "Effective Date") set forth on Schedule 1 attached hereto ("Schedule 1") by and among the purchaser identified on Schedule 1 (the "Purchaser"), the seller identified on Schedule 1 (the "Seller") and _____, as escrow agent hereunder (the "Escrow Agent").

WITNESSETH

WHEREAS, Investor has offered to acquire a unit of limited partnership interest (a"UNIT") in the Partnership pursuant to the terms of that certain Subscription Agreement entered into by Purchaser [or "Investor"] (the Subscription Agreement"), the terms of which provide, among other things, that Investor shall deposit the subscription price of US$(b) (4) per Unit (the "Subscription Price"). The Subscription Price consists of the investment capital ($1,000,000) and the syndication fee (b) (4) Together they make up the Subscription Price into an escrow or segregated bank account established by the Partnership which account is designated on Exhibit A attached hereto (the "Escrow Account');

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Appointment**. The Purchaser and Seller hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment under the terms and conditions set forth herein.

2. **Deposit of Subscription Price**. Concurrently with the delivery of the Subscription Agreement (and the other documents attached thereto, including, without limitation, this Agreement) to the Partnership, duly executed by the Investor, the Investor shall either (i) deposit the Subscription Price, by way of wire transfer of immediately available funds, into the Escrow Account, or (ii) pay the Subscription Price to the Partnership by way of check, in which case the Partnership shall promptly deposit the Subscription Price into the Escrow Account. Upon confirmation by the Bank that the funds constituting the Subscription Price have cleared, the Partnership shall send written notice to the Investor acknowledging receipt of the Subscription Price. The Subscription Price, plus all interest, dividends and other distributions and payments thereon (collectively, the "Distributions") received by the Bank, less any funds distributed or paid in accordance with this Agreement, are collectively referred to herein as the "Escrow Property." The Partnership shall cause the Bank to hold the Escrow Property in a trust fund or other form of segregated account and shall invest, administer and distribute the Escrow Property and all interest and earnings thereon in accordance with the terms of this Agreement.

3. **Investment of Escrow Fund**. During the term of this Escrow Agreement, the Escrow Fund shall be invested and reinvested by the Escrow Agent in the investment indicated on Schedule 1 or such other investments as shall be directed in writing by the Purchaser and the

Seller and as shall be acceptable to the Escrow Agent. Subject to principles of test execution, Escrow Agent seeks to attain the best overall result for the Escrow Fund, taking into consideration quality of service and reliability. An agency fee will be assessed in connection with each transaction. Periodic statements will be provided to Purchaser and Seller reflecting transactions executed on behalf of the Escrow Fund. The Purchaser and Seller, upon written request, will receive a statement of transaction details upon completion of any securities transaction in the Escrow Fund without any additional cost this Escrow Agreement.

The Escrow Agent shall have no liability for any loss sustained as a result of any investment in an investment indicated on Schedule 1 or any investment made pursuant to the instructions of the parties hereto or as a result of any liquidation of any investment prior to its maturity or for the failure of the parties to give the Escrow Agent instructions to invest or reinvest the Escrow Fund.

4. Dispositions and Termination. The Escrow Agent shall deliver the Escrow Fund upon, and pursuant to, the joint written instructions of Purchaser and Seller. Upon delivery of the Escrow Fund by the Escrow Agent, this Escrow Agreement shall terminate, subject to the provisions of Section 8.

The parties acknowledge and agree that Investor will be filing an I-526 Petition with the United States Citizenship and Immigration Services ("USCIS") in connection with Investor's proposed investment in the Partnership. The Partnership agrees to cause the Bank to release the Escrow Property as follows:

(i) upon the written notification that Investor's I-526 Petition has been approved and provided that the Partnership has accepted Investor's subscription to purchase a Unit, the Partnership shall request the Bank to promptly distribute the Escrow to the following two separate accounts (X and Y) (1) distribute the full investment capital amount of $1,000,000 to the Partnership by wire transfer to X account designated by the Partnership, and (2) distribute the Syndication Fee of (b) (4) and any remaining balance of the Escrow Property (including, without limitation, interest accrued thereon), to Y the general partner of the Partnership, by wire transfer of immediately available funds to the account of Y, the General Partner; or

(ii) upon the written notification that Investor's I-526 Petition has been rejected or upon the Partnership's election not to accept the Investor's subscription, the Partnership shall request the Bank to promptly distribute (b) (4) of the Subscription Price to Investor by wire transfer of immediately available funds including, without limitation, interest accrued thereon to an account designated by Investor.

For purposes of avoiding doubt, upon the occurrence of events described in sub-paragraph (i), all interest accrued on the Escrow Property shall be paid to Y. This Agreement will remain in effect until all of the Escrow Property has been distributed in accordance with the procedures set forth in this Agreement.

5. **Escrow Agent**. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. The Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Escrow Agreement. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. The Escrow agent shall have no duty to solicit any payments, which may be due it or the Escrow Fund. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to the Purchaser or Seller. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it.

The Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Escrow Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto or by a final order or judgment of a court of competent jurisdiction. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

6. **Succession.** The Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving 10 days advance notice in writing of such resignation to the other parties hereto specifying a date when such resignation shall take effect. The Escrow Agent shall have the right to withhold an amount equal to any amount due and owing to the Escrow Agent, plus any costs and expenses the Escrow Agent shall reasonably believe may be incurred by the Escrow Agent in connection with the termination of the Escrow Agreement. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all the escrow business of the Escrow Agent's corporate trust line of business may be transferred, shall be the Escrow Agent under this Escrow Agreement without further act.

7. **Fees.** The Purchaser and Seller agree jointly and severally to (i) pay the Escrow Agent upon execution of this Escrow Agreement and from time to time thereafter reasonable compensation for the services to be rendered hereunder, which unless otherwise agreed in writing shall be as described in Schedule 1 attached hereto, and (ii) pay or reimburse the Escrow Agent upon request for all expenses, disbursements and advances, including reasonable

attorney's fees and expenses, incurred or made by it in connection with the preparation, execution, performance, delivery, modification and termination of this Escrow Agreement.

8. Indemnity. The Purchaser and the Seller shall jointly and severally indemnify, defend and save harmless the Escrow Agent and its directors, officers, agents and employees (the "indemnities") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) the Escrow Agent's execution and performance of this Escrow Agreement, except in the case of any indemnities to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of such indemnities, or (ii) its following any instructions or other directions from the Purchaser or the Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Escrow Agreement. The parties hereby grant the Escrow Agent a lien on, right of set-off against and security interest in, the Escrow Fund for the payment of any claim for indemnification, compensation, expenses and amounts due hereunder.

9. TINs. The Purchaser and the Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") or any other taxing authority is set forth in Schedule 1. Upon execution of this Agreement, the Purchaser and Seller shall provide the Escrow Agent with a fully executed W-8 or W-9 IRS form, which shall include the Purchaser and Seller's TIN. In addition, all interest or other income earned under the Escrow Agreement shall be allocated and/or paid as directed in a joint written direction of the Purchaser and the Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution.

In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by the Purchaser and the Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

10. Notices. All communications hereunder shall be in writing and shall be deemed to be duly given and received:

(i) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
(ii) on the next Business Day (as hereinafter defined) if sent by overnight courier; or
(iii) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to (ii) and (iii) of this Section 10, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate.

"Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

11. Security Procedures. In the event funds transfer instructions are given (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by telecopy or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule 2 hereto ("Schedule 2"), and the Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for callbacks may be changed only in a writing actually received and acknowledged by the Escrow Agent. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Purchaser or the Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Escrow Agreement acknowledge that these security procedures are commercially reasonable.

12. Miscellaneous. The provisions of this Escrow Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto. Neither this Escrow Agreement nor any right or interest hereunder may be assigned in whole or in part by any party, except as provided in Section 6, without the prior consent of the other parties. This Escrow Agreement shall be governed by and construed under the laws of the State of Nevada. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-convenes or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of Nevada. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising out of or relating to this Escrow Agreement.

No party to this Escrow Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Escrow Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth in Schedule 1.

_____ **as Escrow Agent**

By: _____

PURCHASER

By: _____

SELLER

By: _____

Invest L.A. Regional Center, LLC Contact Information:

Invest L.A. International Regional Center, LLC
25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA
Tel: 001 (626) 566-xxxx, Fax: 001 (626) 566-xxxx
Website:
Email:

Escrow Agreement

SCHEDULE 1

Effective Date:

Name of Purchaser:

Purchaser Notice Address:

Purchaser TIN:

Name of Seller:

Seller Notice Address:

Seller TIN:

Escrow Deposit: $

Investment: [specify]
[ ]

[ ] Such other investments as Purchaser, Seller, and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Purchaser and the Seller and accepted by the Escrow Agent.

Escrow Agent notice address:

**See footnote for proposed Escrow Agents[2]

Escrow Agent's compensation:

Escrow Agreement

SCHEDULE 2

Telephone Number(s) for Call-Backs and Person(s) Designated to Confirm Funds Transfer Instructions

If to Purchaser:

Name / Telephone Number

1. _____/_____
2. _____/_____
3. _____/_____

If to Seller:

Name / Telephone Number

1. _____/_____
2. _____/_____
3. _____/_____

Telephone callbacks shall be made to each Purchaser and Seller if joint instructions are required pursuant to this Escrow Agreement.

For the exclusive use
of: _____ PPM No.: _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Park Place EB5, LP
A CALIFORNIA LIMITED PARTNERSHIP
25 E. Foothill Blvd., Third Floor
Arcadia, CA 91006
(626) 566-XXXX

50 UNITS OF LIMITED PARTNERSHIP INTERESTS (b) (4) **per Unit)**
MINIMUM PURCHASE: 1 UNIT (b) (4)

_____, 2010

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION OR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY OF ANY JURISDICTION, NOR HAS THE SEC OR ANY SUCH STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR THE MERITS OF THIS OFFERING, NOR IS IT INTENDED THAT THEY WILL. ANY REPRESENTATION TO THE CONTRARY IS UNTRUE AND UNLAWFUL.

THE SECURITIES OFFERED HEREBY 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.

Park Place EB5, LP is a California Limited Partnership formed under the laws of the State of California (hereinafter, the "Partnership") by its General Partner, Invest L.A. Regional Center, LLC, a California limited liability company, (hereinafter, the "General Partner"). The General Partner is a federally designated Regional Center under Section 610 of the Departments of Commerce, Justice and State, the Judiciary and Related Agencies Appropriations Act of 1993, as amended (hereinafter, the "Appropriations Act of 1993"). Through the offering of units of its limited partnership interests (individually, a "Unit" and collectively, the "Units"), the Partnership seeks to raise capital to invest within

the geographical area that comprises the General Partner's federally designated regional center which, in general, consists of areas in the State of California in accordance with the Immigrant Investor Pilot Program. The investment of capital by the Partnership, which will be directed exclusively at the sole discretion of the General Partner, is intended to (a) generate revenue for the Partnership and (b) primarily allow each subscriber of a Unit, who is not a citizen 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. It is anticipated that such application by a subscriber of a Unit will lead to the subscriber obtaining permanent residence in the United States. See "SUMMARY OF THE OFFERING-Business of the Partnership."

The Partnership hereby offers for sale (the "Offering") up to one hundred and twenty (50) Units at a subscription price of (b) (4) Subscription Price is the sum of (a) the price per Unit of $1,000,000 (the "Unit Price"), which amount shall constitute a capital contribution to the Partnership, and (b) a syndication fee of (b) (4) (the "Syndication Fee"), which amount shall not constitute a capital contribution, but which amount will be paid as a fee to the General Partner (as further described below). The Units are being offered only to prospective investors who are not citizens of the United States and who meet certain minimum investor suitability requirements. The Offering will begin on the date hereof and will terminate upon the sale of all Units offered in connection with this Offering or 365 days following the date of admission of the first limited partner to the Partnership, whichever occurs first (the "Termination Date"); provided, however, that the General Partner has the right to (i) close the Offering at any time prior to the Termination Date if it determines, in its sole discretion, that sufficient funds have been raised to meet the intended objectives of the Partnership, (ii) modify the Offering at any time prior to the Termination Date if it determines, in its sole discretion, to increase the number of offered Units to raise additional funds to meet the intended objectives of the Partnership, and (iii) cancel the Offering at any time, for whatever reason, in which case the Subscription Price paid by a subscriber will be refunded to such subscriber (without interest). The Subscription Price of $1,000,000 must be paid to the Partnership by a subscriber upon execution and delivery of the Subscription Agreement, attached hereto as Exhibit "A" (hereinafter, the "Subscription Agreement"). The Subscription Price paid by each subscriber will be deposited into an escrow or segregated bank account (the "Escrow Account") established by the Partnership at a commercial bank. In general, if a subscriber's I-526 Petition is approved by the United States government, (A) the subscriber's subscription for a Unit will be accepted, (B) the subscriber will be admitted as a limited partner of the Partnership (individually, a "Limited Partner" and collectively, the "Limited Partners"), and (C) the Unit Price ($1,000,000) deposited into the Escrow Account by such subscriber will be released to the Partnership (and the Syndication Fee together with all interest accrued on the Subscription Price) will be paid to the General Partner as described below). See "SUMMARY OF THE OFFERING – Terms of the Offering"; See also "THE OFFERING – Subscription Procedure". A Limited Partner will have the rights

and obligations of a Limited Partner as set forth in the Limited Partnership Agreement of the Partnership (hereinafter, the "Partnership Agreement") (see Exhibit "B" attached hereto) and California Statutes: Chapter __[1] (hereinafter [2]_____). Each prospective investor is advised to read the Partnership Agreement as well as [3]_____ in full so that such investor has a full understanding of the rights and obligations of a Limited Partner. Notwithstanding the foregoing, the General Partner shall have the right to reject any subscription, at any time, for any reason whatsoever.

(b) (4)

(1) The Syndication Fee of (b) (4) per Unit will be charged to each investor by the General Partner. The Syndication Fee, which will not constitute a capital contribution by an investor, will be (i) paid, for purposes of convenience, from the Subscription Price paid by each subscriber, and (ii) released from the Escrow Account and paid to the General Partner upon the approval of a subscriber's I-526 Petition by the United States government. It is anticipated that the Syndication Fee paid to the General Partner will be used by the General Partner to meet the following expenses for which the General Partner will be responsible, such as the initial expenses associated with the establishment of the Partnership and the Offering of the Units, including legal and promotional fees including a "finders' fee", etc. The payment of the Syndication Fee to the General Partner for the General Partner's responsibility to cover the foregoing expenses is intended to assure that $1,000,000.00 of each Subscription Price is capital contribution and available to the Partnership for job-creating investments. Under no circumstances shall it be construed that the Partnership or General Partner has any obligation to file any immigration petition or application on behalf of an investor. It is contemplated that each subscriber will retain his or her independent separate counsel in connection with this Offering and the submission of such subscriber's application for classification as an alien entrepreneur, and in no event will any portion of the Syndication Fee be used for the legal fees of such separate counsel.

An investment in the Partnership involves certain risks, including, without limitation, the risks disclosed in this Memorandum and in the Partnership Agreement (see "RISK FACTORS"). In making an investment decision, a prospective investor must rely on the investor's own examination of the terms of the Offering, including, without limitation, the merits and risks involved. Each prospective investor is invited to ask questions of, and upon request may obtain additional information from authorized representatives of, the General Partner, concerning the General Partner, its contemplated business, the Partnership and its contemplated business, the terms and conditions of the Offering and any other relevant matters to the extent the Partnership or the General Partner possess such information or can acquire it without unreasonable effort or expense.

IMPORTANT NOTICES TO ALL INVESTORS

AN INVESTMENT IN THE UNITS OFFERED HEREIN INVOLVES A HIGH DEGREE OF RISK AND IS HIGHLY SPECULATIVE. THESE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD UNLESS REGISTERED AND QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND APPLICABLE SECURITIES LAWS OF ANY STATE AND FOREIGN JURISDICTION, OR UNLESS, IN THE OPINION OF COUNSEL TO THE PARTNERSHIP, SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED. THE PARTNERSHIP AGREEMENT ALSO CONTAINS CERTAIN SIGNIFICANT RESTRICTIONS ON THE SALE, TRANSFER OR OTHER DISPOSITION OF THE UNITS BY AN INVESTOR. IT IS HIGHLY UNLIKELY THAT A PUBLIC MARKET WILL EVER EXIST FOR THE UNITS. INVESTORS WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE UNITS WILL BE OFFERED AND SOLD ONLY TO INVESTORS WHO ARE NOT CITIZENS OF THE UNITED STATES AND WHO MEET CERTAIN MINIMUM INVESTOR SUITABILITY REQUIREMENTS, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS UNDER EITHER REGULATION S OR REGULATION D, AS APPLICABLE, PROMULGATED UNDER THE SECURITIES ACT.

THE INVESTMENT IN UNITS IS SUITABLE ONLY FOR PERSONS WHO HAVE SUBSTANTIAL FINANCIAL RESOURCES AND ARE CAPABLE OF LOSING THEIR ENTIRE INVESTMENT IN THE UNITS, WHO DO NOT ANTICIPATE A NEED TO LIQUIDATE THEIR INVESTMENT IN THE UNITS IN THE FORESEEABLE FUTURE, AND WHO UNDERSTAND, OR HAVE BEEN INDEPENDENTLY ADVISED WITH RESPECT TO, THE LEGAL, TAX AND IMMIGRATION CONSEQUENCES AND RISK FACTORS ASSOCIATED WITH THE INVESTMENT IN UNITS.

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (HEREINAFTER "MEMORANDUM") IS SUBMITTED IN CONNECTION WITH THE PRIVATE PLACEMENT OF AN AGGREGATE OF UP TO ONE HUNDRED AND TWENTY (120) UNITS OF LIMITED PARTNERSHIP INTERESTS OF THE PARTNERSHIP AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. ANY DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF THE CONTENTS HEREOF, IS UNAUTHORIZED (OTHER THAN TO THOSE PROFESSIONAL ADVISORS THAT THE PROSPECTIVE INVESTOR MAY RETAIN IN CONNECTION WITH THE OFFERING).

NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHALL BE EMPLOYED IN THE OFFERING OR PLACEMENT OF THE UNITS EXCEPT FOR THIS MEMORANDUM AND STATEMENTS CONTAINED HEREIN. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION OR GIVE ANY INFORMATION WITH RESPECT TO THE UNITS, EXCEPT THE INFORMATION CONTAINED HEREIN AND IN OTHER DOCUMENTS, WHICH MAY BE FURNISHED

BY THE PARTNERSHIP UPON REQUEST. THEREFORE, A PROSPECTIVE INVESTOR SHOULD NOT RELY ON INFORMATION THAT IS NOT INCLUDED HEREIN UNLESS IT IS SPECIFICALLY PROVIDED TO HIM OR HER IN WRITING BY THE PARTNERSHIP IN RESPONSE TO HIS OR HER REQUESTS FOR SUCH ADDITIONAL INFORMATION.

THE PARTNERSHIP HAS AGREED TO MAKE AVAILABLE, PRIOR TO THE CONSUMMATION OF THE SALE OF UNITS DESCRIBED HEREIN, TO ANY PROSPECTIVE INVESTOR, OR HIS OR HER REPRESENTATIVE, OR BOTH, THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM THE GENERAL PARTNER CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING, AND TO OBTAIN ANY ADDITIONAL INFORMATION WITH RESPECT TO THIS OFFERING, TO THE EXTENT THE GENERAL PARTNER POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, THAT IS NECESSARY TO VERIFY THE ACCURACY OF THE NFORMATION SET FORTH HEREIN. IN PARTICULAR, THE PARTNERSHIP WILL PROVIDE TO ANY PROSPECTIVE INVESTOR, UPON REQUEST, COPIES OF ANY AND ALL MATERIAL CONTRACTS OF THE PARTNERSHIP, AND PROVIDE FULL ACCESS TO THE BOOKS AND RECORDS OF THE PARTNERSHIP.

THERE MAY BE LEGAL, TAX, ECONOMIC, IMMIGRATION AND OTHER CONSEQUENCES ASSOCIATED WITH AN INVESTMENT IN THE UNITS. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, ECONOMIC, IMMIGRATION AND OTHER ADVICE. EACH INVESTOR SHOULD CONSULT WITH, AND MUST RELY ON, HIS OR HER OWN COUNSEL, ACCOUNTANT OR PURCHASER REPRESENTATIVE AS TO ALL LEGAL, TAX, ECONOMIC, IMMIGRATION AND OTHER RELATED MATTERS CONCERNING HIS OR HER PROSPECTIVE INVESTMENT IN THE UNITS AND THE CONSEQUENCES THEREOF. ADDITIONALLY, THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM SOURCES GENERALLY DEEMED BY THE PARTNERSHIP TO BE RELIABLE; HOWEVER, ALL OR PORTIONS OF SUCH INFORMATION MAY BE UNIQUELY WITHIN THE KNOWLEDGE OF PARTIES WHICH ARE UNAFFILIATED WITH THE PARTNERSHIP OR ITS AFFILIATES AND, THEREFORE, MAY NOT BE AMENABLE TO INDEPENDENT INVESTIGATION OR CONFIRMATION. IN SUCH CASES, THE PARTNERSHIP HAS NOT UNDERTAKEN TO INDEPENDENTLY INVESTIGATE OR CONFIRM THE ACCURACY OR ADEQUACY OF SUCH INFORMATION.

THIS MEMORANDUM AND THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION OR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY OF ANY JURISDICTION, NOR HAS THE SEC OR ANY SUCH STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY

OR ADEQUACY OF THIS MEMORANDUM (INCLUDING THE EXHIBITS ATTACHED HERETO) OR THE MERITS OF THIS OFFERING, NOR IS IT INTENDED THAT THEY WILL. ANY REPRESENTATION TO THE CONTRARY IS UNTRUE AND UNLAWFUL. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED OR PERMITTED.

INVESTORS WILL BE REQUIRED TO REPRESENT THAT THEY ARE FAMILIAR WITH AND UNDERSTAND THE TERMS, CONDITIONS, RISKS, AND MERITS OF THIS OFFERING (SEE "RISK FACTORS"). THIS OFFERING IS MADE SUBJECT TO CLOSURE, MODIFICATION OR CANCELLATION BY THE PARTNERSHIP WITHOUT NOTICE. THE PARTNERSHIP MAY ACCEPT OR REJECT ANY SUBSCRIPTION AT ITS EXCLUSIVE DISCRETION (SEE "THE OFFERING").

THE PARTNERSHIP, THE GENERAL PARTNER, AND ANY OF THEIR RESPECTIVE PARTNERS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, AGENTS, ASSIGNS AND THOSE PARTIES ACTING ON THEIR BEHALF OR PURPORTING TO ACT ON THEIR BEHALF, SHALL MAKE NO WARRANTIES OR GUARANTEES REGARDING THE SUFFICIENCY OR ADEQUACY OF THE OFFERING CONTAINED HEREIN TO MEET A PROSPECTIVE INVESTOR'S FINANCIAL, ECONOMIC, IMMIGRATION AND VISA REQUIREMENTS. EACH PROSPECTIVE INVESTOR IS ADVISED TO RETAIN, AND MUST RELY ON, SUCH INVESTOR'S IMMIGRATION COUNSEL AS WELL AS INVESTMENT COUNSEL TO PROVIDE INDEPENDENT EVALUATION OF THIS OFFERING.

THE PARTNERSHIP, THE GENERAL PARTNER, AND ANY OF THEIR RESPECTIVE PARTNERS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, AGENTS, ASSIGNS AND THOSE PARTIES ACTING ON THEIR BEHALF OR PURPORTING TO ACT ON THEIR BEHALF, SHALL MAKE NO WARRANTIES OR GUARANTEES THAT AN INVESTOR WILL OBTAIN PERMANENT RESIDENCE IN THE UNITED STATES AS A RESULT OF AN INVESTMENT IN THE PARTNERSHIP. EACH PROSPECTIVE INVESTOR IS ADVISED TO RETAIN, AND MUST RELY ON, SUCH INVESTOR'S IMMIGRATION COUNSEL TO PROVIDE INDEPENDENT EVALUATION OF THIS OFFERING WITH RESPECT TO THE INVESTOR'S IMMIGRATION REQUIREMENTS.

BY SIGNING THE SUBSCRIPTION AGREEMENT ATTACHED HERETO, SUBSCRIBERS AGREE TO HOLD THE PARTNERSHIP, THE GENERAL PARTNER AND ANY OF THEIR RESPECTIVE PARTNERS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, AGENTS AND ASSIGNS HARMLESS FOR ANY ACTS OR OMISSIONS, ANY ADVERSE DETERMINATIONS OR FINDINGS OF A GOVERNMENTAL AGENCY, OR ANY LOSS OF CAPITAL. THIS MEMORANDUM CONSTITUTES AN OFFER ONLY TO THE PERSON WHOSE NAME APPEARS IN THE APPROPRIATE SPACE PROVIDED ON THE FRONT COVER OF THIS MEMORANDUM. DELIVERY OF THIS

MEMORANDUM, OR ANY OTHER DOCUMENTS OR INFORMATION FURNISHED TO A PROSPECTIVE INVESTOR, TO ANYONE OTHER THAN THE PERSON NAMED ON THE FRONT COVER HEREOF IS UNAUTHORIZED AND ANY REPRODUCTION HEREOF, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE PARTNERSHIP IS PROHIBITED. ANY PERSON ACTING CONTRARY TO THE FOREGOING RESTRICTIONS MAY PLACE HIMSELF OF HERSELF AND THE PARTNERSHIP IN VIOLATION OF FEDERAL AND STATE SECURITIES LAWS.

THE OFFEREE, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO PROMPTLY RETURN THIS MEMORANDUM, TOGETHER WITH ANY OTHER DOCUMENTS OR INFORMATION FURNISHED TO HIM OR HER, TO THE PARTNERSHIP UPON REACHING A DECISION NOT TO MAKE AN INVESTMENT IN THE UNITS.

NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE PURSUANT HERETO SHALL IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE SET FORTH ON THE FRONT COVER.

THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN DOCUMENTS. ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS.

REGULATION S NOTICE TO ALL INVESTORS WHO ARE NOT U.S. PERSONS:

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE ON THE OFFERING EXEMPTION CONTAINED IN REGULATION S, PROMULGATED UNDER THE SECURITIES ACT. ACCORDINGLY, THE UNITS OFFERED HEREBY CANNOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO "U.S. PERSONS" (AS SUCH TERM IS DEFINED IN REGULATION S) UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

NOTICE TO CALIFORNIA RESIDENTS:

NEITHER THE CALIFORNIA DEPARTMENT OF CORPORATIONS NOR THE SEC HAS REVIEWED THE OFFERING OR THIS MEMORANDUM AND THE UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, OR QUALIFIED UNDER CALIFORNIA STATUTES, AS AMENDED, AND THEREFORE CANNOT BE TRANSFERRED OR RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT AND QUALIFIED UNDER CALIFORNIA STATUTES, AS AMENDED, OR AN EXEMPTION FROM REGISTRATION AND QUALIFICATION IS AVAILABLE IN THE OPINION OF COUNSEL FOR THE PARTNERSHIP.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

THIS MEMORANDUM INCLUDES FORWARD-LOOKING STATEMENTS, WHICH REPRESENT THE SUBJECTIVE VIEWS OF THE GENERAL PARTNER BASED ON ASSUMPTIONS THAT MAY OR MAY NOT PROVE TO BE CORRECT. WHEN USED IN THIS MEMORANDUM, WORDS SUCH AS "ANTICIPATE," "BELIEVE," "ESTIMATE," "EXPECT," "INTEND," "PLAN," AND "SEEK," AND WORDS OF SIMILAR IMPORT ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, ALTHOUGH NOT ALL FORWARD LOOKING STATEMENTS CONTAIN THESE IDENTIFYING WORDS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT ARE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS, TRENDS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE ANTICIPATED. ALTHOUGH THE GENERAL PARTNER BELIEVES THAT IN MAKING SUCH FORWARD-LOOKING STATEMENTS, EXPECTATIONS ARE BASED UPON REASONABLE ASSUMPTIONS, SUCH STATEMENTS MAY BE INFLUENCED BY FACTORS THAT COULD CAUSE ACTUAL OUTCOMES AND RESULTS TO BE MATERIALLY DIFFERENT FROM THOSE ANTICIPATED. UPON THE OCCURRENCE OF ANY OF THESE EVENTS, AN INVESTOR COULD LOSE ALL OR PART OF HIS OR HER INVESTMENT. GIVEN THESE UNCERTAINTIES AND RISKS, READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD LOOKING STATEMENTS.

By placing my initials in the space provided below, I hereby acknowledge receipt of this Memorandum and have read the foregoing notices and otherwise understand the contents of this Memorandum.

_____ _____

INITIALS OF INVESTOR DATE

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PARK PLACE EB5, LP
A CALIFORNIA LIMITED PARTNERSHIP

SUMMARY OF THE OFFERING

THIS SUMMARY OF CERTAIN PROVISIONS OF THE OFFERING IS INTENDED ONLY FOR QUICK REFERENCE AND IS NOT COMPLETE. EACH PROSPECTIVE INVESTOR AND HIS OR HER REPRESENTATIVES ARE ADVISED TO CAREFULLY READ AND UNDERSTAND THE ENTIRE MEMORANDUM AND ATTACHED EXHIBITS PRIOR TO MAKING ANY DECISION TO INVEST IN THIS OFFERING.

PLEASE NOTE: EACH PROSPECTIVE INVESTOR IS ADVISED TO RETAIN HIS OR HER OWN LEGAL, TAX, ECONOMIC AND IMMIGRATION COUNSEL TO ASSIST IN HIS OR HER INDEPENDENT REVIEW AND EVALUATION OF THIS MEMORANDUM AND THE MATERIALS ATTACHED HERETO. THE PROVISIONS CONTAINED IN THIS MEMORANDUM DESCRIBING THE RIGHTS, POWERS AND OBLIGATIONS OF THE GENERAL PARTNER, THE LIMITED PARTNERS, AND THE PARTNERSHIP, AND OTHER ASPECTS OF THE PARTNERSHIP AGREEMENT OF THE PARTNERSHIP, ARE NOT COMPLETE AND ARE QUALIFIED BY THIS REFERENCE TO THE FULL TEXT OF THE SUBSCRIPTION AGREEMENT, ATTACHED HERETO AS EXHIBIT "A", THE PARTNERSHIP AGREEMENT, ATTACHED HERETO AS EXHIBIT "B", THE ESCROW AGREEMENT, ATTACHED HERETO AS EXHIBIT "C", AND THE BUSINESS OVERVIEW & PLAN ATTACHED HERETO AS EXHIBIT "D" ALL OF WHICH ARE INCORPORATED HEREIN BY THIS REFERENCE.

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The Partnership:
Park Place EB5, LP is a California Limited Partnership formed on _____, 2010. The address of the Partnership's principal office is 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA. The Partnership's telephone number is (626) 566-xxxx; the Partnership's facsimile number is (626) 566-xxxx.

The General Partner
The General Partner of the Partnership is Invest L.A. Regional Center, LLC, LLC, (SCREDC) a California Limited Liability Company, formed on _____, 2010 (hereinafter, the "General Partner"). The Managing Member and President of SCREDC is Kin Hui. **See "MANAGEMENT".** Subject to the provisions of the Partnership Agreement, the General Partner is exclusively the investor of Partnership funds. **See Limited Partnership Agreement attached hereto as Exhibit "B".** The address of the General Partner is 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA. The General Partner's telephone number is (626) 566-xxxx; the General Partner's facsimile number is (626) 566-xxxx.

Business of the Partnership
The General Partner is a federally designated regional center under Section 610 of the Appropriations Act of 1993. The intended business objective of the Partnership is to raise capital to invest within the geographic area that comprises General Partner's federally designated regional center (which area consists of the San Gabriel Valley in the State of California) in accordance with the Immigrant Investor Pilot Program. Such investments, as determined by the General Partner, may be in the form of direct investments for the purchase of existing businesses or capital may be used for the creation or startup of new businesses located within the geographical scope of the Regional Center ("Target Investments"). The investment of capital by the Partnership, which will be directed exclusively at the sole discretion of the General Partner, is intended to generate income and capital gains for the Partnership; however, it is contemplated that the investments made by the Partnership will result in the creation of jobs within the Regional Center and thus allow each subscriber of a Unit, who is a not a citizen 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. It is anticipated that such application by a subscriber of a Unit will lead to the subscriber obtaining permanent residence in the United States. **See "BUSINESS OF THE PARTNERSHIP".**

The Offering

The Partnership hereby offers for sale (hereinafter, the "Offering") one hundred eighty (120) units of its limited partnership interests (hereinafter, individually, a "Unit" and collectively, the "Units") at a subscription price of (b) (4) per Unit (hereinafter, the "Subscription Price"), with a minimum subscription for all investors of one (1) Unit (b) (4) The Subscription Price is the sum of (i) the price per Unit of $1,000,000 (the "Unit Price"), which amount shall constitute a capital contribution to the Partnership, and (ii) a syndication fee of (b) (4) per Unit (the "Syndication Fee"), which amount shall not constitute a capital contribution, but which amount will be paid to the General Partner as a fee (as further described below).

Terms of the Offering

The Units are being offered only to prospective investors who are not citizens of the United States and who meet certain minimum investor suitability requirements. **See "INVESTOR SUITABILITY REQUIREMENTS".** The Offering will begin on the date of this Memorandum and will terminate upon the sale of all Units offered in connection with this Offering or 365 days following the date of admission of the first limited partner to the Partnership, whichever occurs first (the "Termination Date"); provided, however, that the General Partner has the right to (i) close the Offering at any time prior to the Termination Date if it determines, in its sole discretion, that sufficient funds have been raised to meet the intended objectives of the Partnership, (ii) modify the Offering at any time prior to the Termination Date if it determines, in its sole discretion, to increase the number of offered Units to raise additional funds to meet the intended objectives of the Partnership, and (iii) cancel the Offering at any time, for whatever reason, in which case the Subscription Price paid by a subscriber will be refunded to such subscriber without interest. The Subscription Price of (b) (4) must be paid to the Partnership by a subscriber upon execution and delivery of the Subscription Agreement. The Subscription Price paid by each subscriber will be deposited into an escrow or segregated bank account (hereinafter, the "Escrow Account") established by the Partnership in a commercial bank. **See "THE OFFERING SUBSCRIPTION PROCEDURE"; See also the ESCROW AGREEMENT attached as Exhibit "C".** In general, if a subscriber's I-526 Petition is approved by the United States government, (a) the subscriber's subscription for a Unit will be accepted, (b) the subscriber will be admitted as a Limited Partner, and (c) the Unit Price (i.e., (b) (4) deposited into the Escrow Account by the subscriber will be released to the Partnership (and the Syndication Fee (together with all interest accrued on the Subscription Price) will be paid to the General Partner as described below – **See "SUMMARY OF THE OFFERING – Estimated Use of Proceeds"**). In the event the United States government denies a subscriber's I-526 Petition, the Subscription Price deposited into the Escrow Account by Such subscriber (i.e., $(b) (4) will be refunded to such subscriber (together with all interest accrued on the Subscription Price) **See "THE OFFERING".**

Estimated Use of Proceeds

The Partnership anticipates that the proceeds from the sale of each Unit (i.e., the Subscription Price of $1(b) (4)) will be used as follows: (i) $1,000,000 of the Subscription Price (i.e., the Unit Price) will be contribution of capital to the Partnership and will be available for investment, at the sole discretion of the General Partner, with a Target Investment within the Regional Center. Of such amount, it is anticipated that the entire Unit Price will be used for investment purposes. **See "BUSINESS OF THE PARTNERSHIP"**; **See "ESTIMATED USE OF PROCEEDS"**; and (ii) (b) (4) of the Subscription Price (i.e., the Syndication Fee) will be used to pay the fee charged to each investor by the General Partner and will not constitute a capital contribution by an investor. The Syndication Fee will be (a) paid, for purposes of convenience, to the General Partner from the Subscription Price paid by each subscriber, and (b) released from the Escrow Account and paid to the General Partner upon the approval of a subscriber's I-526 Petition. The General Partner will be responsible for, and intends to use the Syndication Fee to meet, (A) the initial expenses associated with the establishment of the Partnership and the Offering of the Units, including, without limitation, legal and promotional fees, including a "finder's fee", and (B) the legal fees to be incurred in connection with the preparation of Partnership related documents that the investors and/or their respective legal counsel may reasonably request for submission of their respective applications for classification as an alien entrepreneur. The payment of the Syndication Fee to the General Partner for the General Partner's responsibility to cover the foregoing expenses is intended to assure that the entire Unit Price of $1,000,000 is capital contribution and available to the Partnership for job-creating investments.

Investor Suitability Standards

Subscribers seeking to invest in the Partnership in order to obtain permanent residence in the United Sates must meet the requirements of 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. All investors must be non-U.S. citizens, must be financially sophisticated and qualified and must meet certain other minimum suitability requirements, including, without limitation, requirements under either Regulation S or Regulation D, as applicable, promulgated under the Securities Act of 1933, as amended (hereinafter, the "Securities Act"). **See "OVERVIEW OF UNITED STATES IMMIGRANT INVESTOR LAW"; See "INVESTOR SUITABILITY REQUIREMENTS"**.

Partnership Agreement

The Partnership Agreement sets forth the terms and conditions governing the relationship between the Limited Partners, the General Partner and the Partnership. Certain provisions of the Partnership Agreement are discussed in this Memorandum; prospective investors are urged to carefully review the full text of the Partnership Agreement, attached hereto as Exhibit "B".

A. Term

The term of the Partnership shall not expire, unless otherwise terminated in accordance with the terms of the Partnership Agreement, until all investments of the Partnership no longer remain outstanding and distribution of the proceeds thereof have been made in accordance with the Partnership Agreement.

B. Capital Contributions

1. Limited Partners

Each subscriber of a Unit who is admitted as a Limited Partner will make a capital contribution of $1,000,000. The Syndication Fee of (b) (4) , included in the Subscription Price, will not constitute a capital contribution of a subscriber. Limited Partners will collectively own 75% of the Partnership interests in the Partnership.

2. General Partner

The General Partner will not make a capital contribution. The General Partner will, however, receive a "profits interest" of (b) (4) the Partnership interests in the Partnership, but the General Partner's initial capital account balance shall be zero (0).

C. Distributions

Cash distributions from available cash generated from operating net income of the Partnership shall be made at such times and in such amounts as determined by the General Partner in its sole discretion. Such distributions shall be prorated for the period during which a person is admitted as a Limited Partner. Distributions from available cash generated from operating net income shall be distributed to the Partners pro rata in accordance with their respective interests in the Partnership (b) (4) Distributions shall be distributed first to the Limited Partners, pro rata, until their unreturned capital contributions are reduced to zero (0) and then to all of the Partners, pro rata, in accordance with their respective interests in the Partnership. All distributions of cash and allocations of profits and losses will be subject to applicable federal and state withholding requirements.

D. Interest Accrual

Upon the approval of a subscriber's I-526 Petition and the closing or purchase of the Target Investment, the Limited Partner will begin accruing interest on his or her capital contribution ($1,000,000).

E. Net Profits and Losses

The net profits and net losses of the Partnership shall, subject to certain limits, be allocated to the Partners pro rata in proportion to their respective interests in the Partnership.

F. Restrictions on Transfer

Limited Partners may not sell, assign or transfer interests in the Partnership except with the prior written consent of the General Partner and subject to certain other restrictions set forth in the Partnership Agreement. Additionally, due to the immigration objectives of the Partnership, (i) a Limited Partner may not voluntarily transfer his or her interest in the Partnership until after the removal of the condition on the Limited Partner's permanent residence status, (ii) the purchase of a Unit should not be considered to be a liquid investment, and (iii) only a subscriber who, among other things, has no need for liquidity in his or her investment should consider purchasing a Unit.

ADDITIONALLY, THE UNITS OFFERED HEREBY 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 SUCH SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

G. Indemnification

Neither the General Partner nor its affiliates will be liable to the Partnership or to the Limited Partners for any act or omission performed or omitted by them in the absence of a material violation of the Partnership Agreement, gross negligence or willful or wanton misconduct, and the Partnership will indemnify and hold them harmless for any loss or damage they incur on behalf of the Partnership or in furtherance of the Partnership's business, except for losses arising from a material violation of the Partnership Agreement or their own gross negligence or willful or wanton misconduct. **See "SUMMARY OF PARTNERSHIP AGREEMENT".**

Investor Suitability Standards
Subscribers seeking to invest in the Partnership in order to obtain permanent residence in the United Sates must meet the requirements of 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. All investors must be non-U.S. citizens, must be financially sophisticated and qualified and must meet certain other minimum suitability requirements, including, without limitation, requirements under either Regulation S or Regulation D, as applicable, promulgated under the Securities Act of 1933, as amended (hereinafter, the "Securities Act"). **See "OVERVIEW OF UNITED STATES IMMIGRANT INVESTOR LAW"; See "INVESTOR SUITABILITY REQUIREMENTS".**

Payment by Subscribers for the Units
A subscriber may purchase a Unit by (i) fully reviewing and executing this Memorandum on page vii, (ii) completing and executing the Subscription Agreement and the attachments thereto, including an Investor Questionnaire and counterpart signature page to the Partnership Agreement, in accordance with the instructions set forth therein, and (iii) executing the Escrow Agreement, and (iv) delivering such Subscription Agreement (including the attachments) and Escrow Agreement, together with payment of the Subscription Price, to Invest L.A. Regional Center, LLC, LLC, 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA, Attention: President; telephone: (626) 566-xxxx; facsimile: (626) 566-xxxx. The Subscription Price received from subscribers will be deposited in the Escrow Account established by the Partnership at a commercial bank until the satisfaction of certain conditions. **See "SUMMARY OF THE OFFERING – Terms of the Offering"; See "THE OFFERING".**

Risk Factors
Investment in the Partnership involves substantial risks, including, but not limited to, business risks, immigration risks, and risks associated with the lack of liquidity of the investment. No person should contemplate the purchase of a Unit if such person cannot afford to risk complete loss of the amount invested. **See "RISK FACTORS".**

Taxes
THERE MAY BE TAX CONSEQUENCES ASSOCIATED WITH AN INVESTMENT IN THE UNITS. NO TAX ADVICE IS BEING GIVEN HEREIN WITH RESPECT TO THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE UNITS AND PROSPECTIVE INVESTORS ARE URGED TO CONSULT, AND MUST RELY ON, THEIR OWN QUALIFIED TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE UNITS. **See "RISK FACTORS – General Tax Risks".**

Fees to General Partner
A. Syndication Fee

Each subscriber of a Unit is required to pay the Subscription Price of (b) (4) $1,000,000 of which constitutes payment of the Unit Price, and (b) (4) of which constitutes payment of the Syndication Fee charged to each investor by the General Partner. The Syndication Fee, which will not constitute a capital contribution by an investor, will be (i) paid to the General Partner, for purposes of convenience, from the Subscription Price paid by each subscriber, and (ii) released from the Escrow Account and paid to the General Partner (together with all interest accrued on the Subscription Price) upon the approval of a subscriber's I-526 Petition by the United States government. Upon denial of said Petition, then the Syndication Fee will not be paid to the General Partner and will be returned (sans any accrued interest, to the subscriber with the remaining balance of the Subscription Price). It is anticipated that the Syndication Fee paid to the General Partner will be used by the General Partner to meet the following expenses for which the General Partner will be responsible such as the initial expenses associated with the establishment of the Partnership and the Offering of the Units, including legal and promotional fees including a "finders' fee", etc. The payment of the Syndication Fee to the General Partner for the General Partner's responsibility to cover the foregoing expenses is intended to assure that $1,000,000 of the Subscription Price is capital contribution and available to the Partnership for job creating investments. In addition to the Syndication Fee, the General Partner will be entitled to all the interest accrued on the funds maintained in the Escrow Account. Such payment of interest to the General Partner shall also be used by the General Partner to meet the expenses described in the preceding paragraph.

From such fee, the General Partner will pay only for the ordinary and recurring usual business expenses of the Partnership; this fee does not, however, cover extraordinary expenses and any legal fees which expenses and fees remain the responsibility of the Partnership. Additionally, the General Partner is entitled to (b) (4) of the net profits and distributable income of the Partnership. **See "COMPENSATION AND FEES".**

Statements contained in this Memorandum as to the contents of agreements or documents referred to herein are not necessarily complete and each statement is deemed to be qualified and amplified in all respects by the provisions of such agreements and documents, copies of which, if not attached hereto, are available for examination at the offices of the Partnership, c/o Invest L.A. Regional Center, LLC, LLC, 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA.

INVESTOR SUITABILITY REQUIREMENT

Each prospective investor of a Unit must give careful consideration to certain risks associated with the Offering, as set forth below in the section entitled "RISK FACTORS," including, without limitation, the risks associated with (a) the development of a new business in general, (b) potential governmental regulation and international regulation, (c) tax laws, including federal and international tax laws, (d) immigration laws, including federal and international immigration laws, (e) the lack of any available market for the Units and the resulting long-term nature of any investment in the Partnership, and (f) the sufficiency of the proceeds from the Offering to meet the proposed obligations and plans of the Partnership. Only persons who have adequate means to assume such risks and to provide for their current needs and personal contingencies, who have no need for liquidity in their investments and who can bear the economic risk of a compete loss of their investment should consider purchasing the Units. **See "RISK FACTORS".**

This Offering is made in reliance upon certain exemptions from registration and qualification requirements of the securities laws of the United States and the securities laws of applicable state agencies. Certain standards have, therefore, been established that must be met by persons who wish to invest in the Partnership. The suitability standards discussed below represent minimum suitability standards for prospective investors. These standards generally require that persons investing in the Partnership be capable of evaluating the merits and risks of their investment and have a net worth or income level sufficient to withstand a loss of their entire investment. However, the satisfaction of such standards by a prospective investor does not necessarily mean that the purchase of a Unit in the Partnership is a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the Partnership is appropriate.

Those persons who wish to invest in the Partnership must meet all of the applicable criteria explained below. The General Partner, however, reserves the right, in its sole and absolute discretion, to reject any subscription even though the particular investor can satisfy any of the tests described below. If the Partnership is incorrect in its assumption that a particular person is a prospective suitable investor, then the delivery of this Memorandum to such person shall not be deemed to be an offer to sell or a solicitation of an offer to buy Units, and this Memorandum must be returned immediately to the Partnership.

NOTE: THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER ANY SECURITIES LAWS OF ANY APPLICABLE FOREIGN JURISDICTION OR APPROVED OR DISAPPROVED BY ANY AGENCY OF ANY APPLICABLE FOREIGN JURISDICTION. THE GENERAL PARTNER AND THE PARTNERSHIP MAKE NO REPRESENTATION WHETHER THE OFFERING AND/OR THE SECURITIES OFFERED HEREBY COMPLIES WITH ANY APPLICABLE REGISTRATION REQUIREMENTS, OR ANY APPLICABLE EXEMPTIONS FROM REGISTRATION, OF ANY APPLICABLE FOREIGN JURISDICTIONS.

Investor's Immigration Qualifications, Business Knowledge and Ability to Bear Economic Risk, Investor Representations, and Restrictions on Resale

Each investor must be able to demonstrate, and will be required to represent to the General Partner, that:

1. he or she is acquiring a Unit for investment for his or her own account for investment only, and not with the current intention of making a public distribution or resale thereof;

2. he or she acknowledges that none of the Units have been registered under the Securities Act and/or any applicable state or foreign securities laws and that the Units are being offered and sold pursuant to an exemption from registration contained in the Securities Act and similar exemptions under applicable state securities laws based in part, upon among other things, the truth and accuracy of his or her representations, warranties, acknowledgements and understandings made to the Partnership;

3. he or she (i) has made other speculative investments, (ii) has (or together with his or her other representative has) substantial knowledge and experience in evaluating and investing in private placement transactions of securities in companies similar to the Partnership so that he or she is capable of evaluating the merits and risks of his or her investment in the Partnership and has the capacity to protect his or her own interests, and (iii) has, by reason of his or her business or financial experience (or together with his or her representative), the capacity to protect his or her own interests in connection with its acquisition of the Units;

4. he or she acknowledges that the Units must be held indefinitely and that he or she must bear the economic risk of this investment indefinitely unless the Units are subsequently registered under the Securities Act or an exemption from such registration is available; and

5. he or she acknowledges, among other things, that:

(i) he or she is not a citizen of the United States; and

(ii) either:

(a) if he or she is not a "U.S. Person" (as hereafter defined), (1) the Unit is not being purchased for the account or the benefit of a U.S. Person, (2) at the time the buy order for the Unit is originated, he or she will be outside the United States in accordance with Regulation S, promulgated under the Securities Act, (3) he or she will not enter into any discussions regarding the acquisition of the Unit, and is not acquiring the Unit, while in the United States, (4) he or she is acquiring the Unit without (A) any directed selling efforts made in the United States by the

Partnership, the General Partner, a distributor of the Partnership and/or the General Partner, any of their respective affiliates, or any persons acting on behalf of any of the foregoing, and (B) any advertisement or publication by the Partnership in violation of Regulation S, (5) any resale of a Unit must be made in accordance with Regulation S, as promulgated under the Securities Act, and (6) he or she is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D, promulgated under the Securities Act (as described below); or

(b) if he or she is a "U.S. Person" (as hereafter defined), he or she (1) initiated discussions with the Partnership relating to the purchase of the Units on an unsolicited basis, (2) did not receive any information regarding such purchase and sale through any general solicitation or general advertising within the meaning of Rule 502 of Regulation D, promulgated under the Securities Act, and (3) is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D, promulgated under the Securities Act (as described below).

For purposes of the foregoing, the term "U.S. Person" means (i) any natural person resident of the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) 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; (vii) 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; and (viii) any partnership or corporation if: (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by "accredited investors" who are not natural persons, estates or trusts. An investor who does not have substantial knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of investment in the Partnership should, regardless of his or her net worth, employ a "purchaser representative" who has such knowledge and experience in financial and business matters to enable such investor to evaluate the merits and risks of an investment in the Partnership.

Accredited Investors

Each investor in the Partnership must be an "accredited investor" as that term is defined in Rule 501(a) of Regulation D, promulgated under the Securities Act, and, as such, must be one of the following:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds $1,000,000;

2. Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

4. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Units, with total assets in excess of $5,000,000;

5. The General Partner of the Partnership;

6. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

7. Any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Units, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D; or

8. Any entity in which all of the equity owners are "accredited investors."

OVERVIEW OF UNITED STATES IMMIGRANT INVESTOR LAW

Immigration Act of 1990 Investor VISA Program

The Congress of the United States ("U.S.") enacted the Immigration Act of 1990 (the "Immigration Act"), which includes a program permitting foreign investors to obtain permanent residence in the U.S. (the "Immigrant Investor Pilot Program"). Section 121(b)(5) of the Immigration Act created an investor immigrant visa category aimed at generating a significant inward flow of foreign capital and creating jobs for U.S. workers. The Immigration Act makes 10,000 green cards of permanent residency available nationwide each year for immigrant investors who meet certain requirements. The Immigration Act also states that not less than 3,000 of the 10,000 available green cards shall be reserved for immigrant investors who establish a new commercial enterprise in a "targeted employment area" (defined as a rural location or a location with unemployment at or above150 percent of the annual national average unemployment rate).

One requirement under the Immigration Act is that an immigrant investor must make a capital investment of $1 million for all designated areas, except that capital investments in "targeted employment areas" (defined as a rural location or a location of high unemployment) need only be in the amount of $500,000. The Immigration Act further requires that the investment must create full-time employment for at least ten U.S. citizens or other legal residents - other than members of the investor's family - for a period of two years. In general, investors who make the required investment will receive a two-year conditional permanent resident status, and, if the job-creating criteria, among other things, are met, an investor may obtain permanent residence in the U.S.

In 2002, the U.S. Congress extended and simplified the investor immigrant visa category by removing several administrative and legal hurdles created by the Immigration and Naturalization Service and court decisions. In 2003, Congress reauthorized the Regional Center Pilot Program, in which Southern California Regional Economic Development Center, LLC, the General Partner of the Partnership, participates. Under such program, a qualified investment made via a Regional Center, such as the General Partner, need only show indirect job creation using "reasonable methodologies". (As of the date of this Memorandum, the immigrant investor program has been extended until March 6, 2012, and there is no guarantee that such date will be further extended. In addition, it is uncertain the effect that the expiration of the Pilot program will have on pending investor petitions filed with the USCIS.)

Investment Requirements

A foreign national may obtain U.S. permanent residence under the Immigrant Investor Pilot Program as a result of satisfying, among other things, the following statutory and regulatory investment requirements:

1. Invest Capital. The investor must invest $1,000,000 in a U.S. commercial enterprise, which investment must be at risk of loss; however, if the investment is made in a "targeted employment area" (as such term is defined in the preceding section) then the minimum investment amount is $500,000.

2. Create Employment. The investment must have a nexus, or connection, with the creation of ten full-time U.S. jobs, or in the case of a "troubled business" (defined generally as a business which (i) has been in existence for at least two years, (ii) has suffered net losses during the 12 to 24 month period prior to the investor's I-526 Petition being filed, and (iii) has losses equal to at least 20% of the net worth of the business), the investment may have a connection with the saving of ten full-time U.S. jobs. Part-time jobs may be combined and considered as full-time jobs in the case of "job sharing." The created jobs must be in existence at the time the investor's petition for removal of conditional status is filed by the investor, which filing takes place within two years following the investor's initial conditional permanent residency. Alternatively, the demonstration of (direct, indirect, or induced) job creation may be prospective and the new employment caused by Partnership investments may occur after two years from the date the Limited Partners become conditional residents of the U.S. Furthermore, the EB-5 investor law states such job creation shall be demonstrated by using any reasonable methodologies approved by the U.S. Citizenship and Immigration Services (the "USICS").

3. Management Participation. The investor must participate in the management of the commercial enterprise, for example, as a director, manager, or officer; however, participation may be quite minimal, and for example, participation as a limited partner in a partnership satisfies this requirement.

4. Source of Funds. The investor must submit a brief explanation of investment, business, or family resources that provide the source of funding for the investment.

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Overview of the EB-5 Visa Application Procedure

The following is a very basic summary of the typical procedure for obtaining U.S. permanent residence by utilizing the EB-5 preference, which procedure is subject to change at any time **(see "RISK FACTORS")**. This summary only applies to those

investors that are currently residing in a country other than the United States. The procedure is different for those investors already in legal status with the United States and that procedure will be explained upon request.

1. File I-526 Petition. The investor must file an I-526 Petition with the appropriate Service Center of the USCIS, accompanied by a comprehensive business plan and personal documentation concerning the investor. The amount of time in which an I-526 Petition will be processed cannot be predicted, as it is up to governmental decision making; however, such time usually takes at least three to eight months.

2. National Visa Center. The approved I-526 Petition is forwarded to the National Visa Center, which prepares documentation for visa processing at the U.S. Consulate located in the investor's home country. Forms and application documents are forwarded to the investor's attorney, who coordinates the completion of this documentation with the investor client.

3. U.S. Consulate. Following the approval of the I-526 Petition, an interview is scheduled with the U.S. Consulate, at which time the investor and immediate family obtain immigrant conditional visas.

4. Conditional Residence. The investor enters the U.S. with the immigrant visa and obtains conditional residency status on the date of entry. A plastic Resident Alien card is forwarded to the investor.

5. File I-829. The investor must file a petition for removal of conditional status (called and "I-829 Petition") within two years following acquisition of conditional residence, that is, during the three-month window between the 21st and 24th month of residence. The investor's attorney files the I-829 Petition with evidence that the investor has continued with the investment plan and the U.S. business employs at least ten full-time workers for each immigrant investor. In the case of a Regional Center, the employment may be proven directly or indirectly using proof of direct employment (such as W-2 forms) or using "reasonable methodologies" when demonstrating indirect job creation.

NOTE: ANY INFORMATION CONTAINED IN THIS FOREGOING SECTION IS STRICTLY INTENDED FOR THE INFORMATIONAL PURPOSES OF THE READER ONLY; IT IS NOT TO BE CONSTRUED AS LEGAL ADVICE. FURTHER, NOREPRESENTATION IS BEING MADE WITH RESPECT TO THE ACCURACY OFTHE FOREGOING INFORMATION. ACCORDINGLY, EACH INVESTOR IS ADVISED TO SEEK HIS OR HER OWN LEGAL COUNSEL IN CONNECTION WITH THIS OFFERING, INCLUDING IMMIGRATION COUNSEL.

THE PARTNERSHIP, THE GENERAL PARTNER, AND ANY OF THEIR RESPECTIVE PARTNERS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, AGENTS, ASSIGNS AND THOSE PARTIES ACTING ON THEIR BEHALF OR PURPORTING TO ACT ON THEIR BEHALF,

SHALL MAKE NO WARRANTIES OR GUARANTEES THAT AN INVESTOR WILL OBTAIN PERMANENT RESIDENCE IN THE U.S. AS A RESULT OF AN INVESTMENT IN THE PARTNERSHIP. EACH PROSPECTIVE INVESTOR IS ADVISED TO RETAIN, AND MUST RELY ON, SUCH INVESTOR'S IMMIGRATION COUNSEL TO PROVIDE INDEPENDENT EVALUATION OF THIS OFFERING WITH RESPECT TO THE INVESTOR'S IMMIGRATION REQUIREMENTS.

BUSINESS OF THE PARTNERSHIP

Partnership Business Objective

The United States is coming out of the worst recession it has experienced since the Great Depression. And County of Los Angeles, California was one of the counties hardest hit in the United States by the recession. Currently, the county is experiencing close to 13% unemployment caused by the sub-prime mortgage crisis. Additionally, it's nearly impossible presently for hotel owners to borrow funds for working capital or property improvement. In this environment, the hotels that have access to capital for increased marketing and property improvement will have a strong competitive advantage and will be able to increase market share, revenues, and ultimately profits markedly. These properties will not only retain their current staff but also be able to create new jobs to enhance the local economy. Park Place EB5 intends to purchase an ailing hotel and begin immediately to remodel and reposition it for maximum value and employment creation.

Regional Center Geographic Area

See Attached.

Investment Objective

The investment objective of both the General Partner and Park Place EB5, LP is quite simple. Both intend to make direct investments into underperforming businesses that simply need capital for operations and rehabilitation. At the present time there is an abundance of such businesses which will allow the General Partner to pick only those investments with the lowest risk and the highest probability of success. It is anticipated that the Partnership's investments will lead to increased employment that will impact the regional area in a positive way. This strategy will satisfy the two key objectives; to maintain and create jobs and provide superior returns for the Limited Partners.

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THE PARTNERSHIP, THE GENERAL PARTNER, AND ANY OF THEIR RESPECTIVE PARTNERS, MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, AGENTS, ASSIGNS AND THOSE PARTIES ACTING ON THEIR BEHALF OR PURPORTING TO ACT ON THEIR BEHALF, SHALL MAKE NO WARRANTIES OR GUARANTEES THAT AN INVESTOR WILL RECEIVE A RETURN OF HIS INVESTMENT OR THAT AN INVESTOR WILL OBTAIN PERMANENT RESIDENCE IN THE U.S. AS A RESULT OF AN INVESTMENT IN THE PARTNERSHIP. EACH PROSPECTIVE INVESTOR IS ADVISED TO RETAIN, AND MUST RELY ON, SUCH INVESTOR'S COUNSEL TO PROVIDE INDEPENDENT EVALUATION OF THIS OFFERING WITH RESPECT TO THE INVESTOR'S INVESTMENT AND IMMIGRATION REQUIREMENTS.

RISK FACTORS

THE INVESTMENT IN UNITS OF LIMITED PARTNERSHIP INTERESTS OFFERED HEREBY IS HIGHLY SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND SHOULD NOT BE MADE BY PERSONS WHO CANNOT AFFORD TO LOSE THEIR ENTIRE INVESTMENT. EACH PROSPECTIVE INVESTOR IS URGED TO CONSIDER CAREFULLY THE BUSINESS, LEGAL, TAX, IMMIGRATION AND OTHER RISKS SUMMARIZED BELOW AND MUST CONSULT WITH HIS OR HER OWN LEGAL, TAX, IMMIGRATION AND FINANCIAL ADVISORS WITH RESPECT THERETO. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE RISK FACTORS DISCUSSED BELOW AND ARE URGED TO CAREFULLY REVIEW THE INFORMATION CONTAINED ELSEWHERE IN THIS MEMORANDUM.

A. Immigration Risks.

Regulation and Legal Uncertainties Regarding Immigration Laws

The General Partner's designation as a Regional Center and related immigrant investor program are expressly subject to regulation by the USCIS and the United States government. There can be no assurance that the laws, regulations and rules relating to the General Partner's Regional Center designation and/or the Partnership's immigrant investor program will not be repealed, modified, amended, interpreted or applied in a manner which is materially adverse to the interests of the investor and/or the Partnership. The designation as a Regional Center and the immigrant investor program are always under substantial scrutiny by the USCIS, the United States government and the media, particularly due to past abuses of the program by other companies raising funds for investment by immigrant investors. Furthermore, it is possible that the

requirements of the immigrant investor program may be substantially and materially modified, thereby requiring an adjustment to the investment program offered by the Partnership. Such modifications by the relevant regulatory agencies, if enacted, may be material and retroactively applied to pending immigrant investor applications, including those filed in connection with the business of the Partnership. **As of the date of this Memorandum, the immigrant investor program has been extended until March 6, 2012, and there is no guarantee that such date will be further extended. In addition, it is uncertain the effect that the expiration of the investment program will have on pending investor petitions filed with the USCIS. Accordingly, there is no guarantee that an investment in the Partnership will result in an investor obtaining his or her permanent residence in the United States.**

No Assurance of Acceptance of Application

The Partnership anticipates that the application procedure for a subscriber of a Unit to obtain his or her permanent residency in the United States will be generally as follows: (i) first, an I-526 Petition will be submitted by the subscriber to the USCIS to classify the subscriber and the investment in the Partnership in the EB-5 category; (ii) second, upon approval of the I-526 Petition, either file an application for adjustment of status in the United States or an application for immigrant visa plus entry to the United States; (iii) third, two years of conditional residence in the United States; and (iv) an I-829 Petition will be submitted by the subscriber to remove the condition on permanent residence. It is contemplated that each subscriber will hire his or her own counsel in connection with the foregoing procedure, including preparing and filing such subscriber's I-526 Petition and I-829 Petition with the USCIS. The General Partner believes that the Partnership's investments will be acceptable to the USCIS in its review of the subscriber's I-526 Petition and I-829 Petition, **however, there can be no assurance or guarantee that the USCIS will accept the Partnership's investments and/or the I-526 Petition and/or the I-829 Petition of a subscriber to this Offering.** Additionally, USCIS determinations relating to a subscriber's I-829 Petition may pose additional risks associated with the two-year time period, such as changes in law, applicable regulations, business climate, governmental personnel and structures, and the like. **In no event may a subscriber rescind his or her subscription herein or terminate his or her Partnership investment upon an adverse determination of his or her (1) application for adjustment of status, (2) application for immigrant visa, or (3) I-829 Petition by the USCIS.**

UNDER NO CIRCUMSTANCES DOES THE PARTNERSHIP, GENERAL PARTNER OR ANY OF ITS MEMBERS, MANAGERS, OFFICERS, EMPLOYEES, REPRESENTATIVES, CONSULTANTS, AGENTS, ASSIGNS OR ANYONE PURPORTING TO ACT ON THEIR BEHALF MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE SUFFICIENCY OR ADEQUACY, LEGAL OR OTHERWISE, OF ANY OF THE PROSPECTIVE OR CURRENT INVESTMENTS OF THE PARTNERSHIP RELATIVE TO ANY INVESTOR'S VISA OR IMMIGRATION PETITIONS AND BEARS NO RESPONSIBILITY FOR ANY ISSUES PERTAINING TO

AN INVESTOR'S IMMIGRATION MATTERS OR DETERMINATIONS OF ANY GOVERNMENTAL ENTITIES RELATING THERETO.

No Assurance of Sufficient Job Creation

The Partnership intends that its investments will stimulate business activity within the Regional Center that will enable the investors in the Partnership to meet the job creation requirements of the USCIS. However, there is no guarantee that such investments will stimulate sufficient business activity to create a sufficient number of jobs needed to satisfy the job creation requirements of the USCIS. Further, there is no guarantee that the number of jobs created, if any, will be sufficient to satisfy the job creation requirements needed for each individual investor. In such case, for purposes of meeting the immigration objectives of the Partnership, the General Partner has the authority to allocate the jobs created by the Partnership investments, if any, to the Limited Partners based on the dates on which the Limited Partners obtain conditional permanent residence (by way of example only, the Limited Partner who first obtains conditional permanent residence in the United States will be first allocated the jobs created by the Partnership investments). Accordingly, there is a risk that an investor may not be allocated the number of jobs needed to meet the requirements of the USCIS in order to obtain permanent resident status.

B. Business Risks.

Nature of Partnership Investments

The objective of the Partnership is to invest in underperforming properties, namely commercial properties in San Gabriel Valley, Southern California, USA (hereinafter a "Regional Center Business"). Accordingly, each investment made by the Partnership will be subject to, among other things, all general risks inherent in investing in a business, including, without limitation, (i) the absence of a history of significant operations and of proven products and services which have been produced and sold over a significant period of time, (ii) the ability of a Regional Center Business to establish many systems of operation which are necessary to conduct business, including, without limitation, managerial and administrative structure, sales and marketing strategies, financial administration and recruitment of personnel, (iii) uncertainty of cash flow of a Regional Center Business to meet its obligations, including its obligations to the Partnership, (iv) adverse changes in general or local economic conditions, (v) reduction in the cost of operating competing businesses, (vi) changes in local employment levels, adverse changes in interest rates and availability of credit, (vii) changes in tax rates and other operating expenses, (viii) changes in governmental rules and fiscal policies, (ix) acts of God, including earthquakes, which may cause uninsured losses, (x) the financial condition of affiliates of a Regional Center Business, and (xi) environmental risks and other factors which are beyond the control of the Regional Center Business, the Partnership and/or the General Partner. The General Partner will determine, in its sole discretion to which Regional Center Business the Partnership will invest in. There can be no assurance that appropriate investment opportunities will arise and, if available,

there can be no assurance that such investment opportunities will be available on terms and conditions which are favorable to the Partnership.

Lack of Operating History of the Partnership

The Partnership is a newly formed partnership, formed for, among other things, the purpose of investing capital such that those investments meet the USCIS guidelines required for the EB-5 Visa petitions of participating subscribers. The Partnership intends to invest the requisite funds per each investor in order for such funds to lead to the creation of jobs within the Regional Center. To meet the objectives of the Partnership, the Partnership intends to make investments in certain underperforming assets such as a hotel in Pasadena, California, USA. The Partnership, however, is newly formed and has no operating history. There is no history of investments made by the Partnership and there can be no assurance that any investment made by the Partnership will be successful or meet the USCIS guidelines required for the EB-5 Visa petitions of participating subscribers. The success of the Partnership will be dependent, to a large degree, on (i) whether the General Partner will be able to find suitable investment opportunities under terms which are favorable to the Partnership and which meet the expectations and assumptions of the General Partner and (ii) the performance of such investment opportunities.

General Risks of Investment Opportunities

The Partnership's investments will be subject to, among other things, the risks generally incident to the investment of "at risk" capital, including, without limitation, (i) uncertainty of cash flow to meet fixed as well as variable obligations, including obligations owed to the Partnership, (ii) adverse changes in general or local economic conditions, (iii) with respect investments relating to real property, excessive building resulting in an over-supply of space and relative appeal of particular types of properties to tenants, lenders and investors, (iv) reduction in the cost of operating competing investments and business opportunities, (v) changes in local employment levels and adverse changes in interest rates and availability of credit and funds, (vi) changes in tax rates and other operating expenses, (vii) changes in governmental rules and fiscal policies, (viii) acts of God, including earthquakes, which may cause uninsured losses, (ix) the financial condition of affiliates of a Regional Center Business, and (x) environmental risks and other factors which are beyond the control of the Partnership and the General Partner. Liquidation or dissolution of the Partnership may be delayed until all investments, which the Partnership may extend, are repaid or sold. Decreases in actual income from expected amounts generated by investments, or increases in operating expenses of the Partnership, among other factors, could result in the Partnership's inability to meet all its cash obligations. Any decrease in income received by the Partnership may reduce, and possibly eliminate, the amount of cash available for distribution to the Partners, since operating expenses, such as property taxes, utility costs, maintenance, and insurance are unlikely to decrease significantly or at all, and other expenses may increase. If the income generated by an investment of the Partnership is not sufficient to meet operating

expenses or debt service, the Partnership may have to dispose of such investment and/or other investments on disadvantageous terms in order to raise needed funds.

Leverage and Other Factors Relating to Financing

The Partnership anticipates that its initial investment will consist of the purchase of a hotel in Pasadena, California, USA **(see "BUSINESS OF THE PARTNERSHIP – Investment Objectives")**. However, the General Partner has the sole discretion to invest the capital of the Partnership in other types of investments, including the acquisition of other real property located within the Regional Center. In that regard, although the Partnership has no current plans to borrow funds, emergent circumstances may make borrowing necessary in connection with the acquisition of real property. The use of secured indebtedness to finance a portion of the purchase price of real property is referred to as leveraging. Leveraging increases the risk of loss of the Partnership's equity investment if and to the extent the real property declines in value. In addition, to the extent cash flow from a leveraged investment is not sufficient to pay debt service, cash from other sources will be required. Unless the real property generates such needed cash, the Partnership may be required to raise the needed funds from other sources, and there can be no assurance that such needed funds will be available. In such event, the Partnership may be required to sell the real property on disadvantageous terms, or mortgages or deeds of trust securing the Partnership's debt may be foreclosed and the real property sold by the lender to repay Partnership's debt.

Future Market Value of Investment Opportunities

The Partnership intends to invest in Regional Center Businesses located within the Regional Center, the geographic areas of which have high unemployment. The economic future of these areas within California associated with the General Partner's Regional Center status is uncertain. Additionally, factors outside the control of the Partnership, such as future construction activity, interest rates, demographic changes, economic conditions, changes in tax laws and numerous other factors, will determine the future market value of the investments made by the Partnership. There is no assurance that such investments will increase in value in accordance with the Partnership's expectations or otherwise.

Uninsured Losses

Among other risks to which an investment made by the Partnership is subject, is a risk of loss that is either uninsurable or not insurable at commercially reasonable rates. Examples of uninsurable losses are those arising from flood, earthquakes, war, acts of God, theft or fraud or other criminal acts of third parties, changes in regulations, and adverse administrative and court rulings, among others. Should such an uninsurable loss occur with respect to a Regional Center Business, such loss could have a detrimental effect on the ability of such Business or Agency to pay its obligations, including the obligations owed to the Partnership, which effect could cause the Partnership to suffer a loss of some or all of the capital invested in the Business as well

as the loss of any potential profits from such investment. Additionally, should such an uninsurable loss occur with respect to the Partnership, such loss could also have a detrimental effect on the Partnership.

Environmental Risks

Many older properties within the General Partner's Regional Center contain older industrial areas generally known to have hydrocarbons, lead, arsenic and other hazardous materials in the soils in levels above clean up limits established by the State of California and the U.S. government. Accordingly, any investments made by the Partnership, which involve real property, are subject to risks relating to hazardous and toxic contamination of the real property or adjacent real property, including, without limitation, subsurface and underground water contamination. Such contamination, which can result from the actions of tenants, contractors and other parties such as adjacent property owners, could have a detrimental effect on the investment of the Partnership, which effect could cause the Partnership to suffer a loss of some or all of the capital invested in such investments as well as the loss of any potential profits from such investments.

Construction Risks

It is anticipated that certain investments made by the Partnership may involve real property, which will be improved by the construction of new improvements and/or remodeling of existing improvements. Construction and/or remodeling of improvements to real property will entail risks which are beyond the control of the owner of the property and the Partnership, such as changes in governmental rules and policies (such as zoning), the performance by contractors, costs of materials, labor difficulties (such as strikes), energy shortages, shortages of material for construction, inflation, adverse weather, adverse subsurface conditions and other factors which could cause costs to exceed current estimates. These risks may increase the costs of construction and/or remodeling and may cause, among other things, delays in construction and/or remodeling which affect the ability of the investment made by the Partnership to generate cash flow to repay the Partnership's investment and which, in turn, could cause the Partnership to suffer a loss of some or all of its investment as well as the loss of any potential profits from such investment.

Competition

The General Partner anticipates competition in locating appropriate investment opportunities within the Regional Center. Such competition may restrict the ability of the Partnership to locate appropriate investments under terms and conditions favorable to the Partnership. This could result in the Partnership's inability to obtain the revenues, which it has forecasted, and substantially reduce returns to investors. **See "BUSINESS OF THE PARTNERSHIP".**

Dependence on General Partner

The success of the Partnership in carrying out its business objectives is substantially dependent on the performance of the General Partner, its managers, executive officers and key employees, as well as the performance of principals and key employees of those Development Agencies and Regional Center Businesses in which the Partnership invests. The General Partner does not have "key person" life insurance policies on any of its employees, including Kin Hui. Furthermore, there can be no assurance that any of the businesses in which the Partnership invests will have such "key person" life insurance. The loss of the services of any of the General Partner's managers, executive officers or other key employees (or those of any of the Development Agencies and Regional Center Businesses in which the Partnership invests) could have a detrimental effect on the business, operating results or financial condition of the Partnership.

Determination of Unit Price

The price of a Unit ($1,000,000) has been determined by the Partnership taking into account a number of factors, including the capital needs of the Partnership and the requirements of the Immigrant Investor Pilot Program. The Unit Price bears no relationship to any established criteria of value such as book value or earnings per Unit, or any combination thereof. Further, the Unit Price is not based on past earnings of the Partnership, nor does the Unit Price necessarily reflect current market value for the investments proposed to be acquired by the Partnership.

Financial Projections

Any projected results of operations of the Partnership set forth in this Memorandum or any other document provided by the Partnership or the General Partner, contain estimates only of future results based upon information available as of the date of this Memorandum, which information has not been fully verified. However, no representation is or can be made as to future operations or the amount of any future income or loss of the Partnership. Accordingly, there is no guarantee that implementation of the investment objective or strategy of the Partnership will not result in losses to purchasers of the Units. Moreover, the financial success of the Partnership will be dependent upon the financial success of each Regional Center Business in which the Partnership makes an investment, in the General Partner's exclusive discretion. There can be no assurance that the Regional Center Businesses in which the Partnership invests will be successful, or even operate at a level to meet its obligations owed to the Partnership.

Additionally, because the Partnership is recently formed and has no operating history, no financial statements based on actual operations of the Partnership are available. Any financial projections of the Partnership provided to an investor are based upon what the General Partner currently believes to be reasonable assumptions concerning certain factors affecting the future operations of the Partnership. However, no assurances can be made that any projections will prove to be accurate, and investors are cautioned

against placing excessive reliance on any and all financial projections in deciding whether to invest in the Partnership.

THERE CAN BE NO ASSURANCE THAT THE PARTNERSHIP WILL SUCCEED IN ACHIEVING FINANCIAL PROJECTIONS OR RESULTS OF OPERATION, OR THAT THE BUSINESS OF THE PARTNERSHIP CAN BE OPERATED AT A PROFIT OR EVEN AT A LEVEL, WHICH WOULD COVER ALL OPERATING EXPENSES OF THE BUSINESS OF THE PARTNERSHIP.

Costs of Overhead

The fixed and variable costs of operating the business of the Partnership as estimated by the General Partner may prove to be inaccurate, or if initially accurate, subsequent circumstances beyond the control of the Partnership may render such estimates inaccurate, so that the costs of operating the business of the Partnership might exceed a level at which the service of the Partnership could be performed unprofitably.

Results Different from Expectations

There is no assurance or guarantee that the Partnership will generate any particular return, and it is possible that any financial projections or expectations made with respect to the operations of the Partnership, including, without limitation, any financial projections set forth in this Memorandum, may be more optimistic than the actual results.

Risks of Economic Decline

The Partnership, like other small and large businesses, including Regional Center Businesses, in which the Partnership may invest, may be subject to adverse operating results due to broad changes in economic conditions. This risk is particularly pertinent due to the fact the Partnership's objective is to invest in areas currently experiencing high unemployment, thus an area under economic stress. Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws, can affect substantially and adversely the business and prospects of the Partnership. None of these conditions is within the control of the General Partner and no assurances can be given that the General Partner will anticipate these developments.

Additional Capital Requirements

In the event additional capital beyond the initial capital contributions raised by this Offering is required to conduct the business operations of the Partnership, the General Partner has the right to raise additional capital in accordance with the terms of the Partnership Agreement. In the event the General Partner elects to raise additional capital by admitting additional Limited Partners, such action may result in the dilution of

the partnership interests held by the Limited Partners. **See "RISK FACTORS – Business Risk: Dilution of Interest".**

Limited Participation by Limited Partners in Management

All decisions with respect to the business and affairs of the Partnership will be made by the General Partner to the maximum extent permitted by law, including, without limitation, all decisions concerning the day-to-day management and conduct of the Partnership and the selection of investment opportunities. To assure that the Limited Partners will not become personally liable as general partners under California Statutes: Chapter ___ (hereinafter _____), none of the Limited Partners will have any right to participate in the management or conduct of the Partnership, to the maximum extent permitted by law; provided, however, that each Limited Partner will have the right to participate in meetings of the Limited Partners during which the Limited Partners will provide advice and recommendations to the General Partner concerning the business of the Partnership. **See "SUMMARY OF PARTNERSHIP AGREEMENT – Limited Participation of Limited Partners"; see also "RISK FACTORS – Limited Liability".** Moreover, the Limited Partners will have no right to remove the General Partner.

NO PERSON SHOULD PURCHASE ANY OF THE UNITS UNLESS HE OR SHE IS WILLING TO ENTRUST ALL ASPECTS OF THE MANAGEMENT OF THE PARTNERSHIP, INCLUDING, WITHOUT LIMITATION, THE SELECTION OF INVESTMENT OPPORTUNITIES TO THE MANAGEMENT OF THE GENERAL PARTNER.

Limited Liability

Ordinarily, the limited partners of a limited partnership are not personally liable for obligations of the limited partnership in excess of (i) their capital contributions plus (ii) an amount not in excess of returns of capital to them, with interest, necessary to discharge a partnership's liabilities to creditors who have extended credit or whose claims arose before such return. However, under applicable law, a limited partner who participates in the control of the business of the partnership may be deemed to be a general partner having the personal liability attendant thereto. Accordingly, a risk exists that a creditor of the Partnership might claim that any voting or other similar rights of the Limited Partners under the Partnership Agreement amount to participating in the Partnership's business, which claim, if judicially sustained, could result in a Limited Partner incurring personal liability for the recourse obligations of the Partnership.

Limitation of General Partner's Liability

Under applicable law, the General Partner is accountable to the Limited Partners as a fiduciary, and is required to exercise good faith in handling the affairs of the Partnership. However, the Partnership Agreement provides the General Partner shall not be liable to the Limited Partners for any loss or liability incurred in connection with the affairs of the Partnership, so long as such loss or liability did not result from willful misconduct or

gross negligence of the General Partner, and also provides that certain losses that the General Partner may incur shall be paid from Partnership assets. Therefore, a Limited Partner may have a more limited right of action against the General Partner than he would have had absent these and related provisions in this Memorandum, the Partnership Agreement and the Subscription Agreement.

Conflicts of Interest

The interests of the Limited Partners and the Partnership may, under certain circumstances, be inconsistent with the interests of each other, the General Partner or its affiliates. Additionally, the Partnership depends on the General Partner to conduct the business of the Partnership. The managers, officers and any other personnel and consultants of the General Partner will devote as much attention to the business of the Partnership as in their sole and absolute judgment they deem necessary, but they will also act in other capacities with other entities and businesses with which they are involved. In particular, the General Partner and/or its affiliates intend to be actively engaged in other immigrant investor programs, which seek to raise capital for investment, by immigrant investors within the Regional Center. **See "BUSINESS OF THE PARTNERSHIP"**. Accordingly, the General Partner may, at any time, devote substantial portions of its time to the business of other partnerships and affiliated companies, including existing and future businesses, which may or may not be competitive with the business of the Partnership. **THE PARTNERSHIP WILL HAVE NO RIGHTS OR INTERESTS IN ANY SUCH ACTIVITIES.** Further, conflicts of interest between the General Partner and the Limited Partners may exist or arise based on, among other things, the General Partner's right to engage in other business activities by the General Partner and its affiliates. There can be no assurance that other activities will not divert the General Partner from adequately performing its services nor from effectively managing and operating the Partnership. Additionally, conflicts may arise based on the timing and nature of the General Partner's distributions of cash and allocation of profits. **See "CONFLICTS OF INTERESTS"**.

The General Partner 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 Partnership and for the General Partner's time. In particular, Managing Members of SCREDC, LLC, the General Partner, intend to serve as the Managing Members/General Partner of other limited partnerships formed by them, which will seek to raise capital from foreign national investors for investments within other Regional Centers. The Partners hereby waive any and all rights and claims which they may otherwise have against the General Partner 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.

General Tax Risks

THERE MAY BE TAX CONSEQUENCES ASSOCIATED WITH AN INVESTMENT IN THE UNITS. NO TAX ADVICE IS BEING GIVEN HEREIN WITH RESPECT TO THE

INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE UNITS AND PROSPECTIVE INVESTORS ARE URGED TO CONSULT, AND MUST RELY ON, THEIR OWN QUALIFIED TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE UNITS.

Indemnification of General Partner

The Partnership Agreement provides that neither the General Partner nor its affiliates will be liable to the Partnership or to the Limited Partners for any act or omission performed or omitted by them in the absence of gross negligence or willful misconduct. The Partnership will indemnify and hold harmless the General Partner and its affiliates for any loss or damage incurred by them on behalf of the Partnership or in furtherance of the Partnership's business, or arising out of or in connection with the Partnership except for losses incurred by the General Partner or its affiliates arising from their own gross negligence or willful misconduct. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and nothing in this Memorandum shall in any way constitute a waiver or limitation of any rights which the General Partner or its affiliates may have under any federal securities laws. If the Partnership were required to indemnify the General Partner and/or its affiliates, then a portion of its assets expended for such purpose would reduce the amount of money otherwise available for the Partnership's intended activities.

Not Marketable or Transferable/Absence of Public Market/Registration Rights

No public market exists for the limited partnership interests represented by the Units offered in connection with the Offering. Moreover, because the sale of the securities offered through this Offering will not be registered under federal and state securities laws in reliance upon (i) either Regulation S or Regulation D, as applicable, promulgated under the Securities Act, and (ii) available exemptions under applicable state securities laws, the securities offered hereby will be "restricted securities" under the Securities Act and cannot be resold or otherwise transferred unless they are first registered and/or qualified under the Securities Act and any applicable state securities laws or are transferred in a transaction exempt from such registration and/or qualification. Each investor of a Unit is required, among other things, to purchase for his or her own account, for investment, and without a view to distribution within the meaning of the Securities Act. Consequently, each investor's ability to control the timing of the liquidation of his or her investment in the Partnership will be restricted. Investors should be prepared to hold their interests in the Partnership indefinitely. No assurance can be given that the Partnership will ever seek to register and/or qualify its securities or that a market for any of the Partnership's securities will develop or be sustained in the future. Currently, no agreement or commitment exists with respect to the registration and/or qualification of the Partnership's securities.

IN VIEW OF THE FOREGOING, INVESTORS OF UNITS OF LIMITED PARTNERSHIP INTERESTS MAY NOT BE ABLE TO SELL OR LIQUIDATE THEIR INVESTMENT IN UNITS OF THE LIMITED PARTNERSHIP INTERESTS IN THE EVENT OF ANY

EMERGENCY AND UNITS OF LIMITED PARTNERSHIP INTERESTS MAY NOT BE READILY ACCEPTED AS COLLATERAL FOR A LOAN. CONSEQUENTLY, AN INVESTMENT IN LIMITED PARTNERSHIP INTERESTS SHOULD BE CONSIDERED ONLY AS A LONG-TERM INVESTMENT.

ADDITIONALLY, THE SECURITIES OFFERED HEREBY 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.

Absence of Review Under Applicable Securities Laws

The securities offered through this Offering will not be registered under federal, state and foreign securities laws. The Partnership anticipates that no regulatory authority or other disinterested entity will review or pass upon the fairness of the disclosure of risks and tax consequences inherent in the investment in the Units or the other terms of this Offering. Prospective investors should be aware that they do not have all of the protection afforded by applicable federal and state securities laws to investors in registered or qualified offerings or offerings that have merit review. Accordingly, all investors must evaluate for themselves, or with the assistance of their advisors, attorneys and accountants, the adequacy of the disclosures and the fairness of the other terms of this Offering without the benefit of prior review by any regulatory authority or other disinterested entity.

NOTE: THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER ANY SECURITIES LAWS OF ANY APPLICABLE FOREIGN JURISDICTION OR APPROVED OR DISAPPROVED BY ANY AGENCY OF ANY APPLICABLE FOREIGN JURISDICTION. THE GENERAL PARTNER AND THE PARTNERSHIP MAKE NO REPRESENTATION WHETHER THE OFFERING AND/OR THE SECURITIES OFFERED HEREBY COMPLY WITH ANY APPLICABLE REGISTRATION REQUIREMENTS, OR ANY APPLICABLE EXEMPTIONS FROM REGISTRATION, OF ANY APPLICABLE FOREIGN JURISDICTIONS.

Registration Exemption

The Offering described in this Memorandum is being made with reliance upon an exemption from registration with the Securities and Exchange Commission as provided by either Regulation S or Regulation D, as applicable, promulgated under the Securities Act, and similar provisions under applicable state laws, which provide exemptions from the securities registration provisions for private placement offerings. If the applicable requirements are not met, investors could have the right to rescind their investment in this Offering. Because compliance with these exemptions is highly technical and quite difficult, it is possible that investors could be successful if they sought rescission. If a significant number of investors were to successfully rescind their investment in the

Partnership, the Partnership would face financial demands, which could adversely affect the Partnership and the non-rescinding investors.

Discretion in Application of Proceeds of Offering

The General Partner presently intends to use a substantial portion of the net proceeds of the Offering for the specific purposes as set forth in this Memorandum and the Partnership Agreement. The General Partner has, however, broad discretion with respect to the application and allocation of the net proceeds of the Offering. As a result of the foregoing, any return on investment to investors will be substantially dependent upon the discretion and judgment of the General Partner with respect to the application and allocation of the net proceeds of the Offering. Pending the use of the net proceeds of the Offering for the purposes described above, such net proceeds may be invested by the Partnership in short-term, interest-bearing obligations or marketable securities. The Partnership does not require that specific minimum investment criteria be used in selecting such short-term investments, but will select such investments as it deems appropriate in its exclusive discretion. **See "ESTIMATED USE OF PROCEEDS".**

Dilution of Interest

Limited Partners will collectively own (b) (4) of the Partnership interests in the Partnership. A Limited Partner's percentage interest in the Partnership will be equal to a fraction, expressed as a percentage, the numerator of which will be the number of Units owned by such Limited Partner and the denominator of which will be the total number of Units owned by all of the Limited Partners, multiplied (b) (4) The percentage interest of a Limited Partner will be subject to adjustment based on the total Units sold. Further, although the General Partner anticipates that a total of up to 120 Units will be issued in connection with the Offering, the General Partner has the discretion to increase or decrease the Units offered. Accordingly, if the total Units of the Partnership are increased, the percentage interests of the Limited Partners will be diluted.

Payment of Income Taxes Regardless of Distributions

Distributions of available cash of the Partnership, if any, to the Partners will be made only at such times and in such amounts as the General Partner shall determine in its sole and absolute discretion. Partners, however, will be allocated profits of the Partnership, if any, regardless of whether distributions of available cash are made. Accordingly, each Partner will be required to pay income tax attributable to the profits allocated to such Partner even if the Partnership does not distribute any available cash of the Partnership. Further, distributions to Partners will be subject to withholding requirements under applicable federal and state law.

An Investor is responsible for obtaining his or her own tax advice with respect to the federal, state and local income and other possible tax consequences of his or her investment in the Partnership, and no tax advice will be provided hereunder or at any

time in the future. However, as a general rule, a resident alien of the United States will be taxed on all of his or her worldwide income and will be required to file a United States income tax return. In addition, if an alien is not a resident of the United States but has United States source income he or she generally will be subject to taxation in the United States on such income, and such income may be subject to withholding and/or reporting on a United States income tax return.

Other Unforeseen Business Risks

The foregoing risks, as well as other risks described in this Memorandum, the Subscription Agreement and/or the Partnership Agreement are not an all-inclusive listing of the business and other risks facing the Partnership in its plan to develop and operate its business. As with any business entity, the Partnership cannot predict with certainty all the possible problems, which may confront the Partnership's business in future years. It is possible that events or conditions not foreseeable at present and which may not be subject to control by the Partnership may occur in the future and have an adverse impact on the ability of the Partnership to carry out its business objectives in a profitable manner.

FOR ALL OF THE AFORESAID REASONS, AND OTHERS SET FORTH HEREIN, THE SECURITIES OFFERED HEREUNDER INVOLVE A HIGH DEGREE OF RISK. ANY PERSON CONSIDERING AN INVESTMENT IN THE SECURITIES OFFERED HEREBY SHOULD BE AWARE OF THE SUBSTANTIAL RISKS SET FORTH IN THIS MEMORANDUM. THESE SECURITIES SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD TO ABSORB A TOTAL LOSS OF THEIR INVESTMENT IN THE PARTNERSHIP.

MANAGEMENT

The General Partner exercises sole authority over the Partnership and have exclusive and complete control over the Partnership's activities, including day-to-day responsibility for management of the Partnership's business and affairs. The General Partner is controlled by Kin Hui as President. The Partnership will rely entirely upon the experience of the General Partner in identifying all investment opportunities for the Partnership.

SCREDC Management Team

Kin Hui, President

Mr. Hui is owner and operator of Singpoli Group, a real estate investment company based in Arcadia, California. His company is involved mostly with major commercial and office buildings. He is the general partner of a prestigious mixed-use development located at the Southeast corner of two major arterials in the heart of downtown Pasadena – Colorado Boulevard and Lake Avenue. The company is also the owner and operator of 2 N. Lake tower in Pasadena which is located at the Northeast corner of

Colorado Boulevard and Lake Avenue in Pasadena. Grosvenor Americas has sold its 2 N. Lake Ave. office tower to Singpoli based in the San Gabriel Valley city of Arcadia in a transaction that ranks as the largest brokered office deal in L.A. County 2009 and one of the largest in Southern California.

Mr. Hui has been active in the acquisition, development and management of real properties in Southern California since early 1990's. He is the founder and President of Singpoli Construction since 1992, a founding partner and President of Pacific Design Group since 1997, a Managing Partner of Singpoli Investment, LLC since 1992 and the Managing Member of Singpoli Pacifica, LLC since 2007.

A holder of a California General Contractor license, Mr. Hui obtained a Bachelor of Science degree from Woodbury University with major in Interior Designs and minor in Business Administration. An avid horseman active in the breeding and racing of thoroughbred horses, Mr. Hui also founded a charitable foundation devoted to helping disadvantaged children.

Philip Kim, Director

Mr. Kim is a licensed California attorney specializing in real estate transaction and litigation, corporate management, and business litigation. He graduated from the University of California Los Angeles with a Bachelor of Science in Mechanical Engineering in 1993 and he received his law degree from Trinity Law School in 1998.

Mr. Kim is the president of AmerEstate Realty, Inc. a commercial and residential brokerage company specializing in the San Gabriel Valley area. He is also the Chief Administrative Officer for Singpoli Construction and general counsel to various corporations.

William Chu, CPA (inactive), Director

Mr. William Chu joined the Singpoli in 2009, after a distinguished banking career that spanned from New York, Little Rock, San Francisco, Los Angeles to Las Vegas, having served as President and Chief Executive Officer of First Asian Bank, United Pacific Bank and Los Angeles Community Development Bank, as well as a senior executive at East West Bank. A certified public accountant, Mr. Chu graduated from the University of Winnipeg in Canada and completed his MBA degree at the University of Southern California.

Aside from managing Singpoli Construction, Mr. Chu is actively involved in the other Singpoli Group companies that specialize in real estate investments, property developments, real estate syndications and secured project financing.

XXXXXXXXXXX, Director

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corridor and S. Lake Avenue is designated as a Multimodal Corridor with Commercial Character.

The site is currently occupied with the former Constance Hotel, one-story retail and restaurant uses, and a one-story Bank of America branch with drive-up tellers. A two-story parking structure is also located on the property. This parking structure serves the current retail tenants. The former Constance Hotel building will be renovated and retained within the project. All other existing structures will be removed to accommodate the project. The bank use, and possibly some of the existing retail/restaurant tenants, will also be included within the project. The location of the project site is shown in **Figure XX-1, Regional Location**.

B. PROJECT CHARACTERISTICS

PROJECT OVERVIEW AND FEATURES

The proposed project involves the renovation of the 69,725 square foot existing former hotel (originally constructed as the Constance Hotel in 1926 and formerly occupied as the Pasadena Manor retirement home), including 3,965 square feet of basement and 1,170 square feet of mezzanine, demolition of existing commercial uses and new development of additional hotel rooms, restaurant, office, retail and limited (five units) residential uses. The three-phased development would renovate the existing structure to provide 136 hotel rooms in the initial phase and add 20 new hotel rooms and 5 residential unit as an addition to the existing structure. The project includes an office component (103,410 square feet) and retail/commercial and restaurant space (57,390 square feet). New buildings would be of Type 1 and Type II B construction (existing hotel is Type II B construction) and vary in height up to seven stories and 90 feet. Total development would be approximately 254,948 gross square feet (including the 69,725 square feet renovated former hotel), resulting in a total Floor Area Ratio (FAR) OF 2.97:1, consistent with allowable FAR of 3:1 for seven of the eight site lots, and 2.75:1 for the remaining lot.

The project would provide a total of 800 subterranean parking spaces upon completion. Vehicular access to the project would be provided from both Lake Avenue and Mentor Avenue. No vehicular access will be allowed from Colorado Boulevard at total build-out of Phase 3. Approximately 145,200 of excavation is anticipated for subterranean parking, all of which would be exported off-site.

Tables XX-1, Existing Uses to be Retained/Removed, and **XX-2, Project Program Breakdown,** summarize existing site uses and the different project components, respectively. **Figures XX-X** through **XX-X** provide subterranean, ground floor and floors 2 through 6 plans of the project. **Figures XX-X** through **XX-X** provide phasing plans for subterranean, ground floor and floors 2 through 6 of the project. Project elevations from all four sides and a southerly oblique perspective are elevations are provided in **Figures XX-X** through **XX-X**.

Also, see the discussion of project phasing for detailed program information by phase.

COMPENSATION AND FEES

Each subscriber of a Unit will pay the Subscription Price of (b) (4), $1,000,000 of which shall constitute payment of the Unit Price and (b) (4) of which shall constitute payment of the Syndication Fee charged to each investor by the General Partner. The Syndication Fee, which will not constitute a capital contribution by an investor, will be (i) paid to the General Partner, for purposes of convenience, from the Subscription Price paid by each subscriber, and (ii) released from the Escrow Account and paid to the General Partner (together with all interest accrued on the Subscription Price) upon the approval of a subscriber's I-526 Petition by the United States government. Upon denial of said Petition, then the Syndication Fee will not be paid to the General Partner (and will be returned, together with any accrued interest, to the subscriber with the remaining balance of the Subscription Price). It is anticipated that the Syndication Fee paid to the General Partner will be used by the General Partner to meet the following expenses for which the General Partner will be responsible such as the initial expenses associated with the establishment of the Partnership and the Offering of the Units, including legal and promotional fees including a "finders' fee", etc. The payment of the Syndication Fee to the General Partner for the General Partner's responsibility to cover the foregoing expenses is intended to assure that $1,000,000 of the Subscription Price is capital contribution and available to the Partnership for job-creating investments. In addition to the Syndication Fee, the General Partner will be entitled to all of the interest accrued on the funds maintained in the Escrow Account. Such payment of interest to the General Partner shall also be used by the General Partner to meet the expenses described in this paragraph.

From such fee, the General Partner will pay only for the ordinary and recurring usual business expenses of the Partnership, but the General Partner will not be responsible for any expenses that are not incurred in the ordinary course of business, including, without limitation, any legal fees of the Partnership (other than the legal fees incurred in the formation of the Partnership and to prepare the Offering documents). Additionally, the General Partner is entitled to an allocation to its capital account equal to twenty-five percent (25%) of the net profits and distributable income of the Partnership. However, under no circumstances will the General Partner be responsible for any extraordinary expenses and legal fees incurred by the Partnership including any costs associated with collecting delinquent payments to investor or return of original investment to the partnership.

CAPITALIZATION

The Partnership intends to issue up to one hundred eighty (120) Units of Limited Partnership Interests in the Partnership in connection with the Offering. The Limited Partnership Interests shall constitute (b) (4) he total partnership interests in the Partnership. The General Partner will be issued a (b) (4) partner interest in the

Partnership, which interest will constitute a "profits interest" only and will have an initial capital account balance of zero (0).

The Partnership anticipates that the capital structure of the Partnership, as of the closing of the Offering, will be as follows after giving effect to the sale of one hundred twenty (120) Units in this Offering:

(b) (4)

(1) Although the price to subscribe for a Unit is (b) (4), only $1,000,000 shall constitute capital contribution to the Partnership. The remaining balance of the Subscription Price, in the amount of (b) (4), constitutes the Syndication Fee of (b) (4) Unit, which is being charged to each investor by the General Partner. The Syndication Fee, which will not constitute a capital contribution by an investor, will be paid, for purposes of convenience, to the General Partner (and not the Partnership) from the Subscription Price paid by each subscriber.

LEGAL PROCEEDINGS

There are currently no pending legal proceedings to which the Partnership is a party. No information has been received of any claim that might form the basis for any material litigation.

CONFLICTS OF INTEREST

The Partnership is subject to various conflicts of interest arising out of its relationship with the General Partner and/or the affiliates of the General Partner. The agreements and arrangements between the Partnership and the General Partner and/or its affiliates have been established by the General Partner and are not the result of arm's length negotiations. These conflicts of interest include, without limitation, the following:

Other Activities

The General Partner will devote as much attention to the business of the Partnership as in its sole and absolute judgment it deems necessary. The General Partner may, at any time, devote substantial portions of its time to other businesses of the General Partner and/or the business of other partnerships and affiliated companies, including existing and future businesses, which may or may not be competitive with the Partnership. In

particular, the General Partner and/or its affiliates intend to be actively engaged in other immigrant investor programs that seek to raise capital for investment by immigrant investors within the Regional Center and beyond. Some of these other activities may involve conflicts of interests with the Partnership. **THE PARTNERSHIP WILL HAVE NO RIGHTS OR INTERESTS IN ANY SUCH ACTIVITIES. See "BUSINESS OF THE PARTNERSHIP – Introduction".**

Control of Partnership

The General Partner will control all aspects of the Partnership's business activities, including, without limitation, the selection of investments within the Regional Center's designated area. To the maximum extent permitted by applicable law, the Limited Partners of the Partnership will have no right or power to take part in the management and operation of the Partnership, including decisions as to the Partnership's investments. Decisions made by the General Partner may not in all events coincide with the wishes of the Limited Partners, if those wishes were known. Further, very limited rights are provided within the Partnership Agreement for the removal of the General Partner. Accordingly, it is extremely difficult for the Limited Partners to affect a change in management control of the Partnership.

Lack of Separate Legal Counsel

Legal counsel to the General Partner is also counsel to the Partnership. Accordingly, the Partnership and the General Partner have had the benefit of legal counsel in connection with the preparation of this Memorandum and other documents, including, without limitation, the Partnership Agreement. Additionally, the Partnership anticipates that from time to time it will seek the advice of, and consult with, other legal counsel and consultants, without limitation, and the Partnership will make available the names of such counsel and consultants upon request by a subscriber.

GENERAL PARTNER OR PARTNERSHIP COUNSEL DOES NOT REPRESENT ANY LIMITED PARTNER IN CONNECTION WITH (A) THE REVIEW OF THIS MEMORANDUM, THE PARTNERSHIP AGREEMENT, THE SUBSCRIPTION AGREEMENT, NOR ANY OTHER DOCUMENT RELATING TO THIS OFFERING AND (B) SUCH INVESTOR'S INVESTMENT IN THE UNITS. IN THE ABSENCE OF ANY WRITTEN AGREEMENT, COUNSEL HIRED BY THE GENERAL PARTNER OR PARTNERSHIP OWES NO DUTIES DIRECTLY TO A LIMITED PARTNER. EACH LIMITED PARTNER MUST SEEK INDEPENDENT SEPARATE COUNSEL AND MUST RELY ON THE ADVICE OF SUCH COUNSEL TO PROVIDE INDEPENDENT EVALUATION OF THIS OFFERING.

Resolution of Conflict of Interest

The General Partner has not developed, and does not expect to develop, any formal process for resolving conflicts of interest. However, under applicable law, the General Partner owes to the Partnership and its Partner a fiduciary duty to act in good faith.

While the foregoing conflicts could materially and adversely affect the Partnership and its Partners, the General Partner, in its sole discretion, will attempt to mitigate such potential adversity by the exercise of its business judgment in an attempt to fulfill its fiduciary obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest.

RESTRICTIONS ON TRANSFERABILITY OF UNITS

The Units offered by this Memorandum have not been registered under the Securities Act or registered or qualified under any applicable state or foreign securities laws. The Units may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless, in the opinion of counsel to the Partnership, exemptions from such registration and qualification are available. In addition, any resale of a Unit acquired by an investor must comply with applicable securities law, including any investor who is not a U.S. Person must comply with the rules of Regulation S, promulgated under the Securities Act.

There are substantial restrictions on the transferability of the Units in the Partnership Agreement and imposed by state and federal securities laws, including, without limitation, Regulation S and Regulation D, promulgated under Securities Act. Before selling or transferring a Unit, or any portion thereof, a Limited Partner must obtain the written consent of the General Partner and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws or regulations. Additionally, a Limited Partner cannot transfer a Unit, or any portion thereof, until after the removal of the condition on the Limited Partner's permanent residence status. It is highly unlikely that any market for the Units will develop and prospective investors should view the Units as solely a long-term investment. FURTHERMORE, THE SECURITIES OFFERED HEREBY 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.

In addition, the Partnership Agreement provides that an assignee of a Unit may not be admitted as a Limited Partner without meeting certain conditions and without the consent of the General Partner. If an assignee is not admitted as a Limited Partner, such assignee will only hold an economic interest, but will not have any other rights as a Partner, including, without limitation, the right to vote on certain Partnership matters.

ESTIMATED USE OF PROCEEDS

The Partnership intends that the proceeds from the sale of the Units will be used in connection with the business of the Partnership. In that regard, the Partnership intends to use all of the capital contribution of $1,000,000 made by each investor to make investments by the Partnership as outlined in the Partnership Agreement, at the sole

discretion of the General Partner. The following table sets forth the estimated use of proceeds from the sale of the Units.

	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds	$50,000,000	100.00%
Fee to General Partner	$ 0	0.00%
Total Capital Contributions/ Available for Investment	$50,000,000	100.00%

(1) The Syndication Fee of (b) (4) per Unit will be charged to each investor by the General Partner. The Syndication Fee, which will not constitute a capital contribution by an investor, will be (i) paid, for purposes of convenience, from the Subscription Price paid by each subscriber, and (ii) released from the Escrow Account and paid to the General Partner upon the approval of a subscriber's I-526 Petition. It is anticipated that the Syndication Fee paid to the General Partner will be used by the General Partner to meet the following expenses for which the General Partner will be responsible: (a) the initial expenses associated with the establishment of the Partnership and the Offering of the Units, including legal and promotional fees, and (b) the legal fees to be incurred in connection with the preparation of Partnership related documents that the investors and/or their respective legal counsel may reasonably request for submission of their respective applications for classification as an alien entrepreneur. In addition to the Syndication Fee, any interest earned on the funds maintained in the Deposit Account will be paid to the General Partner as additional fees. Such payment of interest to the General Partner shall also be used by the General Partner to meet the expenses described in this paragraph.

SEE THE SUBSCRIPTION AGREEMENT, ATTACHED HERETO AS EXHIBIT "A" AND THE LIMITED PARTNERSHIP AGREEMENT ATTACHED HERETO AS EXHIBIT "B".

THE FOREGOING REPRESENTS THE GENERAL PARTNER'S ESTIMATE OF THE ALLOCATION OF THE NET PROCEEDS OF THIS OFFERING. THE PARTNERSHIP BELIEVES THAT THE NET PROCEEDS OF THIS OFFERING, WHEN COMBINED WITH ANTICIPATED CASH FLOW FROM OPERATIONS, WILL ALLOW THE PARTNERSHIP TO FUND ITS INITIAL INVESTMENT PLANS AND MEET ITS ESTIMATED WORKING CAPITAL NEEDS FOLLOWING CONSUMMATION OF THIS OFFERING. HOWEVER, VARIOUS FACTORS, SUCH AS HIGHER THAN ANTICIPATED COSTS, MAY REQUIRE CHANGES IN THE AMOUNT OF FUNDS ALLOCATED TO THE INVESTMENT PLANS, WHICH

CHANGES WILL BE MADE AT THE DISCRETION OF THE GENERAL PARTNER. IN ADDITION, LOWER THAN EXPECTED RETURNS, RESULTING FROM ADVERSE ECONOMIC CONDITIONS OR OTHERWISE, COULD RESTRICT THE PARTNERSHIP'S ABILITY TO MEET ITS OBJECTIVES AS PLANNED, AND, IF SEVERE ENOUGH, SHORTEN THE PERIOD DURING WHICH THE PROCEEDS OF THIS OFFERING COULD BE EXPECTED TO SATISFY THE CAPITAL REQUIREMENTS OF THE PARTNERSHIP. NO ASSURANCE CAN BE GIVEN THAT ADDITIONAL FINANCING WILL NOT BE REQUIRED FOR THE PARTNERSHIP TO AFFECT ITS PROPOSED INVESTMENT PLANS OR AS TO THE AVAILABILITY AND REASONABLENESS OF SUCH ADDITIONAL FINANCING, IF REQUIRED.

THE OFFERING

Terms of Offering

This Offering is for the sale of up to one hundred twenty (120) Units at a subscription price of $(b) (4) per Unit (i.e., the Subscription Price), with a minimum subscription for all investors of one (1) Unit ($(b) (4)); provided, however, that only $1,000,000 of each Subscription Price (i.e., the Unit Price) shall constitute the capital contribution of each investor; the remaining balance of (b) (4) of each Subscription Price shall be deemed to be payment of the Syndication Fee.

Offering Period

It is anticipated that the Offering will terminate upon the sale of all Units offered in connection with this Offering or 365 days following the date of admission of the first limited partner to the Partnership, whichever occurs first (the "Termination Date"); provided, however, that the General Partner has the right to (i) close the Offering at any time prior to the Termination Date if it determines, in its sole discretion, that sufficient funds have been raised to meet the intended objectives of the Partnership, (ii) modify the Offering at any time prior to the Termination Date if it determines, in its sole discretion, to increase the number of offered Units to raise additional funds to meet the intended objectives of the Partnership, and (iii) cancel the Offering at any time, for whatever reason, in which case the funds deposited into the Escrow Account by a subscriber will be refunded to such subscriber without interest.

Subscription Procedure

In order to subscribe to a Unit, each prospective investor must (i) fully review execute this Memorandum on page vii, (ii) complete and execute the Subscription Agreement (and the attachments thereto, which include an Investor Questionnaire and counterpart signature page to the Partnership Agreement) in accordance with the instructions set forth therein, (iii) execute the Escrow Agreement, and (iv) deliver the foregoing documents (including the attachments), together with payment of the Subscription Price

to the General Partner to be deposited in the Escrow Account established by the Partnership. The Partnership will rely on the truth and accuracy of the representations made by each prospective investor in the Subscription Agreement (and the Partnership Agreement), and each investor agrees to indemnify and hold the Partnership harmless from and against any loss or liability, which may result directly, or indirectly from any misrepresentations made by the investor. Each subscription for a Unit must be accompanied by full payment of the Subscription Price for the Units being acquired by the investor. (BEWARE NOT TO TRANSFER THE SUBSCRIPTION PRICE TO THIRD PARTIES. ANY DEPOSIT OF FUNDS MUST BE IN ACCORDANCE WITH THE SCREDC ESCROW AGREEMENT WHICH SCREDC MUST SIGN TO BE VALID. CURRENTLY THE ONLY TWO BANKS RECOGNIZED BY SCREDC AND THEY ARE BANK OF AMERICA AND HSBC BANK). The Partnership has the right to accept or reject any subscription at any time. A subscription is not subject to termination by the investor.

Escrow Account

All subscription payments for the Units will be deposited into an escrow or segregated bank account (the "Escrow Account") established by the Partnership at a commercial bank as authorized by the General Partner. The funds deposited into the Escrow Account may be placed, at the sole discretion of the General Partner, into interest-bearing accounts pending the admission of subscribers as Limited Partners. In general, the Unit Price deposited into the Escrow Account by each subscriber will be released to the Partnership for its use upon the (i) the acceptance by the Partnership of the subscriber's subscription for a Unit and (ii) approval of a subscriber's I-526 Petition by the United States government. Funds earmarked for investment by the Partnership may be placed into such investments and utilized by the Partnership, as the General Partner deems appropriate in its sole discretion. **See "ESTIMATED USE OF PROCEEDS".**

Expenses for Sale of Units

(b) (4) of each Subscription Price shall be used to pay for the Syndication Fee charged to each investor by the General Partner in connection with the Offering. The General Partner (not the Partnership) will be responsible for the expenses associated with the formation of the Partnership and the Offering, including, without limitation, (i) legal, marketing and consulting fees incurred in connection with the sale of the Units, including the payment of "finder's fees", and (ii) legal fees incurred in connection with the preparation of Partnership related documents that the investors and/or their respective legal counsel may reasonably request for submission of their respective applications for classification as an alien entrepreneur (note: any support documents other than those relating to the Partnership must be prepared and/or gathered by the subscriber). It is contemplated that each subscriber will retain his or her independent separate counsel in connection with the submission of such subscriber's application for classification as an alien entrepreneur, and in no event will any portion of the Syndication Fee be used for the legal fees of such separate counsel. In addition to the Syndication Fee, all of the interest accrued on the funds maintained in the Escrow

Account will be paid to the General Partner as additional fees. Such payment of interest to the General Partner shall also be used by the General Partner to meet the expenses described in this paragraph.

Release of Funds in Escrow Account

The Subscription Price (i.e., (b) (4)) deposited into the Escrow Account will be released as follows:

(i) $1,000,000 of the Subscription Price (which amount constitutes the Unit Price) will be released to (a) the Partnership upon (1) the acceptance by the Partnership of the subscriber's subscription for a Unit and (2) approval of the subscriber's I-526 Petition, (b) the subscriber if the subscriber's I-526 Petition is denied by the United States government, or (c) the subscriber if the General Partner elects, in its sole discretion, to reject a subscriber's subscription for any reason (even if the subscriber's I-526 Petition has been approved); and

(ii) (b) (4) of the Subscription Price (i.e., the Syndication Fee) will be released to (a) the General Partner upon the approval of a subscriber's I-526 Petition, and to (b) the subscriber upon (1) the denial of a subscriber's I-526 Petition or (2) the rejection of a subscriber's subscription by the General Partner.

Any interest accrued on the funds deposited into the Escrow Account by a subscriber will be released to the General Partner regardless of the outcome.

SUMMARY OF PARTNERSHIP AGREEMENT

The following is a summary of certain provisions of the Partnership Agreement. This summary is entirely qualified by reference to the form of the Partnership Agreement, which is attached hereto as Exhibit "B," which all prospective investors are urged to study with care.

Certain provisions of the Partnership Agreement are described in other sections of this Memorandum. For a discussion of distributions to the Partners and the allocation of profits and losses, see **"SUMMARY OF THE OFFERING."** For a discussion of fees and payments to be made to the General Partner, see **"COMPENSATION AND FEES."** For a discussion of the management of the Partnership, see **"MANAGEMENT."**

Resignation or Removal of the General Partner

In general, the General Partner may not voluntarily resign as General Partner unless a substitute General Partner has been appointed.

Termination of the Partnership

The Partnership will continue for an indefinite term unless dissolved earlier upon the happening of certain events, as set forth in the Partnership Agreement, including, the following:

(i) the affirmative vote or written consent of the General Partner and the Limited Partners holding more than (b) (4) percentage interests in the Partnership held by the Limited Partners to dissolve the Partnership; provided, however, that the General Partner shall not vote or consent to a dissolution if such dissolution would be inconsistent with the business and objectives of the Partnership;

(ii) if, after a period of seven (7) years following the formation of the Partnership, all investments made by the Partnership no longer remain outstanding and the distribution of the proceeds thereof have been made in accordance with the Partnership Agreement;

(iii) the entry of a decree of judicial dissolution in accordance with applicable law.

Upon dissolution of the Partnership, the Partnership's assets will be liquidated and after determining that all known debts and liabilities of the Partnership have been paid or adequately provided for, the remaining assets will be distributed to the Partners in accordance with the terms of the Partnership Agreement. Notwithstanding the foregoing, to the extent permitted under applicable law, the term of the Partnership shall not expire until all investments of the Partnership no longer remain outstanding and distribution of the proceeds thereof have been made in accordance with the Partnership Agreement.

Voting Rights of Limited Partners

Although the Limited Partners generally have no power to participate in the management of the Partnership, the General Partner will have no authority to cause the Company to engage in any of the following actions without the affirmative written vote or consent of the Limited Partners holding more than (b) (4) percentage interests in the Partnership held by the Limited Partners:

(i) The alteration of the primary purpose or business of the Partnership; and
(ii) The dissolution of the Partnership, except as otherwise provided.

Limited Participation of Limited Partners

The Limited Partners shall take no part in the management of the Partnership's business and affairs, or transact any business for, or on behalf of the Partnership, and shall have no power to sign for, or on behalf of, or to bind the Partnership. All authority to control, operate, manage or act on behalf of the Partnership shall be vested exclusively in the General Partner. Notwithstanding the foregoing, the Limited Partners

may meet on an annual basis to participate in advising the General Partner with respect to the formulation of Partnership business policies and practices, including policies and strategy with respect to investments to be made by the Partnership. However, notwithstanding the foregoing, the General Partner shall have the ultimate discretion and decision-making authority with respect to Partnership policy and strategy with respect to investments, and in no event will the rights of the Limited Partners to advise the General Partner restrict, modify or limit the broad power and authority granted to the General Partner.

Restrictions On Transfer Imposed by the Partnership Agreement

The Partnership Agreement provides that a Limited Partner must obtain the written consent of the General Partner and comply with applicable requirements of the Partnership Agreement and federal and state securities laws and regulations, including Regulation S or Regulation D, as applicable, promulgated under the Securities Act, before assigning his or her interest in the Partnership.

Admission of Additional Partners

The Partnership intends to issue up to one hundred twenty (120) Units. Accordingly, once the Offering is completed, the Partnership contemplates that no more additional Units will be issued, provided however, that the General Partner has the discretion to increase the Units offered. Accordingly, if the total Units of the Partnership are increased, the percentage interests of the Limited Partners will be diluted.

Withdrawal or Resignation of Partners

Except as provided in the Partnership Agreement, no Limited Partner may withdraw or resign from the Partnership.

Liability of Limited Partner

Except as otherwise required under the laws of California, no Limited Partner shall be personally liable for any debts, obligations or liability of the Partnership in excess of such Limited Partner's capital contribution.

Indemnification

Neither the General Partner nor its affiliates will be liable to the Partnership or to the Limited Partners for any act or omission performed or omitted by them in the absence of a material violation of the Partnership Agreement, gross negligence or willful or wanton misconduct, and the Partnership will indemnify and hold them harmless for any loss or damage they incur on behalf of the Partnership or in furtherance of the Partnership's business, except for losses arising from a material violation of the Partnership Agreement or their own gross negligence or willful or wanton misconduct.

Maintenance of Books and Records

The General Partner shall cause books and records of the Partnership to be maintained and shall provide reports to the Partners in accordance with prudent business practices and as otherwise required under California law.

Amendments to Partnership Agreement

The Partnership Agreement may be amended by the General Partner to effect changes of a ministerial nature, which do not materially and adversely affect the rights of the Partners. Additionally, in general, the following amendments may be made to the Partnership Agreement, from time to time by the General Partner:

(i) to cure any ambiguity, correct or supplement any provision of the Partnership Agreement;

(ii) to reflect the admission of additional or substitute Limited Partners; and

(iii) to modify the provisions of this Agreement to conform to the requirements of the United States Internal Revenue Code (the "IRC") or any Treasury Regulations promulgated under the IRC, or any corresponding provision of any successor law.

OTHER DOCUMENTS/INFORMATION

Upon request, the General Partner shall be available to answer any questions concerning the terms and conditions of the Offering. Further, to the extent requested by a prospective investor or his or her advisor, the General Partner shall obtain and make available additional information, to the extent the General Partner possesses such information or can acquire it without unreasonable effort or expense, that is necessary to verify the accuracy of any of the information concerning the terms and conditions of the Offering or any of the transactions referred to herein.

EXHIBIT A

SUBSCRIPTION AGREEMENT

EXHIBIT B

LIMITED PARTNERSHIP AGREEMENT

EXHIBIT C

ESCROW AGREEMENT

EXHIBIT D

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800 WILSHIRE BLVD STE 900
LOS ANGELES CA 90017-2613
WAIVER OF SIGNATURE REQUESTED

(213) 627-8997
SHIP DATE: 4/14/2010
WEIGHT: 4 lb. 1 oz.
0007
Ref#: 4223.01 - Invest LA RC, LLC

SHIP TO: USCIS CALIFORNIA SERVICE C
ATTN: EB-5 RC PROPOSAL
PO BOX 10590
LAGUNA NIGUEL CA 92607-1059

EO 044 877 879 US

USPS EXPRESS MAIL

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3. Attach Label
Remove label backing and affix in space provided. Customs form must be attached using PS Form

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Immigrant Investor Program

: USCIS Immigrant Investor Program
t: Monday, February 14, 2011 11:45 AM
o: 'Shino Milby'
Cc: USCIS Immigrant Investor Program
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

Please be advised that Service records indicate FEDEX 794231080656 was received by CSC on December 17, 2010 as referenced in your prior email. The package was then forwarded to the Lockbox for processing and unfortunately no further record of the package has been found. CSC apologizes for this mishap. With respect to this December 17, 2010 submission, was a I-924 with filing fee submitted? If not, the exemplar was not properly filed since it was filed after November 23, 2010.

It should be noted that Express Mail EO044 877 879 US delivered April 15, 2010 applies to the Proposal for Regional Center filed for applicant; Invest LA Regional Center, LLC. A review of this regional center proposal does not mention a request for approval of exemplar petition until the response to the request for evidence received November 3, 2010. However, an exemplar I-526 was not submitted with the response to the request for evidence.

Regarding the Exemplar I-526 Petition assigned receipt WAC 11 901 23066, the petition was rejected by the Lockbox on December 3, 2010. A review of the documents submitted indicate the exemplar was not properly filed per instructions contained in the December 11, 2009 Memorandum entitled Adjudication of EB-5 Regional Center Proposals and Affiliated Form I-526 and Form I-829 Petitions; Adjudicators Field Manuel (AFM) Update to Chapters 22.4 and 25.2 9AD09-38) under Chapter 22.4(a)(2) of the AFM. Chapter 22.4(a)(2) of the AFM is revised to read as follows:

Regional Center Pilot Program. (C) The Regional Center Proposal may also include an "exemplar" Form I-526 petition that contains copies of the commercial enterprise's organizational documents, capital investment offering memoranda, and transfer of capital mechanisms for the transfer of the alien investor's capital into the job creating enterprise. USCIS will review the documentation to determine if they are in compliance with established EB-5 eligibility requirements. Providing these documents may facilitate the adjudication of the related I-526 petitions by identifying any issues that could pose problems when USCIS is adjudicating the actual petitions.

Service records indicate the Exemplar I-526 was filed without evidence to identify the regional center such as a cover letter or copies of suggested documentation such as copies of the commercial enterprise's organizational documents, capital investment offering memoranda, and transfer of capital mechanisms for the transfer of the alien investor's capital into the job creating enterprise. For this reason the exemplar I-526 was rejected. It should be noted that there was also no Form G-28 submitted.

The Service acknowledges that prior to November 23, 2010 there was no Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program and no filing fee. However, if an Exemplar I-526 is now filed, you must also submit a properly completed Form I-924 and the correct filing fee. Forms may be found at www.uscis.gov.

The Form I-924 instructions, first section, Part B states; An amendment may also be filed to seek a preliminary determination of EB-5 compliance for documentation provided as an exemplar Form I-526, Immigration Petition by Alien Entrepreneur, prior to the filing of Form I-526 petitions by individual alien entrepreneurs with USCIS.

CSC Duty Officer #3764

From: Shino Milby [mailto:shino@lskglaw.com]
Sent: Wednesday, February 09, 2011 12:10 PM
To: 'USCIS Immigrant Investor Program'
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

Dear Examiner:

Please kindly let us know of the status of the below inquiry regarding our client's exemplar I-526 petition which your office is having some difficulty locating. Thank you very much for your prompt attention to this matter.

Regards,
Shino Milby

From: Shino Milby
Sent: Wednesday, February 02, 2011 10:33 AM
To: 'USCIS Immigrant Investor Program'
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

Dear Examiner:

Please kindly let us know of the status of the below inquiry. Thank you very much.

Regards,
Shino Milby

From: Shino Milby
Sent: Tuesday, January 25, 2011 10:42 AM
To: 'USCIS Immigrant Investor Program'
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

Dear Examiner:

The last mailing tracking number for the I-526 exemplar: **FEDEX 7942 3108 0656 (delivered 12/17/2010)**

The initial mailing tracking number for the I-526 exemplar: **EXPRESS MAIL EO04 4877 879U S (delivered 4/15/10)**

Should you have any additional question, please let us know.

Best regards,

Shino Komine Milby
Attorney at Law

STONE & GRZEGOREK LLP

STONE & GRZEGOREK LLP
800 Wilshire Blvd, Suite 900
Los Angeles, CA 90017
Tel: 213.627.8997
Fax: 213.627.8998
Email: shino@lskglaw.com
Website: www.lskglaw.com

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From: USCIS Immigrant Investor Program [mailto:USCIS.ImmigrantInvestorProgram@dhs.gov]
Sent: Monday, January 24, 2011 2:36 PM
To: Shino Milby
Cc: USCIS Immigrant Investor Program
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

There is no record of an additional I-526 exemplar filing for the regional center. To assist in locating the case, provide the date filed a FEDEX or UPS tracking number and the same information for the initial exemplar filed.

CSC Duty Officer #3764

From: Shino Milby [mailto:shino@lskglaw.com]
Sent: Friday, January 21, 2011 3:49 PM
To: 'USCIS Immigrant Investor Program'
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

Dear Examiner:

We are attorneys of record for Invest L.A. Regional Center, LLC ("Invest L.A."). We are writing to you to inquire about the EXEMPLAR I-526 PETITION we filed with USCIS as instructed by your office (see below).

We would very much appreciate it if you could kindly inform us of the status of Invest L.A.'s exemplar I-526 petition.

Please let us know if you have any questions.

Best regards,

Shino Komine Milby
Attorney at Law

STONE & GRZEGOREK LLP

STONE & GRZEGOREK LLP
800 Wilshire Blvd, Suite 900
Los Angeles, CA 90017
Tel: 213.627.8997
Fax: 213.627.8998
Email: shino@lskglaw.com
Website: www.lskglaw.com

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From: USCIS Immigrant Investor Program [mailto:USCIS.ImmigrantInvestorProgram@dhs.gov]

Wednesday, December 15, 2010 9:00 AM
Shino Milby
USCIS Immigrant Investor Program
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

It appears the mailroom contractors thought the I-526 exemplar was a regular I-526 and rejected it. You may submit another I-526 exemplar and on the cover letter make sure it is apparent that this is a sample I-526 relating to the regional center proposal and make sure to list the receipt number.

CSC Duty Officer #3764

From: Shino Milby [mailto:shino@lskglaw.com]
Sent: Tuesday, December 14, 2010 4:16 PM
To: 'USCIS.ImmigrantInvestorProgram@dhs.gov'
Cc: Lincoln Stone
Subject: FW: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

RE: Exemplar I-526 Petition (WAC1190123066)
Filed by Invest L.A. Regional Center (W009001740)

Dear Examiner:

We are attorneys of record for Invest L.A. Regional Center, LLC ("Invest L.A."). We are writing to you to inquire about the EXEMPLAR I-526 PETITION we filed with USCIS. Further information is provided below.

Per notice dated 12/02/10, USCIS designated Invest L.A. as a Regional Center (receipt number W009001740).

In connection with this regional center proposal, we submitted an EXEMPLAR I-526 PETITION based on investment in an entity affiliated with the proposed regional center. The EXEMPLAR I-526 PETITION was part of our response to a Request for Evidence which we filed with USCIS on or about 11/04/2010.

Recently, however, although USCIS had approved the regional center designation in the letter dated 12/02/2010, in the mail we received about one week later we received a Rejection Notice (receipt number WAC1190123066) relating to our EXEMPLAR I-526 PETITION.

Specifically, the Rejection Notice states that (1) the petition was not accompanied by a filing fee check, and (2) the petition was unsigned.

We have been of the understanding – based on instructions from USCIS – that our EXEMPLAR I-526 PETITION did not require a filing fee. Note that our EXEMPLAR I-526 PETITION was filed with USCIS far in advance of the implementation of a filing fee.

We respectfully request your instruction on how we may re-submit our EXEMPLAR I-526 PETITION so that it may be processed, without filing fee, in accordance with earlier USCIS instructions concerning such requests.

Thank you very much for your prompt response to this request.

Best regards,

LINCOLN STONE
Shino Komine Milby
Attorneys at Law

STONE & GRZEGOREK LLP

STONE & GRZEGOREK LLP
800 Wilshire Blvd, Suite 900
Los Angeles, CA 90017
Tel: 213.627.8997
Fax: 213.627.8998
Email: lincoln@lskglaw.com; shino@lskglaw.com
Website: www.lskglaw.com

THIS TRANSMISSION AND THE ATTACHED DOCUMENTS, IF ANY, ARE INTENDED ONLY FOR THE USE OF ADDRESSEE, AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS COMMUNICATION IS PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE OR RETURN E-MAIL AND DELETE THIS E-MAIL MESSAGE. THANK YOU.

Print page | Close

FedEx

Detailed Results

Tracking no.: 794231080656 Select time format: **12H**

Delivered

Delivered
Signed for by: E.JAMESSON

Shipment Dates	Destination
Ship date Dec 16, 2010	LAGUNA NIGUEL, CA
Delivery date Dec 17, 2010 10:20 AM	Signature Proof of Delivery

Shipment Options

Hold at FedEx Location
Hold at FedEx Location service is not available for this shipment.

Shipment Facts

Service type	Standard Pak	Delivered to	Shipping/Receiving
Weight	5.0 lbs/2.3 kg	Reference	4223.01-Invest LA RC

Shipment Travel History

Select time zone: Local Scan Time

All shipment travel activity is displayed in local time for the location

Date/Time	Activity	Location	Details
Dec 17, 2010 10:20 AM	**Delivered**	LAGUNA NIGUEL, CA	
Dec 17, 2010 9:47 AM	On FedEx vehicle for delivery	IRVINE, CA	
Dec 17, 2010 7:41 AM	At local FedEx facility	IRVINE, CA	
Dec 17, 2010 2:50 AM	Departed FedEx location	OAKLAND, CA	
Dec 16, 2010 11:34 PM	Arrived at FedEx location	OAKLAND, CA	
Dec 16, 2010 8:43 PM	Left FedEx origin facility	LOS ANGELES, CA	
Dec 16, 2010 6:05 PM	Picked up	LOS ANGELES, CA	Tendered at FedEx Kinko's, now FedEx Office
Dec 16, 2010 8:36 PM	Shipment information sent to FedEx		

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797C, Notice of Action

UNITED STATES OF AMERICA

NOTICE TYPE			NOTICE DATE
Rejection Notice			February 03, 2011
CASE TYPE I-526, Immigrant Petition by Alien Entrepreneur			USCIS ALIEN NUMBER
RECEIPT NUMBER	RECEIVED DATE	DATE OF BIRTH	PAGE
WAC1190123066	November 03, 2010	September 19, 1971	1 of 1

APPLICANT/PETITIONER NAME AND MAILING ADDRESS

JOHN DOE
C/O STONE AND GRZEGOREK LLP
800 WILSHIRE BLVD STE 900
LOS ANGELES, CA 90017

This is in reference to the I-526, Immigrant Petition by Alien Entrepreneur, you submitted. Your I-526, fees, and any supporting documentation is being returned to you for the following reason(s):

The check amount is incorrect, or has not been provided. Please review the Form Instructions for fee information. Please resubmit the application/petition package with the appropriate fees to the USCIS address listed on the bottom of this notice.

A signature is not contained in the signature block of the application or petition. A signature in the "Signature of person preparing form, if other than above" block is not a valid signature for this purpose. Please sign and resubmit the application with the appropriate fees to the USCIS address listed on the bottom of this notice.

Please be sure to complete the application fully, submit the appropriate fees, and include all required supporting documentation.

If you have questions about possible immigration benefits and services, filing information, or USCIS forms, please call the USCIS National Customer Service Center (NCSC) at 1-800-375-5283. If you are hearing impaired, please call the NCSC TDD at 1-800-767-1833. Please also refer to the USCIS website: www.uscis.gov.

If you have any questions or comments regarding this notice or the status of your case, please contact our customer service number.

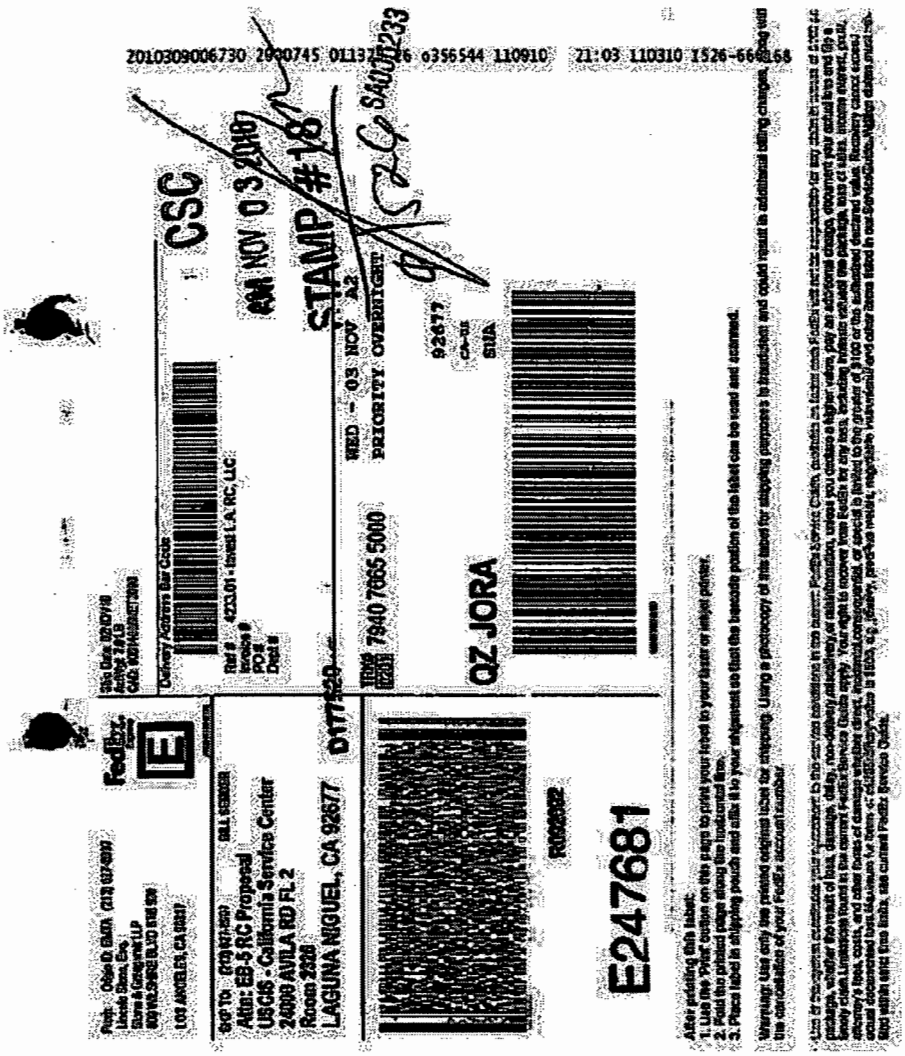
You will be notified separately about any other case you may have filed.

USCIS OFFICE ADDRESS
USCIS
P. O. Box 660168
Dallas, TX 75266

USCIS CUSTOMER SERVICE NUMBER
(800)375-5283
APPLICANT COPY

TRN#: 2010309006730 BIN#

Form I-797C (Rev. 12/28/09) Y



Part 7. Signature *Read the information on penalties in the instructions before completing this section.*

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that the U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature _____ **Date** _____

NOTE: *If you do not completely fill out this form or fail to the submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.*

Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

Signature _____ **Print Your Name** Lincoln Stone **Date** _____

Firm Name STONE & GRZEGOREK LLP **Daytime phone # with area code** (213) 627-8997

Address 800 Wilshire Boulevard, Suite 900, Los Angeles, CA 90017

From: Origin ID: EUTA (213) 627-8937
Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 WILSHIRE BLVD STE 800

LOS ANGELES, CA 90017

FedEx Express

Ship Date: 02NOV10
ActWgt: 7.0 LB
CAD: 9081462/INET3030

Delivery Address Bar Code

Ref # 4220.01 - Invest L.A. RC, LLC
Invoice #
PO #
Dept #

CSC

RM NOV 0 3 2010

STAMP #18

SHIP TO: (213) 627-8937 BILL SENDER

Attn: EB-5 RC Proposal
USCIS - California Service Center
24000 AVILA RD FL 2
Room 2326
LAGUNA NIGUEL, CA 92677

D177520

TRK# 0201 7940 7665 5000

WED - 03 NOV A2
PRIORITY OVERNIGHT

92677
CA-US
SNA

QZ JORA

R092092

E247681

After printing this label:
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3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is $500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

201009090067230 7940765 0000 5944 0936 1 1000 0 0 0

OLD WAC#:
WAC19012306 6
(REJECT IN C3)

2010090006730 2900745 011373 25 e356544 110910 ZE:03 110310 I526-660068

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-[illegible], Immigrant Petition
by Alien Entrepreneur

Do Not Write In This Block - For USCIS Use Only (Except G-28 Block Below)		
Classification	Action Block	Fee Receipt
Priority Date		To be completed by Attorney or Representative, if any ☑ G-28 is attached Attorney's State License No. 146597
Remarks: Regional Center: Invest L.A. Regional Center, LLC		

START HERE - Type or print in black ink.

Part 1. Information About You

Family Name	DOE	Given Name	John	Middle Name	
Address: In care of	Stone & Gregoreck LLP				
Number and Street	500 Wilshire Boulevard, Suite 500			Apt. #	
City	Los Angeles	State or Province	California	Country	USA
Zip/Postal Code	90017				
Date of Birth (mm/dd/yyyy)	09/19/1971	Country of Birth	China	Social Security # (If any)	None
A # (If any)	None				
If you are in the United States, provide the following information:	Date of Arrival (mm/dd/yyyy)	N/A	I-94 #	N/A	
Current Nonimmigrant Status	N/A	Date Current Status Expires (mm/dd/yyyy)	N/A	Daytime Phone # with Area Code	(213) 627-8997

Part 2. Application Type *(Check one)*

a. ☑ This petition is based on an investment in a commercial enterprise in a targeted employment area for which the required amount of capital invested has been adjusted downward.

b. ☐ This petition is based on an investment in a commercial enterprise in an area for which the required amount of capital invested has been adjusted upward.

c. ☐ This petition is based on an investment in a commercial enterprise that is not in either a targeted area or in an upward adjustment area.

Part 3. Information About Your Investment

Name of commercial enterprise in which funds are invested	Park Place EB5, LP				
Street Address	25 East Foothill Boulevard, Arcadia, CA 91006				
Phone # with Area Code	(205) 381-1990	Business organized as (corporation, partnership, etc.)	Limited Partnership		
Kind of business (e.g. furniture manufacturer)	Real estate development and management	Date established (mm/dd/yyyy)	xx/xx/xxxx	IRS Tax #	xx-xxxxxxx

RECEIVED: _____ RESUBMITTED: _____ RELOCATED: SENT _____ RECD _____

20103090065730 2909745 011373 28 e356544 110910 21:03 110310 1526-666068

Part 3. Information About Your Investment (Continued)

Date of your initial investment (mm/dd/yyyy)	xx/xx/xxxx	Amount of your initial investment	$ (b) (4)
Your total capital investment in the enterprise to date	$ (b) (4)	Percentage of the enterprise you own	xx%

If you are not the sole investor in the new commercial enterprise, list on separate paper the names of all other parties (natural and non-natural) who hold a percentage share of ownership of the new enterprise and indicate whether any of these parties is seeking classification as an alien entrepreneur. Include the name, percentage of ownership, and whether or not the person is seeking classification under section 203(b)(5). **NOTE:** A "natural" party would be an individual person and a "non-natural" party would be an entity such as a corporation, consortium, investment group, partnership, etc. See attached

If you indicated in Part 2 that the enterprise is in a targeted employment area or in an upward adjustment area, name the county and State:	County	Los Angeles	State: California

Part 4. Additional Information About the Enterprise

Type of Enterprise (check one):

- [x] New commercial enterprise resulting from the creation of a new business.
- [ ] New commercial enterprise resulting from the purchase of an existing business.
- [ ] New commercial enterprise resulting from a capital investment in an existing business.

Composition of the Petitioner's Investment:

		(b) (4)
Total amount in U.S. bank account	$	
Total value of all assets purchased for use in the enterprise	$	
Total value of all property transferred from abroad to the new enterprise	$	
Total of all debt financing	$	
Total stock purchases: Limited Partnership	$	
Other (explain on separate paper)	$	
Total	$	

Income:

When you made the investment	Gross	$ (b) (4)	Net	$	
Now	Gross	$	Net	$	

Net worth:

When you made investment	Gross	$	Now	$	

2010090006730 2900745 011373 25 e350544 110910 21:03 110310 1525-660168

Part 5. Employment Creation Information

Number of full-time employees in the enterprise in U.S. (excluding you, your spouse, sons, and daughters)

When you made your initial investment? 0 Now 0 Difference 0

How many of these new jobs were created by your investment? 0

How many additional new jobs will be created by your additional investment? (b) (4)

What is your position, office, or title with the new commercial enterprise? *See attached economist report

Limited Partner

Briefly describe your duties, activities, and responsibilities.

Vote on partnership matters; Participate as member of Policy Advisory Committee

What is your salary? $ 0 What is the cost of your benefits? $ 0

Part 6. Processing Information

Check One:

☐ The person named in Part 1 is now in the United States, and an application to adjust status to permanent resident will be filed if this petition is approved.

☑ If the petition is approved and the person named in Part 1 wishes to apply for an immigrant visa abroad, complete the following for that person:

Country of nationality: China

Country of current residence or, if now in the United States, last permanent residence abroad: China

If you provided a United States address in Part 1, print the person's foreign address:

If the person's native alphabet is other than Roman letters, write the foreign address in the native alphabet:

Are you in deportation or removal proceedings? ☐ Yes (Explain on separate paper) ☐ No

Have you ever worked in the United States without permission? ☐ Yes (Explain on separate paper) ☐ No

Part 7. Signature *Read the information on penalties in the instructions before completing this section.*

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that the U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature Date

NOTE: *If you do not completely fill out this form or fail to the submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.*

Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

Signature Print Your Name Lincoln Stone Date

Firm Name STONE & GRZEGOREK LLP Daytime phone # with area code (213) 627-0597

Address 800 Wilshire Boulevard, Suite 900, Los Angeles, CA 90017

Form: I924 Receipt: RCW1031910016 Status: APPROVAL NOTICE SENT

Received Date: 04/15/2010

Information About Principal of the Regional Center

Last Name: Middle Name: First Name:

C/O:

Street Address/P.O. Box: Suite:

City: State: Zip Code:

Date of Birth:

Application Type: A Regional Number:

Signed: N

Name of Regional Center: Invest L.A. Regional Center, LLC

Street Address/P.O. Box: Kin Hui

Street Address 2: 25 East Foothill Boulevard

City: Arcadia State: CA Zip Code: 91006

Web Site: E-Mail: Fax: Telephone Number:

Name of Managing Company:

Street Address/P.O. Box:

Street Address 2:

City: State: Zip Code:

Web Site: E-Mail: Fax: Telephone Number:

Name of Other Agent:

Street Address/P.O. Box:

Street Address 2:

City: State: Zip Code:

Web Site: E-Mail: Fax: Telephone Number:

Contact Information

Last Name: Hui Middle Name: First Name: Kin

Street Address/P.O. Box: Invest L.A. Regional Center, LLC

Address 2: 25 East Foothill Boulevard

City: Arcadia State: CA Zip Code: 91006

G28 Information

Last Name: Stone Middle Name: First Name: Lincoln

Firm Name: Stone & Grzegorek LLP

Street Address/P.O. Box: 800 Wilshire Blvd., Suite 900

City: Los Angeles State: CA Zip Code: 90017

Action Date		Action	User ID
12/02/2010	15:08:44	APPROVAL NOTICE SENT	jtanudja
12/02/2010	10:05:35	APPROVED/NOTICE ORDERED	dsdufau
09/27/2010	09:00:00	REQUEST EVIDENCE	
04/15/2010	09:00:00	RECEIVED - FEE COLLECTED ELSEWHERE	

Geographic State/Territory
Califomia

Industry Category Title	NAICS Code
Tourism	000000
Commercial Real Estate Development	000000
Financial Services	000000
Higher Education	000000
Technology	000000
and the Public Sector	000000

Cancel

From: Richard, Kevin J [mailto:Kevin.J.Richard@uscis.dhs.gov]
Sent: Monday, January 31, 2011 12:14 PM
To: Romant, Ron A
Cc: Antoine, Bennie R
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

Ron,

As we discussed earlier, I did a little bit of research to see what the difference is between an I-526 and an I-526 exemplar. Here is the full excerpt from a December 2009 memo from Donald Neufeld (found here http://www.uscis.gov/USCIS/Laws/Memoranda/Static%20Files%20Memoranda/Adjudicating%20of%20EB-5_121109.pdf):

(C) The Regional Center Proposal may also include an "exemplar" Form I-526 petition that contains copies of the commercial enterprise's organizational documents, capital investment offering memoranda, and transfer of capital mechanisms for the transfer of the alien investor's capital into the job creating enterprise. USCIS will review the documentation to determine if they are in compliance with established EB-5 eligibility requirements. Providing these documents may facilitate the adjudication of the related I-526 petitions by identifying any issues that could pose problems when USCIS is adjudicating the actual petitions. For example, if a new commercial enterprise's limited partnership (LP) agreement contains a buy-back agreement (i.e. a redemption clause guaranteeing the return of the alien investor's capital investment), then the alien investor's capital investment will not be a qualifying "at-risk" investment for EB-5 purposes. Likewise, if the LP agreement requires the payment of fees from the alien investor's capital investment of $1,000,000 or $500,000, respectively, to the extent that the investment will be eroded below the qualifying level, preventing the full infusion of the capital into the job creating enterprise, then the alien investor's capital investment will not meet the required EB-5 level of investment. The approval of a Regional Center Proposal containing defects such as these is not in the best interest of the prospective regional center or the USCIS EB-5 program as the end result will most likely be the denial of the individual alien investor's Form I-526 petition.

It looks like the exemplar should be accepted as supporting documentation for the Regional Center; I-526s with fees will follow later.

That is my interpretation of this, is that how you read it as well?

Kevin Richard
Intake Operations Division
Office of Intake & Document Production
(b) (6) Fax: (802) 951-6220
E-Mail: Kevin.Richard@dhs.gov

From: Antoine, Bennie R [mailto:brantoin@fins3.dhs.gov]
Sent: Thursday, January 27, 2011 1:46 PM
To: Richard, Kevin J
Cc: Sheehan, Sheri F; Bennett, Linda J; Romant, Ron A; Hallam, Larry J; Encinas, Margaret L
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

Kevin,

The CSC received I-526 on 12/17/2010, and routed to Dallas lockbox. The CSC now has inquired on this petition. See message below.

Thank you,
Bennie Antoine
Immigration Service Analyst
California Service Center
(b) (6)

From: Encinas, Margaret L
Sent: Tuesday, January 25, 2011 1:22 PM

I-924 Regional Center Proposal

Receipt Number: WD900174 **Attorney:** LINCOLN STONE

Regional Center: INVEST LA REGIONAL CTR (G-28)

General Partner: KIN HUI **Requester's Name:** KIN HUI
WAH CHU, VINCENT CHAN, PHILIP KIM

☑ Economic Unit-Organizational Documents for Regional Center LLC

☐ Target ☐ Non-Target ☑ Both

☑ Geographic Area Delineated: OC & LA

☑ Economic Growth Analysis

☑ Regional or National Impact- Economic Analysis

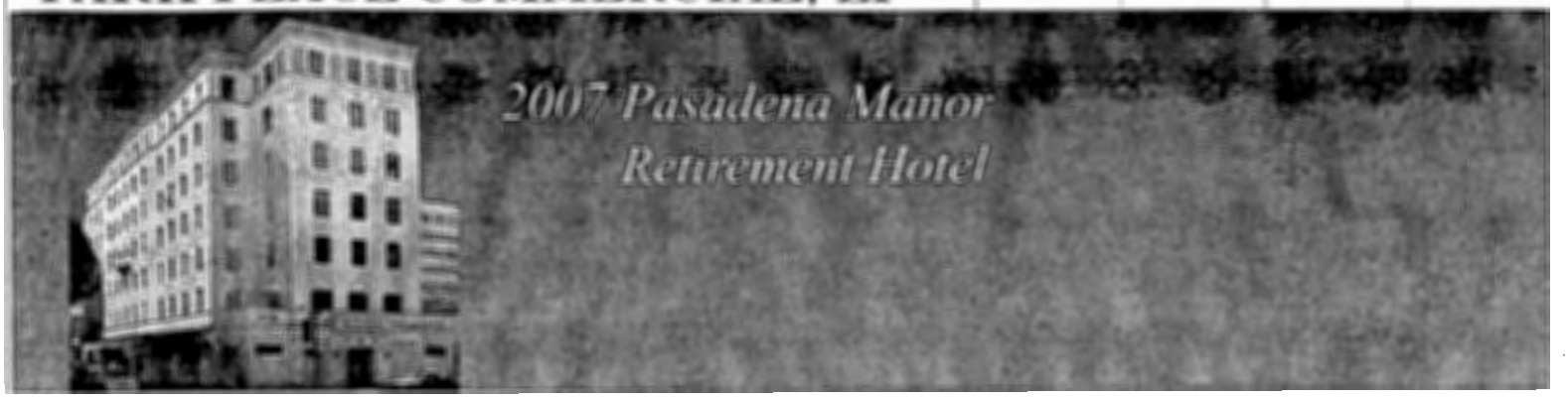
☑ Indirect Job Creation:
- ☐ Troubled Business ☑ Non-Troubled Business
- ☑ Econometric Model: IMPLAN
- ☑ Economic Analysis of Job Creation:
- ☑ Business Plan:
  - ☐ Hypothetical Investment Plan ☑ Investment Plan
  - ☑ Industries: RE DEVELOPMENT
  - ☑ Activities: CONSTRUCTION, OPERATION, LEASING

☑ Operational Plan:
- ☐ Project Evaluation and assessment
- ☑ Amount and Source of Regional Center's Capital
- ☑ Recruitment and Due Diligence
- ☑ Promotional Efforts
- ☑ Administrative Oversight

☑ OPTIONAL- Enterprise organizational documents:
- ☑ Draft Operating Agreement
- ☑ Draft Partnership Agreement
- ☑ Draft Subscription Agreement
- ☑ Draft Escrow Agreement
- ☑ List of Escrow Agents
- ☑ Draft Offering Letter etc
- ☑ Articles of Incorporation etc for Enterprise
- ☑ Other relevant documents:

C PPM

PARK PLACE COMMERCIAL, LP



About Us

Park Place Commercial, LP is a limited partnership that was formed to own and to redevelop 908 to 940 E. Colorado, Pasadena, California, into an upscale, limited service boutique hotel and new 5 story retail / office building. Park Place Commercial's General Partner, represented by Singpoli Pacifica, has more than 20 years of experience in commercial real estate construction and development. The company's directors, all with development and construction experience, include a general contractor, an architect, an attorney, a real estate broker, and an accountant. The synergy created by this group of professionals; each with their area of expertise, has been key to achieving the anticipated project milestones to date and will facilitate the timely and successful completion of the project.

The subject property contains a historical 7-story hotel and attached single story retail space. While the 7-story hotel will be renovated, the single

History

The existing seven story hotel was constructed in 1926 and named The Hotel Constance. 1920-1930 was considered Pasadena's Golden Age. Through the end of the 1920's, Pasadena continued to enjoy a reputation as a tourist center and winter resort for the wealthy. About this same time period, the historic Central Library, City Hall, and Civic Auditorium were also constructed. However, from 1930-1970, Pasadena experienced challenges of the depression and the gradual decline as experienced by many urban areas in the United States during this period. Since the 1970's, Pasadena has roared back to its former glory days as the city center has been actively restored and redeveloped. Today, Pasadena is considered one of the premier Cities in the Los Angeles area.

The New Hotel Constance

The good old days are here again. The existing, dilapidated seven story structure, the old Hotel Constance, will be renovated into an upscale limited service boutique hotel. It is our plan to preserve the history of the old Hotel Constance and to bring back the former glory of the hotel to the east side of Pasadena.

Mixed-Use Retail and Office Building

The new retail/office building will consist of three stories of below grade parking and five stories above grade retail and office space. Once completed, this site will become one of the premier retail and office developments due to the proximity to Lake and Colorado, the center of Pasadena's business district. The hotel, office and retail / restaurant spaces will be complimentary uses and be mutually beneficial. Furthermore, the hotel will provide much needed rooms for the central business district.

pasadenastarnews.com

Constance Hotel project gets go-ahead from city

By Janette Williams, Staff Writer

Posted: 10/21/2010 04:51:08 PM PDT

PASADENA - After a contentious two-hour public hearing, phase one of the $76 million Colorado at Lake project that includes restoration of the historic Constance Hotel was approved by Hearing Officer Paul Novak.

As part of the project's first stage, developers Park Place Commercial will also restore the one-story commercial buildings at 880-940 E. Colorado Boulevard, including long-hidden vintage facades, and will construct a new three-story parking garage.

Project opponents who wish to appeal Novak's approval Wednesday of the project's entitlements and environmental impact report have until Nov. 1 to do so, he said.

He said he based his decision strictly on land-use issues, all of which were covered by an "exhaustive" environmental impact report.

"We're very pleased to be able to move forward," Richard McDonald, an attorney for the developers, said Thursday. "It was a good EIR, and we're going to move forward right away to get the plans into design review for phase one and then for phase two while we're working on the first phase."

Seven residents, including representatives of the South Lake Avenue Business District, Pasadena Heritage and nearby business owners, spoke in favor of the block-long project going up between Mentor and Lake avenues.

Five people spoke against the project, including representatives of the Hotel Workers Union Local 11, All Saints Church and the Senior Advocacy Council. They argued that the

hotel should become affordable housing, or revert to the senior and disabled housing it formerly provided when it was The Pasadena Manor.

Some opponents, including Peter Dreier, director of the urban and environmental policy program at Occidental College, objected to the city allocating its entire $11.1 million in federal Recovery Zone Facilities Bonds to the project, and said the former Manor residents were unfairly evicted in 2007 by the previous owner.

The federal funds would provide only "poverty-level jobs" of about $22,000 a year at the hotel, rather than the "good jobs" expected from the use of stimulus money, Dreier said, arguing for affordable housing on the site.

Before Wednesday's meeting, Dave Klug, Pasadena's redevelopment manager, said the recovery bonds were created by Congress specifically to "stimulate development" and could not be used for housing.

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"These are tax-exempt bonds for private activity - like the reconstruction of a hotel," Klug said. "The $11.1 million was an arbitrary amount set by the federal government and allocated to the city of Pasadena. Other communities across the country received varying amounts, influenced by various economic factors, including unemployment and foreclosures."

The city sent out a "request for proposals," and the Constance Hotel project was chosen from three applications, he said.

The City Council approved the allocation to Park Place Commercial on May 10.

The developer, a subsidiary of Arcadia-based Singpoli Pacific LLC, is responsible for selling and for payment on the bonds, McDonald said. The city has no financial involvement or responsibility.

The project's second phase will include a new six-story, mixed-use building at the southeast corner of Lake Avenue and Colorado Boulevard, an underground parking garage, and a rear addition to the hotel, which may include five condominiums.

janette.williams@sgvn.com

626-578-6300, ext. 4482

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U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services

Notice of Action

		Application/Petition REGIONAL CENTER PROPOSAL
Receipt # W09001740		
Notice Date September 27, 2010	Page 1 of 6	Regional Center Invest LA Regional Center

Lincoln Stone, Esq.
Stone & Grzegorek, LLP
800 Wilshire Blvd., Suite 900
Los Angeles, CA 90017

Request for Evidence

IMPORTANT: WHEN YOU HAVE COMPLIED WITH THE INSTRUCTIONS ON THIS FORM, RESUBMIT THIS NOTICE ON TOP OF ALL REQUESTED DOCUMENTS AND /OR INFORMATION TO THE ADDRESS BELOW. THIS OFFICE HAS RETAINED YOUR PETITION/APPLICATION WITH SUPPORTING DOCUMENTS.

THE INFORMATION REQUESTED BELOW MUST BE RECEIVED BY THIS OFFICE NO LATER THAN EIGHTY-FOUR (84) DAYS FROM THE DATE OF THIS NOTICE. IF YOU DO NOT PROVIDE THE REQUESTED DOCUMENTATION WITHIN THE TIME ALLOTTED, YOUR APPLICATION WILL BE CONSIDERED ABANDONED PURSUANT TO 8 C.F.R. 103.2(B)(13) AND, AS SUCH, WILL BE DENIED.

WS 24065/CSC1309 DIV III

RETURN THIS NOTICE ON TOP OF THE REQUESTED INFORMATION LISTED ON THE ATTACHED SHEET.

Note: You are given until December 20, 2010, in which to submit the information requested.

Pursuant to 8 C.F.R. 103.2(b)(11) failure to submit ALL evidence requested at one time may result in the denial of your application.

For non-US Postal Service
Attn: EB 5 RC Proposal
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

You will be notified separately about any other applications or petitions you filed. Save a photocopy of this notice. Please enclose a copy of it if you write to us about this case, or if you file another application based on this decision. Our address is:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
CALIFORNIA SERVICE CENTER
Attn: EB 5 RC Proposal
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0526

W09001745

Form I-797 (8/06)

Please see additional information on the back.

Additional Information for Applicants and Petitioners.

General.

The filing of an application or petition does not in itself allow a person to enter or remain in the United States and does not confer any other right or benefit.

Inquiries.

If you do not hear from us within the processing time given on this notice and you want to know the status of this case, use InfoPass at **www.uscis.gov** to contact your local USCIS office or call our National Customer Service Center at **1–800–375–5283**.

You should follow the same procedures before contacting your local USCIS office if you have questions about this notice.

Please have this form with you whenever you contact a local office about this case.

Requests for Evidence.

If this notice asks for more evidence, you can submit it or you can ask for a decision based on what you have already filed. When you reply, please include a copy of the other side of this notice and also include any papers attached to this notice.

Reply Period.

If this notice indicates that you must reply by a certain date and you do not reply by that date, we will issue a decision based on the evidence on file. No extension of time will be granted. After we issue a decision, any new evidence must be submitted with a new application or petition, motion or appeal, as discussed under **"Denials"**.

Approval for a Petition.

Approval of an immigrant or nonimmigrant petition means that the beneficiary, the person for whom it was filed, has been found eligible for the requested classification. However, approval of a petition does not give any status or right. Actual status is given when the beneficiary is given the proper visa and uses it to enter the United States. Please contact the appropriate U.S. consulate directly if you have any questions about visa issuance.

For nonimmigrant petitions, the beneficiary should contact the consulate after receiving our approval notice. For approved immigrant petitions, the beneficiary should wait to be contacted by consulate.

If the beneficiary is now in the United States and believes he or she may be eligible for the new status without going abroad for a visa, he or she should use InfoPass to contact a local USCIS office about applying here.

Denials.

A denial means that after every consideration, USCIS concluded that the evidence submitted did not establish eligibility for the requested benefit.

If you believe there is more evidence that will establish eligibility, you can file a new application or petition, or you can file a motion to reopen this case. If you believe the denial is inconsistent with precedent decisions or regulations, you can file a motion for reconsideration.

If the front of this notice states that this denial can be appealed and you believe the decision is in error, you can file an appeal.

You can obtain more information about these processes by either using InfoPass to contact your local USCIS office, or by calling the National Customer Service Center.

U.S. GOVERNMENT PRINTING OFFICE: 2008—351-113

Request for Evidence

8 CFR 204.6 (m)(3) describes specific evidence that must be submitted before consideration for eligibility for this benefit may proceed. After review of your proposal for the Invest LA Regional Center (ILARC) in the light of these requirements, additional information, evidence or clarification is needed to proceed.

The regulation at 8 C.F.R. § 204.6(m)(3) provides:

> (3) Requirements for regional centers. Each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the Assistant Commissioner for Adjudications, which:
>
> > (i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through increased export sales, improved regional productivity, job creation, and increased domestic capital investment;
> >
> > (iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;
> >
> > (iv) Contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center; and
> >
> > (v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables.

It is always best to start with a cover letter that acts as an executive summary followed by a table of contents of the various tabbed sections to follow.

The purpose of a Regional Center is to stimulate economic activity and create jobs, which is the same as the I-526 program in general. The Regional Center has responsibilities to do a due diligence process to establish that all sources of capital used by the EB-5 immigrant investors can be fully explained and clearly shown to have been lawfully obtained. The Regional Center must also monitor and coordinate I-526 created businesses and report annually to USCIS. Explain how the proposed Regional Center intends to fulfill its responsibilities. An Operational Plan for the regional center, similar to a business plan, may include this explanation.

Please provide an operational plan for the proposed regional center.

Defined Economic Zones

Section 610(a) of P.L. 102-395 as amended by P.L. 107-273 describes the statutory basis for eligibility as a Regional Center

> (a) Of the visas otherwise available under section 203(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(5)), the Secretary of State, together with the Attorney General, shall set aside visas for a pilot program to implement the provisions of such section. Such pilot program shall involve a regional center in the United States, designated by the Secretary of Homeland Security on the basis of a general proposal, for the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment. A regional center shall have jurisdiction over a limited geographic area, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in defined economic zones. The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments and the other positive economic effects such capital investments will have...

The general proposal must address the kinds of commercial enterprises which will receive capital from the aliens, the jobs that will be created directly or indirectly as a result of the investment and other positive economic impacts. To be effective such a proposal needs to be realistic, viable and credible. While numerous industries and kinds of economic activity were identified as potential targets of investors, other than the Pasadena Project, Phase I, no descriptions of the kinds of commercial enterprises that would be investing into the mentioned industries were provided.

The six bullet point economic zones you identified as your specific industry focus are:

- Commercial/industrial/residential developments;
- Private/public arrangements with governmental agencies or non-profits to develop civic/public facilities and infrastructure;
- Renovation of historic/functionally obsolete buildings;
- Capital, loans, or investments to businesses in the Los Angeles County area;
- Establish or invest in higher education institutions; and
- Establish or invest in technology companies

Under types of investment within the Regional Center, p. 3 of the cover letter, you also include hospitality, retail, flex, transportation facilities, condominiums, and targeting.

For each of the economic zones and types of investments you have identified in your cover letter and "specific industry focus", please provide the NAICS codes for each projected enterprise or kind of business.

(b) (4)

Please provide business plans, actual or sample plans, for businesses anticipated to be within the defined economic zones (industry types) within the regional center. *Matter of Ho* 22 I&N Dec. 206 (Assoc. Comm., 1998), contains the following guidelines on acceptable business plans:

> The plan should contain a market analysis, including the names of competing businesses and their relative strengths and weaknesses, a comparison of the competition's products and pricing structures, and a description of the target market/prospective customers of the new commercial enterprise. The plan should list the required permits and licenses obtained. If applicable, it should describe the manufacturing or production process, the materials required, and the supply sources. The plan should detail any contracts executed for the supply of materials and/or the distribution of products. It should discuss the marketing strategy of the business, including pricing, advertising, and servicing. The plan should set forth the business's organizational structure and its personnel's experience. It should explain the business's staffing requirements and contain a timetable for hiring, as well as job descriptions for all positions. It should contain sales, cost, and income

> projections and detail the bases therefor. Most importantly, the business plan must be credible.

While highly detailed plans are not required for Regional Center approval, *Matter of Ho*, supra, does describe the kinds of business plans that will need to accompany each I-526 that is filed and associated with the Regional Center.

Only one business plan, the Pasadena Project Phase I business plan (Colorado and Lake Project), was submitted by ILARC. None of the other areas of potential investment had a business plan. Without a business plan on which to base economic predictions, an economic analysis would be entirely hypothetical and speculative for generic projects. Actual, proposed or sample business plans for the kinds of businesses anticipated to be within the regional center are important because they are determinative of the kinds of inputs the economist chooses in the application of economic or statistically valid forecasting tools such as RIMS II or IMPLAN.

Promotion of Economic Growth within the selected Geographic Area (8 CFR 204.6(m)(3)(i)):

8 CFR 204.6(m)(3)(i) requires that a proposal be submitted which:

> Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through improved regional productivity, job creation, and increased domestic capital investment;

Submit documentation, such as an economic analysis, showing how the amendment to the Regional Center will promote economic growth through improved productivity, job creation and increased capital investment with-in the designated Region for all of the industries the in which the Regional Center will be engaged. Aspects of this element may be combined with other issues listed below in a single economic analysis and job creation model.

The map of your geographic region appears to encompass all of Los Angeles County and parts of Orange County. The delineation of the parts of Orange County is not clear as it is marked by shading. Please provide an exact description of the proposed geographic area and a new map.

Indirect Job Creation (8 CFR 204.6(m)(3)(ii)):

8 CFR 204.6(m)(3)(ii) requires you to:

> Provide in verifiable detail how jobs will be created indirectly;

It is no longer required that job creation be shown through increased exports, but it is still required that job creation be demonstrated in verifiable detail. The IMPLAN model (methodology) predicted a certain

LA Regional Center -W09001740

Regional or National impact of the Regional Center(8 CFR 204.6(m)(3)(iv)):

Regulations at 8 CFR 204.6(m)(3)(iv) require that the proposal contain:

> ...a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center;

Provide a detailed prediction that includes the topics of regional or national impact on household earnings, greater demand for business services both within and outside the Regional Center. The analysis contained in the ILARC proposal only discussed the "Economic Impact of Renovating, Constructing and Operating a Mixed Use Commercial Building..." but did not discuss private/public arrangements with governmental agencies or non-profits to develop civic/public facilities and infrastructure, renovation of historic/functionally obsolete buildings, capital, loans, or investments to businesses in the Los Angeles County area, hospitality, retail, transportation facilities, establish or invest in higher education institutions or establish or invest in technology companies.

The economic impact analysis should provide monetary predictions of the all of the effects projects that will be part of the Regional Center.

number of jobs will be created. However, the analysis only examined a single project, that of the Colorado and Lake project.

For all of the economic zones in which the Regional Center will be focusing, list the actual job creating activities (These are the kinds of job duties or titles that would be listed on a typical organizational chart).

Provide an economic impact analysis that shows the economic impact of all of the types of investments within the Regional Center. The analysis must clearly show the inputs to the model and the calculations used to determine the jobs that will be created.

The plan must clearly identify how the investor funds will flow to the job creating entity and how the jobs will be created.

Amount and Source of Capital Committed to the Regional Center (8 CFR 204.6(m)(3)(iii)):

No detailed statement regarding the amount and source of capital for the regional center was provided.

8 C.F.R. § 204.6(m)(3)(iii) requires a detailed statement:

> (iii) Provides a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center;

Please note that the phrase "committed to the regional center" is in past tense. Your statement should include capital already expended on the regional center (money already spent on the regional center is committed to the regional center), such as the cost of the economic impact report, fees paid to consultants or EB-5 promotion and recruitment companies, advertising, and costs associated with filing the proposal. In addition, it should detail funds committed to the operation of the regional center until such time as it can become self-sustaining through immigrant investor fees. Some or all of these funds may come from capital contributions as described in § 2.2 of the Operating Agreement for Invest L.A. Regional Center, LLC. Unfortunately, neither the names of the members nor the amount of their capital contributions into ILARC were provided. Funds in the ILARC corporate account would also be considered committed to the regional center.

Please provide a detailed statement regarding the amount and source of capital which has been committed to the regional center, as well as a description of the promotional efforts taken and planned by the sponsors of the regional center. Include an assessment of anticipated costs in operating the regional center until it becomes sustained by investor fees.

From Date (mm/dd/yy)	Days Out (between 15 and 120)
Monday, September 27, 2010	84

Actual Calendar Days Out: 84

This file is accurate for call up dat

12/30/2011

U.S. Department of Homeland Security
P.O. Box 30111
Laguna Niguel, CA 92607-0111

U.S. Citizenship and Immigration Services

June 10, 2010

Lincoln Stone
Stone & Grzegorek LLP
800 Wilshire Blvd, Suite 900
Los Angeles, California 90017

Refer to file no.: W09001740

Form: Regional Center Proposal

Dear Petitioner:

Your request for expedited processing was received and denied at the California Service Center. The request does not meet the guidelines of the U.S. Citizenship and Immigration Services. The financial circumstances outlined in your request for expedite do not appear to be extraordinary or significant in comparison to the norm or standard practices of the industry. Therefore, your case will be adjudicated in date receipt order. There is no appeal or reconsideration of this decision.

Sincerely,

Christina Poulos
Director

EXPEDITE SHEET

Date: June 1, 2010 Time: 15:37

Case Type: I-924 W # W09001740

(b) (4), (b) (5)

[redacted]

Expedite processing denied: Mary C. Agnelly, CAO/SCAO

Expedite processing recommended: _____, CAO

Expedite processing recommended: _____, SCAO

Expedite processing approved: _____, ACD

Revised: 032305

INVEST L.A. REGIONAL CENTER, LLC
25 E. FOOTHILL BLVD.
ARCADIA, CA 91006
TEL: 626-566-1888 | FAX: 626-566-1887

RECD CSC 2010 JUN 1 21:58

May 28, 2010

Christina Poulos, Director
California Service Center
United States Citizenship and Immigration Services
United States Department of Homeland Security
24000 Avila Road, 2nd Fl.
Laguna Niguel, CA 92677

Re: Pasadena EB5-Visa Program and Regional Center Proposal

Dear Director Poulos:

This letter is to formally request expedited review of Invest LA Regional Center, LLC's regional center application on the grounds of potential severe financial loss and extreme emergent situation that will result under the ordinary processing time. A copy of the Receipt Notice from your office is attached for your reference and convenience.

In particular, Singpoli Pacifica LLC and Park Place Commercial LLC have proposed the creation of the Invest LA Regional Center, LLC ("Invest LA"), and received the State of California's Secretary of the Business, Transportation and Housing Agency designation for a targeted employment areas ("TEA") based upon the high unemployment rate in certain census tracts in the City of Pasadena, among others. A copy of the Secretary's May 18, 2010 letter to the USCIS at the Department of Homeland Security is attached for your convenience.

As stated on page 2 of the Secretary's May 18 letter for our proposed project, the TEA designation "is effective until April of 2011 when unemployment estimate data will be published for calendar year 2010." Thus, it is extremely important to timely establish and open the Regional Center. Our economist projected that the Invest LA project in Pasadena will generate in excess of (b) (4), which could be lost if the regional center is not established timely.

In addition, on May 10, 2010, the City Council for the City of Pasadena tentatively approved the use of $11 million in Revenue Recovery Bonds authorized under the Federal Recovery Act of 2009 for the historic restoration of the Constance Hotel in the City of Pasadena, which is Phase 1 of the first project proposed under the Invest LA Regional Center Program. Those bonds must be issued by no later than December 31, 2010. Since issuing them will take approximately sixty to ninety days, final approval by the City Council will have to be completed by September 2010.

By September 2010, we also anticipate the entitlements for the first project will be approved by the City of Pasadena's Planning and Development Department so that the timing of

construction can be coordinated with the issuance of the Recovery Revenue Bonds. At that point, therefore, we will need the Regional Center Program in place so that we can move forward with the project as a whole and initiate other projects to create as many jobs as possible before April 2011.

We, therefore, would request expedited review of our proposal and any other assistance the USCIS can provide so that we can open the Regional Center by no later than September 2010. Toward that end, please let us know if you need any additional information.

Thank you again for your consideration and assistance. We look forward to hearing from you.

Respectfully Submitted,
INVEST L.A. REGIONAL CENTER, LLC

PHILIP Y. KIM, ESQ.
MEMBER MANAGER

ENCL: 1) REGIONAL CENTER PROPOSAL RECEIPT NOTICE
2) TEA DESIGNATION LETTER

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797C, Notice of Action

THE UNITED STATES OF AMERICA

RECEIPT NUMBER		CASE TYPE
W09001740		Regional Center Proposal
RECEIPT DATE		**REGIONAL CENTER NAME**
April 15, 2010		Invest LA Regional Center, LLC
	PAGE 1 of 1	

Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 Wilshire Boulevard, Suite 900
Los Angeles, California 90017

Notice Type:

Receipt Notice

Receipt Notice - This notice confirms that USCIS received your Regional Center Proposal. If any of the above information is incorrect, send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing Time - The current processing time for this case is estimated at 120 days. Unlike other case types, verification or tracking of this case is not available electronically or on our website. We will notify you by mail when we make a decision on this case or if we need something from you. If you do not receive an initial decision or update from us within our current processing time, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. or contact us at the address below.

Address Change - If your mailing address changes while your case is pending, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. Otherwise, you might not receive notice of our action on this case.

Please save this notice and a copy of any papers that you send to us along with proof of delivery.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
Attn: EB-5 RC Proposal
P.O. BOX 10526
LAGUNA NIGUEL CA 92607-10526

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER
Governor

Department of Alcoholic Beverage Control
Department of Corporations
Department of Financial Institutions
California Highway Patrol
California Housing Finance Agency
Department of Housing & Community Development
Department of Managed Health Care
Department of Motor Vehicles
Board of Pilot Commissioners

DALE E. BONNER
Secretary

Department of Real Estate
Department of Transportation
Office of the Patient Advocate
Office of Real Estate Appraisers
Office of Traffic Safety
California Film Commission
California Office of Tourism
Infrastructure and Economic Development Bank
Public Infrastructure Advisory Commission

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

May 18, 2010

Department of Homeland Security
U.S. Citizenship and Immigration Services (USCIS)
California Service Center
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

To Whom It May Concern:

Section 204.6(i) of Title 8, Code of Federal Regulations (CFR) governing alien entrepreneur immigrant visa petitions under the USCIS administered EB-5 visa program authorizes the state government of any state of the United States to designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as a high unemployment area if the area experienced an unemployment rate of at least 150 percent of the national average. The designation of high unemployment areas in the State of California has been delegated to the Secretary of the Business, Transportation and Housing Agency. Accordingly, this agency is the authorized entity in California to designate a particular area within these statistical areas as a high unemployment area. *8 FCR §204.6(j)(6)(ii).* It is also this agency that has the authority to certify that a metropolitan statistical area, a specific county, city, town, or census designated place (CDP) within a metropolitan statistical area, has experienced an average unemployment rate of 150 percent of the national average rate. Such certification is based on official estimated unemployment data provided by the Employment Development Department of this state.

The national average unemployment rate for calendar year 2009, as calculated by the U.S. Bureau of Labor Statistics, was 9.3% requiring an unemployment rate of 13.95% or greater for "high unemployment area" eligibility.

A request for designation of a special high unemployment area has been received to accommodate a mixed use commercial building project at the street addresses of 908 to 940 E. Colorado Blvd., Pasadena, California, falling into Census Tract No. 463500. The desired geographical area would include 26 contiguous census tracts as listed in Exhibit 1 attached to this designation letter. By this reference, Exhibit 1 is hereby incorporated into this designation letter and made part hereof.

The area identified in Exhibit 1 as a whole has an average unemployment rate of 14.32%. This unemployment rate was calculated based on the Census Share Methodology prescribed by the U.S. Department of Labor for all states in designating high unemployment areas under the Immigration Act of 1990. As shown in Exhibit 1, the Census Share Methodology indicated that the unemployment rate of the designated area consisting the cities and CDPs listed was over 150 percent of the national unemployment rate for calendar year 2009.

Therefore, in accordance with the cited federal regulations, the Business, Transportation and Housing Agency is hereby designating the geographic subdivision consisting of the area described by the census tracts listed in Exhibit 1 as a high unemployment area ("targeted employment area"), for the purposes of alien entrepreneur visa requests. *8 CFR sections 204.6(h)(i) and (j)(6)(ii).*

This designation is effective until April of 2011 when unemployment estimate data will be published for calendar year 2010. The Census Share Methodology will continue to be used in subsequent years and, given the uncertainties about the area's unemployment rate and the national unemployment rate there is no guarantee that this area will continue to remain a high unemployment area ("targeted employment area").

Sincerely,

GABOR MOROCZ
Deputy General Counsel

For DALE E. BONNER
Secretary of the Business, Transportation and Housing Agency

Enclosure: Exhibit 1, Census Tract List and Data

PARK PLACE COMMERCIAL, LP
25 E FOOTHILL BLVD., THIRD FLOOR
ARCADIA, CA 91006

SANTA CLARITA CA 913
28 MAY 2010 PM 3 L

AM 2010
STAMP #136

Christina Poulos, Director
California Service Center
United States Citizenship and Immigration Services
United States Department of Homeland Security
24000 Avila Road, 2nd Fl.
Laguna Niguel, CA 92677

92677+3422

INVEST L.A. REGIONAL CENTER, LLC
25 E. FOOTHILL BLVD.
ARCADIA, CA 91006
TEL: 626-566-1888 | FAX: 626-566-1887

May 28, 2010

Christina Poulos, Director
California Service Center
United States Citizenship and Immigration Services
United States Department of Homeland Security
24000 Avila Road, 2nd Fl.
Laguna Niguel, CA 92677

Re: Pasadena EB5-Visa Program and Regional Center Proposal

Dear Director Poulos:

This letter is to formally request expedited review of Invest LA Regional Center, LLC's regional center application on the grounds of potential severe financial loss and extreme emergent situation that will result under the ordinary processing time. A copy of the Receipt Notice from your office is attached for your reference and convenience.

In particular, Singpoli Pacifica LLC and Park Place Commercial LLC have proposed the creation of the Invest LA Regional Center, LLC ("Invest LA"), and received the State of California's Secretary of the Business, Transportation and Housing Agency designation for a targeted employment areas ("TEA") based upon the high unemployment rate in certain census tracts in the City of Pasadena, among others. A copy of the Secretary's May 18, 2010 letter to the USCIS at the Department of Homeland Security is attached for your convenience.

As stated on page 2 of the Secretary's May 18 letter for our proposed project, the TEA designation "is effective until April of 2011 when unemployment estimate data will be published for calendar year 2010." Thus, it is extremely important to timely establish and open the Regional Center. Our economist projected that the Invest LA project in Pasadena will generate in excess of (b) (4) , which could be lost if the regional center is not established timely.

In addition, on May 10, 2010, the City Council for the City of Pasadena tentatively approved the use of $11 million in Revenue Recovery Bonds authorized under the Federal Recovery Act of 2009 for the historic restoration of the Constance Hotel in the City of Pasadena, which is Phase 1 of the first project proposed under the Invest LA Regional Center Program. Those bonds must be issued by no later than December 31, 2010. Since issuing them will take approximately sixty to ninety days, final approval by the City Council will have to be completed by September 2010.

By September 2010, we also anticipate the entitlements for the first project will be approved by the City of Pasadena's Planning and Development Department so that the timing of

construction can be coordinated with the issuance of the Recovery Revenue Bonds. At that point, therefore, we will need the Regional Center Program in place so that we can move forward with the project as a whole and initiate other projects to create as many jobs as possible before April 2011.

We, therefore, would request expedited review of our proposal and any other assistance the USCIS can provide so that we can open the Regional Center by no later than September 2010. Toward that end, please let us know if you need any additional information.

Thank you again for your consideration and assistance. We look forward to hearing from you.

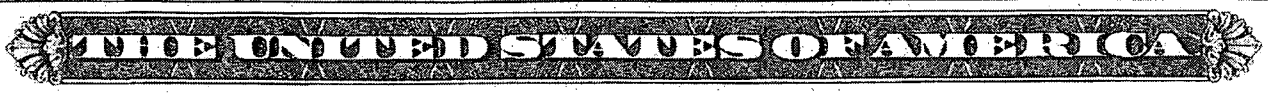
Respectfully Submitted,
INVEST L.A. REGIONAL CENTER, LLC

PHILIP Y. KIM, ESQ.
MEMBER MANAGER

ENCL: 1) REGIONAL CENTER PROPOSAL RECEIPT NOTICE
2) TEA DESIGNATION LETTER

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797C, Notice of Action



RECEIPT NUMBER		CASE TYPE
W09001740		Regional Center Proposal
RECEIPT DATE		**REGIONAL CENTER NAME**
April 15, 2010		Invest LA Regional Center, LLC
	PAGE 1 of 1	

Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 Wilshire Boulevard, Suite 900
Los Angeles, California 90017

Notice Type:

Receipt Notice

Receipt Notice - This notice confirms that USCIS received your Regional Center Proposal. If any of the above information is incorrect, send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing Time - The current processing time for this case is estimated at 120 days. Unlike other case types, verification or tracking of this case is not available electronically or on our website. We will notify you by mail when we make a decision on this case or if we need something from you. If you do not receive an initial decision or update from us within our current processing time, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. or contact us at the address below.

Address Change - If your mailing address changes while your case is pending, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. Otherwise, you might not receive notice of our action on this case.

Please save this notice and a copy of any papers that you send to us along with proof of delivery.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
Attn: EB-5 RC Proposal
P.O. BOX 10526
LAGUNA NIGUEL CA 92607-10526

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER
Governor

Department of Alcoholic Beverage Control
Department of Corporations
Department of Financial Institutions
California Highway Patrol
California Housing Finance Agency
Department of Housing & Community Development
Department of Managed Health Care
Department of Motor Vehicles
Board of Pilot Commissioners

DALE E. BONNER
Secretary

Department of Real Estate
Department of Transportation
Office of the Patient Advocate
Office of Real Estate Appraisers
Office of Traffic Safety
California Film Commission
California Office of Tourism
Infrastructure and Economic Development Bank
Public Infrastructure Advisory Commission

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

May 18, 2010

Department of Homeland Security
U.S. Citizenship and Immigration Services (USCIS)
California Service Center
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

To Whom It May Concern:

Section 204.6(i) of Title 8, Code of Federal Regulations (CFR) governing alien entrepreneur immigrant visa petitions under the USCIS administered EB-5 visa program authorizes the state government of any state of the United States to designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as a high unemployment area if the area experienced an unemployment rate of at least 150 percent of the national average. The designation of high unemployment areas in the State of California has been delegated to the Secretary of the Business, Transportation and Housing Agency. Accordingly, this agency is the authorized entity in California to designate a particular area within these statistical areas as a high unemployment area. *8 FCR §204.6(j)(6)(ii).* It is also this agency that has the authority to certify that a metropolitan statistical area, a specific county, city, town, or census designated place (CDP) within a metropolitan statistical area, has experienced an average unemployment rate of 150 percent of the national average rate. Such certification is based on official estimated unemployment data provided by the Employment Development Department of this state.

The national average unemployment rate for calendar year 2009, as calculated by the U.S. Bureau of Labor Statistics, was 9.3% requiring an unemployment rate of 13.95% or greater for "high unemployment area" eligibility.

A request for designation of a special high unemployment area has been received to accommodate a mixed use commercial building project at the street addresses of 908 to 940 E. Colorado Blvd., Pasadena, California, falling into Census Tract No. 463500. The desired geographical area would include 26 contiguous census tracts as listed in Exhibit 1 attached to this designation letter. By this reference, Exhibit 1 is hereby incorporated into this designation letter and made part hereof.

The area identified in Exhibit 1 as a whole has an average unemployment rate of 14.32%. This unemployment rate was calculated based on the Census Share Methodology prescribed by the U.S. Department of Labor for all states in designating high unemployment areas under the Immigration Act of 1990. As shown in Exhibit 1, the Census Share Methodology indicated that the unemployment rate of the designated area consisting the cities and CDPs listed was over 150 percent of the national unemployment rate for calendar year 2009.

Therefore, in accordance with the cited federal regulations, the Business, Transportation and Housing Agency is hereby designating the geographic subdivision consisting of the area described by the census tracts listed in Exhibit 1 as a high unemployment area ("targeted employment area"), for the purposes of alien entrepreneur visa requests. *8 CFR sections 204.6(h)(i) and (j)(6)(ii).*

This designation is effective until April of 2011 when unemployment estimate data will be published for calendar year 2010. The Census Share Methodology will continue to be used in subsequent years and, given the uncertainties about the area's unemployment rate and the national unemployment rate there is no guarantee that this area will continue to remain a high unemployment area ("targeted employment area").

Sincerely,

GABOR MOROCZ
Deputy General Counsel

For DALE E. BONNER
Secretary of the Business, Transportation and Housing Agency

Enclosure: Exhibit 1, Census Tract List and Data

INVEST L.A. REGIONAL CENTER, LLC
25 E. FOOTHILL BLVD.
ARCADIA, CA 91006
TEL: 626-566-1888 | FAX: 626-566-1887

May 28, 2010

NOT Properly FILED

Christina Poulos, Director
California Service Center
United States Citizenship and Immigration Services
United States Department of Homeland Security
24000 Avila Road, 2nd Fl.
Laguna Niguel, CA 92677

(b) (4)

Re: Pasadena EB5-Visa Program and Regional Center Proposal

Dear Director Poulos:

This letter is to formally request expedited review of Invest LA Regional Center, LLC's regional center application on the grounds of potential severe financial loss and extreme emergent situation that will result under the ordinary processing time. A copy of the Receipt Notice from your office is attached for your reference and convenience.

In particular, Singpoli Pacifica LLC and Park Place Commercial LLC have proposed the creation of the Invest LA Regional Center, LLC ("Invest LA"), and received the State of California's Secretary of the Business, Transportation and Housing Agency designation for a targeted employment areas ("TEA") based upon the high unemployment rate in certain census tracts in the City of Pasadena, among others. A copy of the Secretary's May 18, 2010 letter to the USCIS at the Department of Homeland Security is attached for your convenience.

(b) (5)

As stated on page 2 of the Secretary's May 18 letter for our proposed project, the TEA designation "is effective until April of 2011 when unemployment estimate data will be published for calendar year 2010." Thus, it is extremely important to timely establish and open the Regional Center. Our economist projected that the Invest LA project in Pasadena will generate in excess (b) (4), which could be lost if the regional center is not established timely.

(BTW 2 PHASES OF THE PROJECT)

(b) (4)

START DATE CONFIRMED BY BP

In addition, on May 10, 2010, the City Council for the City of Pasadena tentatively approved the use of $11 million in Revenue Recovery Bonds authorized under the Federal Recovery Act of 2009 for the historic restoration of the Constance Hotel in the City of Pasadena which is Phase 1 of the first project proposed under the Invest LA Regional Center Program. Those bonds must be issued by no later than December 31, 2010. Since issuing them will take approximately sixty to ninety days, final approval by the City Council will have to be completed by September 2010.

By September 2010, we also anticipate the entitlements for the first project will be approved by the City of Pasadena's Planning and Development Department so that the timing of

(b) (5)

NO FINANCIAL PLAN

construction can be coordinated with the issuance of the Recovery Revenue Bonds. At that point, therefore, we will need the Regional Center Program in place so that we can move forward with the project as a whole and initiate other projects to create as many jobs as possible before April 2011.

We, therefore, would request expedited review of our proposal and any other assistance the USCIS can provide so that we can open the Regional Center by no later than September 2010. Toward that end, please let us know if you need any additional information.

Thank you again for your consideration and assistance. We look forward to hearing from you.

Respectfully Submitted,
INVEST L.A. REGIONAL CENTER, LLC

PHILIP Y. KIM, ESQ.
MEMBER MANAGER

ENCL: 1) REGIONAL CENTER PROPOSAL RECEIPT NOTICE
2) TEA DESIGNATION LETTER

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797C, Notice of Action

UNITED STATES OF AMERICA

RECEIPT NUMBER		CASE TYPE
W09001740		Regional Center Proposal
RECEIPT DATE		**REGIONAL CENTER NAME**
April 15, 2010		Invest LA Regional Center, LLC
	PAGE 1 of 1	

Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 Wilshire Boulevard, Suite 900
Los Angeles, California 90017

Notice Type:

Receipt Notice

Receipt Notice - This notice confirms that USCIS received your Regional Center Proposal. If any of the above information is incorrect, send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing Time - The current processing time for this case is estimated at 120 days. Unlike other case types, verification or tracking of this case is not available electronically or on our website. We will notify you by mail when we make a decision on this case or if we need something from you. If you do not receive an initial decision or update from us within our current processing time, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. or contact us at the address below.

Address Change - If your mailing address changes while your case is pending, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. Otherwise, you might not receive notice of our action on this case.

Please save this notice and a copy of any papers that you send to us along with proof of delivery.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
Attn: EB-5 RC Proposal
P.O. BOX 10526
LAGUNA NIGUEL CA 92607-10526

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER
Governor

Department of Alcoholic Beverage Control
Department of Corporations
Department of Financial Institutions
California Highway Patrol
California Housing Finance Agency
Department of Housing & Community Development
Department of Managed Health Care
Department of Motor Vehicles
Board of Pilot Commissioners

DALE E. BONNER
Secretary

Department of Real Estate
Department of Transportation
Office of the Patient Advocate
Office of Real Estate Appraisers
Office of Traffic Safety
California Film Commission
California Office of Tourism
Infrastructure and Economic Development Bank
Public Infrastructure Advisory Commission

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

May 18, 2010

Department of Homeland Security
U.S. Citizenship and Immigration Services (USCIS)
California Service Center
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

To Whom It May Concern:

Section 204.6(i) of Title 8, Code of Federal Regulations (CFR) governing alien entrepreneur immigrant visa petitions under the USCIS administered EB-5 visa program authorizes the state government of any state of the United States to designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as a high unemployment area if the area experienced an unemployment rate of at least 150 percent of the national average. The designation of high unemployment areas in the State of California has been delegated to the Secretary of the Business, Transportation and Housing Agency. Accordingly, this agency is the authorized entity in California to designate a particular area within these statistical areas as a high unemployment area. *8 FCR §204.6(j)(6)(ii).* It is also this agency that has the authority to certify that a metropolitan statistical area, a specific county, city, town, or census designated place (CDP) within a metropolitan statistical area, has experienced an average unemployment rate of 150 percent of the national average rate. Such certification is based on official estimated unemployment data provided by the Employment Development Department of this state.

The national average unemployment rate for calendar year 2009, as calculated by the U.S. Bureau of Labor Statistics, was 9.3% requiring an unemployment rate of 13.95% or greater for "high unemployment area" eligibility.

A request for designation of a special high unemployment area has been received to accommodate a mixed use commercial building project at the street addresses of 908 to 940 E. Colorado Blvd., Pasadena, California, falling into Census Tract No. 463500. The desired geographical area would include 26 contiguous census tracts as listed in Exhibit 1 attached to this designation letter. By this reference, Exhibit 1 is hereby incorporated into this designation letter and made part hereof.

The area identified in Exhibit 1 as a whole has an average unemployment rate of 14.32%. This unemployment rate was calculated based on the Census Share Methodology prescribed by the U.S. Department of Labor for all states in designating high unemployment areas under the Immigration Act of 1990. As shown in Exhibit 1, the Census Share Methodology indicated that the unemployment rate of the designated area consisting the cities and CDPs listed was over 150 percent of the national unemployment rate for calendar year 2009.

Therefore, in accordance with the cited federal regulations, the Business, Transportation and Housing Agency is hereby designating the geographic subdivision consisting of the area described by the census tracts listed in Exhibit 1 as a high unemployment area ("targeted employment area"), for the purposes of alien entrepreneur visa requests. *8 CFR sections 204.6(h)(i) and (j)(6)(ii).*

This designation is effective until April of 2011 when unemployment estimate data will be published for calendar year 2010. The Census Share Methodology will continue to be used in subsequent years and, given the uncertainties about the area's unemployment rate and the national unemployment rate there is no guarantee that this area will continue to remain a high unemployment area ("targeted employment area").

Sincerely,

GABOR MOROCZ
Deputy General Counsel

For DALE E. BONNER
Secretary of the Business, Transportation and Housing Agency

Enclosure: Exhibit 1, Census Tract List and Data

THE UNITED STATES OF AMERICA

RECEIPT NUMBER		CASE TYPE
W09001740		Regional Center Proposal
RECEIPT DATE		**REGIONAL CENTER NAME**
April 15, 2010		Invest LA Regional Center, LLC
	PAGE 1 of 1	

Lincoln Stone, Esq. Stone & Grzegorek LLP 800 Wilshire Boulevard, Suite 900 Los Angeles, California 90017	**Notice Type:** **Receipt Notice**

Receipt Notice - This notice confirms that USCIS received your Regional Center Proposal. If any of the above information is incorrect, send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing Time - The current processing time for this case is estimated at 120 days. Unlike other case types, verification or tracking of this case is not available electronically or on our website. We will notify you by mail when we make a decision on this case or if we need something from you. If you do not receive an initial decision or update from us within our current processing time, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. or contact us at the address below.

Address Change - If your mailing address changes while your case is pending, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. Otherwise, you might not receive notice of our action on this case.

Please save this notice and a copy of any papers that you send to us along with proof of delivery.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
Attn: EB-5 RC Proposal
P.O. BOX 10526
LAGUNA NIGUEL CA 92607-10526

- ***Please save this notice for your records. Please enclose a copy if you have to write us or a U. S. Consulate about this case, or if you file another application based on this decision.***

- ***You will be notified separately about any other applications or petitions you have filed.***

Additional Information

GENERAL.

The filing of an application or petition does not in itself allow a person to enter the United States and does not confer any other right or benefit.

INQUIRIES.

You should contact the office listed on the reverse side of this notice if you have questions about the notice, or questions about the status of your application or petition. *We recommend you call.* However, if you write us, please enclose a copy of this notice with your letter.

APPROVAL OF NONIMMIGRANT PETITION.

Approval of a nonimmigrant petition means that the person for whom it was filed has been found eligible for the requested classification. If this notice indicated we are notifying a U.S. Consulate about the approval for the purpose of visa issuance, and you or the person you filed for have questions about visa issuance, please contact the appropriate U.S. Consulate directly.

APPROVAL OF AN IMMIGRANT PETITION.

Approval of an immigrant petition does not convey any right or status. The approved petition simply establishes a basis upon which the person you filed for can apply for an immigrant or fiance(e) visa or for adjustment of status.

A person is not guaranteed issuance of a visa or a grant of adjustment simply because this petition is approved. Those processes look at additional criteria.

If this notice indicates we have approved the immigrant petition you filed, and have forwarded it to the Department of State Immigrant Visa Processing Center, that office will contact the person you filed the petition for directly with information about visa issuance.

In addition to the information on the reverse of this notice, the instructions for the petition you filed provide additional information about processing after approval of the petition.

For more information about whether a person who is already in the U.S. can apply for adjustment of status, please see Form I-485, *Application to Register Permanent Residence or Adjust Status.*

EXEMPLAR I-526 PETITION

(Receipt # WAC-11-901-23066)

NO FILING FEE REQUIRED

California Service Center has jurisdiction to accept EXEMPLAR I-526 petitions filed in connection with Regional Center Applications.

Please DO NOT FORWARD this EXEMPLAR I-526 petition to Dallas Lockbox.

APPROVED REGIONAL CENTER:
INVEST L.A. REGIONAL CENTER, LLC
(Receipt #: W009001740)

U.S. COMMERCIAL ENTERPRISE:
PARK PLACE EB5, LP

FedEx

Detailed Results

Tracking no.: 794231080656 Select time format: **12H**

Delivered

Delivered
Signed for by: E.JAMESSON

Shipment Dates	Destination
Ship date Dec 16, 2010	LAGUNA NIGUEL, CA
Delivery date Dec 17, 2010 10:20 AM	Signature Proof of Delivery

Shipment Options

Hold at FedEx Location
Hold at FedEx Location service is not available for this shipment.

Shipment Facts

Service type	Standard Pak	Delivered to	Shipping/Receiving
Weight	5.0 lbs/2.3 kg	Reference	4223.01-Invest LA RC

Shipment Travel History

Select time zone: Local Scan Time

All shipment travel activity is displayed in local time for the location

Date/Time	Activity	Location	Details
Dec 17, 2010 10:20 AM	Delivered	LAGUNA NIGUEL, CA	
Dec 17, 2010 9:47 AM	On FedEx vehicle for delivery	IRVINE, CA	
Dec 17, 2010 7:41 AM	At local FedEx facility	IRVINE, CA	
Dec 17, 2010 2:50 AM	Departed FedEx location	OAKLAND, CA	
Dec 16, 2010 11:34 PM	Arrived at FedEx location	OAKLAND, CA	
Dec 16, 2010 8:43 PM	Left FedEx origin facility	LOS ANGELES, CA	
Dec 16, 2010 6:05 PM	Picked up	LOS ANGELES, CA	Tendered at FedEx Kinko's, now FedEx Office
Dec 16, 2010 8:36 PM	Shipment information sent to FedEx		

STONE & GRZEGOREK LLP

800 Wilshire Boulevard, Suite 900
Los Angeles CA 90017
tel 213 627 8997 | *fax* 213 627 8998
www.lskglaw.com

S&G File: 4223.01

December 16, 2010

Sent via Federal Express

U.S. Citizenship and Immigration Services
California Service Center
Attention: EB-5 RC Proposal
24000 Avila Road, 2nd Floor, Room 2326
Laguna Niguel, CA 92677

EXEMPLAR I-526 PETITION IN CONNECTION WITH APPROVED REGIONAL CENTER (Receipt # W009001740)

Re: **Regional Center:** **Invest L.A. Regional Center, LLC (# W009001740)**
Commercial Enterprise: **Park Place EB5, LP**
Exemplar Petition # WAC-11-901-23066

Dear Examiner:

We are attorneys of record for Invest L.A. Regional Center, LLC ("Invest L.A.").

By letter dated December 2, 2010, U.S. Citizenship and Immigration Services ("USCIS") designated Invest L.A. as a Regional Center (receipt number W009001740). Please see the enclosed designation letter (Exhibit 4).

In connection with this regional center proposal, we submitted an exemplar I-526 petition based on proposed investment in an entity affiliated with Invest L.A. The exemplar I-526 petition was received by USCIS on or about November 3, 2010 (see receipt stamp enclosed).

Although USCIS had approved the regional center designation in the letter dated December 2, 2010, we received about one week later a Rejection Notice (receipt number WAC1190123066) relating to our exemplar I-526 petition for the lack of a filing fee. At the time USCIS policy was that it did not require a filing fee for such exemplar petitions. We have since inquired to USCIS's email address at USCIS.ImmigrantInvestorProgram@dhs.gov regarding the specific procedures for re-submitting the exemplar petition. In response, USCIS instructed us to re-submit the exemplar I-526 petition with an explanation. Please see the enclosed e-mail instruction.

We hereby re-submit Invest L.A.'s exemplar I-526 petition in connection with their now-approved regional center. As the exemplar petition was initially filed prior to the imposition of a filing fee effective November 23, 2010, we request that this exemplar petition be accepted without filing fee.

Thank you very much for your prompt adjudication of the enclosed exemplar petition.

Sincerely,

STONE & GRZEGOREK LLP

Lincoln Stone

LINCOLN STONE
LS:SM
Enclosures

From: Origin ID: EMTA (213) 627-8997
Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 WILSHIRE BLVD STE 900

LOS ANGELES, CA 90017

FedEx Express

Ship Date: 02NOV10
ActWgt: 7.0 LB
CAD: 9061460/INET3090

Delivery Address Bar Code

Ref # 4233.01 - Invest L.A. RC, LLC
Invoice #
PO #
Dept #

CSC
AM NOV 03 2010
STAMP #18

SHIP TO: (213) 627-8997 BILL SENDER
Attn: EB-5 RC Proposal
USCIS - California Service Center
24000 AVILA RD FL 2
Room 2326
LAGUNA NIGUEL, CA 92677

D177520

WED - 03 NOV A2
PRIORITY OVERNIGHT

TRK# 0201 7940 7665 5000

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Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is $500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

2010090067730 2900745 011373 26 035544 110940 21:03 110310 I526-660168

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797C, Notice of Action

THE UNITED STATES OF AMERICA

NOTICE TYPE			NOTICE DATE
Rejection Notice			December 06, 2010
CASE TYPE I-526, Immigrant Petition by Alien Entrepreneur			USCIS ALIEN NUMBER
RECEIPT NUMBER	RECEIVED DATE	DATE OF BIRTH	PAGE
WAC1190123066	November 03, 2010	September 19, 1971	1 of 1

APPLICANT/PETITIONER NAME AND MAILING ADDRESS

JOHN DOE
C/O STONE AND GRZEGOREK LLP
800 WILSHIRE BLVD STE 900
LOS ANGELES, CA 90017

This is in reference to the I-526, Immigrant Petition by Alien Entrepreneur, you submitted. Your I-526, fees, and any supporting documentation is being returned to you for the following reason(s):

The check amount is incorrect, or has not been provided. Please review the Form Instructions for fee information. Please resubmit the application/petition package with the appropriate fees to the USCIS address listed on the bottom of this notice.

A signature is not contained in the signature block of the application or petition. A signature in the "Signature of person preparing form, if other than above" block is not a valid signature for this purpose. Please sign and resubmit the application with the appropriate fees to the USCIS address listed on the bottom of this notice.

Please be sure to complete the application fully, submit the appropriate fees, and include all required supporting documentation.

If you have questions about possible immigration benefits and services, filing information, or USCIS forms, please call the USCIS National Customer Service Center (NCSC) at 1-800-375-5283. If you are hearing impaired, please call the NCSC TDD at 1-800-767-1833. Please also refer to the USCIS website: www.uscis.gov.

If you have any questions or comments regarding this notice or the status of your case, please contact our customer service number.

You will be notified separately about any other case you may have filed.

USCIS OFFICE ADDRESS
USCIS
P. O. Box 660168
Dallas, TX 75266

USCIS CUSTOMER SERVICE NUMBER
(800)375-5283
APPLICANT COPY

TRN# 2010309006730 BIN# 2901249

Shino Milby

From: USCIS Immigrant Investor Program [USCIS.ImmigrantInvestorProgram@dhs.gov]
Sent: Wednesday, December 15, 2010 9:00 AM
To: Shino Milby
Cc: USCIS Immigrant Investor Program
Subject: RE: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

It appears the mailroom contractors thought the I-526 exemplar was a regular I-526 and rejected it. You may submit another I-526 exemplar and on the cover letter make sure it is apparent that this is a sample I-526 relating to the regional center proposal and make sure to list the receipt number.

CSC Duty Officer #3764

From: Shino Milby [mailto:shino@lskglaw.com]
Sent: Tuesday, December 14, 2010 4:16 PM
To: 'USCIS.ImmigrantInvestorProgram@dhs.gov'
Cc: Lincoln Stone
Subject: FW: Invest L.A. Regional Center, LLC (W009001740); Exemplar I-526 petition (WAC1190123066)

RE: Exemplar I-526 Petition (WAC1190123066)
Filed by Invest L.A. Regional Center (W009001740)

Dear Examiner:

We are attorneys of record for Invest L.A. Regional Center, LLC ("Invest L.A."). We are writing to you to inquire about the EXEMPLAR I-526 PETITION we filed with USCIS. Further information is provided below.

Per notice dated 12/02/10, USCIS designated Invest L.A. as a Regional Center (receipt number W009001740).

In connection with this regional center proposal, we submitted an EXEMPLAR I-526 PETITION based on investment in an entity affiliated with the proposed regional center. The EXEMPLAR I-526 PETITION was part of our response to a Request for Evidence which we filed with USCIS on or about 11/04/2010.

Recently, however, although USCIS had approved the regional center designation in the letter dated 12/02/2010, in the mail we received about one week later we received a Rejection Notice (receipt number WAC1190123066) relating to our EXEMPLAR I-526 PETITION.

Specifically, the Rejection Notice states that (1) the petition was not accompanied by a filing fee check, and (2) the petition was unsigned.

We have been of the understanding – based on instructions from USCIS – that our EXEMPLAR I-526 PETITION did not require a filing fee. Note that our EXEMPLAR I-526 PETITION was filed with USCIS far in advance of the implementation of a filing fee.

We respectfully request your instruction on how we may re-submit our EXEMPLAR I-526 PETITION so that it may be processed, without filing fee, in accordance with earlier USCIS instructions concerning such requests.

Thank you very much for your prompt response to this request.

Best regards,

LINCOLN STONE
Shino Komine Milby
Attorneys at Law

STONE & GRZEGOREK LLP

STONE & GRZEGOREK LLP
800 Wilshire Blvd, Suite 900
Los Angeles, CA 90017
Tel: 213.627.8997
Fax: 213.627.8998
Email: lincoln@lskglaw.com; shino@lskglaw.com
Website: www.lskglaw.com

THIS TRANSMISSION AND THE ATTACHED DOCUMENTS, IF ANY, ARE INTENDED ONLY FOR THE USE OF ADDRESSEE, AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS COMMUNICATION IS PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE OR RETURN E-MAIL AND DELETE THIS E-MAIL MESSAGE. THANK YOU.

Department of Homeland Security
U.S. Citizenship and Immigration Services

OMB No. 1615-0026; Exp. 01/31/2012

I-526, Immigrant Petition by Alien Entrepreneur

Do Not Write in This Block - For USCIS Use Only (Except G-28 Block Below)		
Classification	**Action Block**	Fee Receipt
Priority Date		**To be completed by Attorney or Representative, if any** ☑ G-28 is attached Attorney's State License No. 146597
Remarks: Regional Center: Invest L.A. Regional Center, LLC		

START HERE - Type or print in black ink.

Part 1. Information About You

Family Name	DOE	Given Name	John	Middle Name	
Address: In care of	Stone & Grzegorek LLP				
Number and Street	800 Wilshire Boulevard, Suite 900			Apt. #	
City	Los Angeles	State or Province	California	Country	USA
Zip/Postal Code	90017				
Date of Birth (mm/dd/yyyy)	09/19/1971	Country of Birth	China	Social Security # (if any)	None
A # (if any)	None				
If you are in the United States, provide the following information:		Date of Arrival (mm/dd/yyyy)	N/A	I-94 #	N/A
Current Nonimmigrant Status	N/A	Date Current Status Expires (mm/dd/yyyy)	N/A	Daytime Phone # with Area Code	(213) 627-8997

Part 2. Application Type *(Check one)*

a. ☑ This petition is based on an investment in a commercial enterprise in a targeted employment area for which the required amount of capital invested has been adjusted downward.

b. ☐ This petition is based on an investment in a commercial enterprise in an area for which the required amount of capital invested has been adjusted upward.

c. ☐ This petition is based on an investment in a commercial enterprise that is not in either a targeted area or in an upward adjustment area.

Part 3. Information About Your Investment

Name of commercial enterprise in which funds are invested	Park Place EB5, LP				
Street Address	25 East Foothill Boulevard, Arcadia, CA 91006				
Phone # with Area Code	(206) 381-1690	Business organized as (corporation, partnership, etc.)	Limited Partnership		
Kind of business (e.g. furniture manufacturer)	Real estate development and management	Date established (mm/dd/yyyy)	04/16/2010	IRS Tax #	XX-XXXXXXX

RECEIVED: _____ RESUBMITTED: _____ RELOCATED: SENT _____ REC'D _____

Part 3. Information About Your Investment *(Continued)*

Date of your initial investment (mm/dd/yyyy)	xx/xx/xxxx	Amount of your initial investment	$ (b) (4)
Your total capital investment in the enterprise to date	$ (b) (4)	Percentage of the enterprise you own	xx%

If you are not the sole investor in the new commercial enterprise, list on separate paper the names of all other parties (natural and non-natural) who hold a percentage share of ownership of the new enterprise and indicate whether any of these parties is seeking classification as an alien entrepreneur. Include the name, percentage of ownership, and whether or not the person is seeking classification under section 203(b)(5). **NOTE:** A "natural" party would be an individual person and a "non-natural" party would be an entity such as a corporation, consortium, investment group, partnership, etc. See attached

If you indicated in **Part 2** that the enterprise is in a targeted employment area or in an upward adjustment area, name the county and State: County Los Angeles State California

Part 4. Additional Information About the Enterprise

Type of Enterprise (check one):

- [x] New commercial enterprise resulting from the creation of a new business.
- [ ] New commercial enterprise resulting from the purchase of an existing business.
- [ ] New commercial enterprise resulting from a capital investment in an existing business.

Composition of the Petitioner's Investment:

Total amount in U.S. bank account	$	(b) (4)
Total value of all assets purchased for use in the enterprise	$	
Total value of all property transferred from abroad to the new enterprise	$	
Total of all debt financing	$	
Total stock purchases Limited Partnership	$	
Other (explain on separate paper)	$	
Total	$	

Income:

When you made the investment	Gross	$ (b) (4)	Net	$	(b) (4)
Now	Gross	$	Net	$	

Net worth:

When you made investment	Gross	$	Now	$	

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Part 5. Employment Creation Information

Number of full-time employees in the enterprise in U.S. (excluding you, your spouse, sons, and daughters)

When you made your initial investment? 0 Now 0 Difference 0

How many of these new jobs were created by your investment? 0

How many additional new jobs will be created by your additional investment? (b) (4)

What is your position, office, or title with the new commercial enterprise? *See attached economist report

Limited Partner

Briefly describe your duties, activities, and responsibilities.

Vote on partnership matters; Participate as member of Policy Advisory Committee

What is your salary? $ 0 What is the cost of your benefits? $ 0

Part 6. Processing Information

Check One:

☐ The person named in **Part 1** is now in the United States, and an application to adjust status to permanent resident will be filed if this petition is approved.

☑ If the petition is approved and the person named in **Part 1** wishes to apply for an immigrant visa abroad, complete the following for that person:

Country of nationality: China

Country of current residence or, if now in the United States, last permanent residence abroad: China

If you provided a United States address in **Part 1**, print the person's foreign address:

If the person's native alphabet is other than Roman letters, write the foreign address in the native alphabet:

Are you in deportation or removal proceedings? ☐ Yes (Explain on separate paper) ☐ No

Have you ever worked in the United States without permission? ☐ Yes (Explain on separate paper) ☐ No

Part 7. Signature *Read the information on penalties in the instructions before completing this section.*

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that the U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature Date

NOTE: *If you do not completely fill out this form or fail to the submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.*

Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

Signature Print Your Name Lincoln Stone Date

Firm Name STONE & GRZEGOREK LLP Daytime phone # with area code (213) 627-8997

Address 800 Wilshire Boulevard, Suite 900, Los Angeles, CA 90017

2010090067 2900745 011373 25 0256544 110310 21:03 110310 I526-66016

MEMORANDUM RE I-526 PETITION
PETITIONER: JOHN DOE

I. INTRODUCTION

In xx 2010, petitioner John Doe ("Mr. Doe") completed his investment of $500,000 in the Park Place EB5 Limited Partnership ("Place Place LP" or the "Partnership"), a California limited partnership. On the basis of the investment, Mr. Doe is petitioning for U.S. permanent residence.

Park Place LP was formed in the State of California on April 16, 2010 for the purpose of pooling immigrant investor capital and using that capital to fund rehabilitation of a vacant former hotel property located on 908-940 East Colorado Boulevard, Pasadena, California, re-developing it into a commercial complex consisting of a new hotel and retail/office space ("the Property").

The Property is located within the geographic area approved by U.S. Citizenship and Immigration Services for Invest L.A. Regional Center, LLC ("Invest L.A.") to operate as a regional center under the Immigrant Investor Pilot Program. Invest L.A. manages Park Place LP as General Partner of this regional center-affiliated Partnership.

Exhibit 1 - [John Doe's passport identification page]

Exhibit 2 - Aerial photograph and architectural rendering of the Property

Exhibit 3 - Map of Los Angeles County

Exhibit 4 - Letter designating regional center; Articles of Organization of Invest L.A. Regional Center, LLC

II. INVESTMENT OF CAPITAL

A. Amount of Capital Invested

Mr. Doe completed his investment when he deposited $540,000 into the escrow account of Park Place LP on xx, 2010.

Of the (b) (4) transferred by Mr. Doe, (b) (4) is credited toward Park Place LP's syndication fee. The balance of $500,000 is the capital contribution in Park Place LP. Based on the investment, Mr. Doe owns xx% of Park Place LP.

Park Place LP holds the invested funds in an escrow account with "ABC Bank" pending adjudication of the I-526 petition. Immediately upon approval of the I-526 petition, the capital contribution is released to Park Place LP for investment in accordance with the Escrow Agreement. The following demonstrates the investment of equity capital by Mr. Doe:

Exhibit 5 - Subscription Agreement

Exhibit 6 - Escrow Agreement

Exhibit 7 - [Documents relating to Mr. Doe's transfer of funds constituting investment of $500,000]

B. Source of Capital Invested

Mr. Doe derived his investment funds from lawful sources.

Exhibit 8 - [Documents relating to Mr. Doe's source of investment funds]

C. Targeted Employment Area

Mr. Doe invested equity capital in a commercial enterprise principally doing business in a targeted employment area. The applicable regulation provides that a state government may designate a particular geographic or political subdivision as an area of high unemployment, that is, an area having unemployment rates at least 150 percent of the national average. The Secretary of the Business, Transportation and Housing Agency of the State of California ("BTH"), designee of the Governor, confirmed in a letter that the location of the Property is in an area of high unemployment.

Exhibit 9 - Letter of BTH, dated May 18, 2010, identifying the location as a high unemployment area; Governor letter designating BTH

D. Capital at Risk

In August 2010, Mr. Doe invested equity capital in Park Place LP. As stated at length in the Comprehensive Business Plan, the new infusion of capital from Mr. Doe and other EB5 investors into Park Place LP will enable the Partnership to purchase up to (b) (4) of Park Place Commercial LP, which is the owner/developer of the land and building at the corner of Colorado Boulevard and Lake Avenue in Pasadena, California. Park Place LP and Park Place Commercial LP have executed a Letter of Intent providing for EB5 investment of up to (b) (4). Mr. Doe's capital will be used for rehabilitating the Property into an upscale boutique hotel and new mixed-use commercial space.

The Property was formerly the site of a historic hotel known as Constance Hotel, originally built in 1926. During the 1970s the hotel was converted into senior housing. More recently, the location reached its lowest point and has been vacant. The owner/developer has been coordinating closely with the City of Pasadena for redevelopment of the location.

The owner/developer will undertake the rehabilitation in two phases, due in part to the fact that there are different owners of the adjoining parcels and the parcels are in different stages of the entitlements process. As indicated in the attached entitlement resolutions adopted by the City of Pasadena, the owner/developer has completed necessary preliminary steps in the entitlement and civil engineering process, including environmental site assessments.

Phase I will include the renovation of the existing building, creating approximately 22,600 square feet of historic retail and rooftop restaurant/bar space, and a parking garage with 125 spaces. The renovation is expected to cost (b) (4). The new hotel will be operated by Joie de Vivre Hospitality, Inc., California's largest boutique hotel management company. Phase II will include 25 more rooms in the hotel, 10,000 square feet of retail space, 13,000 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

Following the completion of the construction of the Property, the hotel will be open to the public and the Property's mixed-use space will be leased for a wide variety of commercial purposes. Mr. Doe's capital will be used in the Phase I development. As an equity investor, Mr. Doe is entitled to a share of profits generated by the business of Park Place LP. Should the business not perform well, however, Mr. Doe risks losing his entire investment of capital.

The following exhibits demonstrate the business activities of Park Place LP:

Exhibit 10 - Certificate of Limited Partnership of Park Place LP

Exhibit 11 - Partnership Agreement of Park Place LP

Exhibit 12 - Comprehensive Business Plan (Phase I)

- Letter of Intent with Park Place Commercial, LP
- Articles of Organization of Park Place Commercial, LP
- Buyer's Settlement Statement; Grant Deed
- Preliminary Construction Budget
- Notice of Determination; Entitlement Resolutions from City of Pasadena
- Environmental Site Assessment
- Hotel Management Agreement (under final negotiation)

III. EMPLOYMENT IMPACTS

As stated in the Comprehensive Business Plan, Park Place LP will help to fund renovation of the former site of the antiquated Constance Hotel and the adjacent commercial space into a new mixed-used commercial complex. Construction should commence no later than first quarter 2011 and the hotel should be open before the end of 2011. (See Comprehensive Business Plan, p. 22 [Exhibit 12]) Following completion of the building shell, additional construction work relating to tenant improvements will occur.

Mr. Doe's investment in Park Place LP will revitalize the area economy and positively impact employment levels. According to Dr. Michael K. Evans, Ph.D. in Economics, the property redevelopment and improvements at the site will have cumulative employment impacts of at least (b) (4) for Phase I. The report prepared by Dr. Evans is based on an IMPLAN analysis. Note that as construction is scheduled to be completed within two years, Dr. Evans does not claim EB5 credit for direct construction jobs.

Park Place LP may include up to 50 investor-owners who intend to apply for U.S. permanent residence based on their investment in Park Place LP. Job creation for (b) (4) would support the I-526 petitions of all the investors in Park Place LP.

The analysis is presented in the following report:

Exhibit 13 - IMPLAN report prepared by Dr. Michael K. Evans (November 2010)

IV. MANAGEMENT OF ENTERPRISE

Mr. Doe is a limited partner of Park Place LP. The governing regulations provide that a limited partner may be sufficiently engaged in management of the commercial enterprise to satisfy the participation requirement of the law. According to the Partnership Agreement, Article IX, Mr. Doe has the right to vote on matters impacting Park Place LP, and may advise the General Partner on issues relating to material partnership business.

V. CONCLUSION

Mr. Doe invested $500,000 in Park Place LP, which is helping to rejuvenate and create employment opportunities in the County of Los Angeles. The I-526 petition filed by Mr. Doe should be approved.

RE I-526 PETITION
PETITIONER: JOHN DOE

LIST OF EXHIBITS

Exhibit 1 - [John Doe's passport identification page]

Exhibit 2 - Aerial photograph and architectural rendering of the Property

Exhibit 3 - Map of Los Angeles County

Exhibit 4 - Letter designating regional center; Articles of Organization of Invest L.A. Regional Center, LLC

Exhibit 5 - Subscription Agreement (draft)

Exhibit 6 - Escrow Agreement (draft)

Exhibit 7 - [Documents relating to Mr. Doe's investment of $540,000]

Exhibit 8 - [Documents relating to Mr. Doe's source of investment funds]

Exhibit 9 - Letter of BTH, dated May 18, 2009, identifying the location as a high unemployment area; Governor letter designating BTH

Exhibit 10 - Certificate of Limited Partnership of Park Place LP

Exhibit 11 - Partnership Agreement of Park Place LP (draft)

Exhibit 12 - Comprehensive Business Plan

- Letter of Intent with Park Place Commercial, LP
- Articles of Organization of Park Place Commercial, LP
- Buyer's Settlement Statement; Grant Deed
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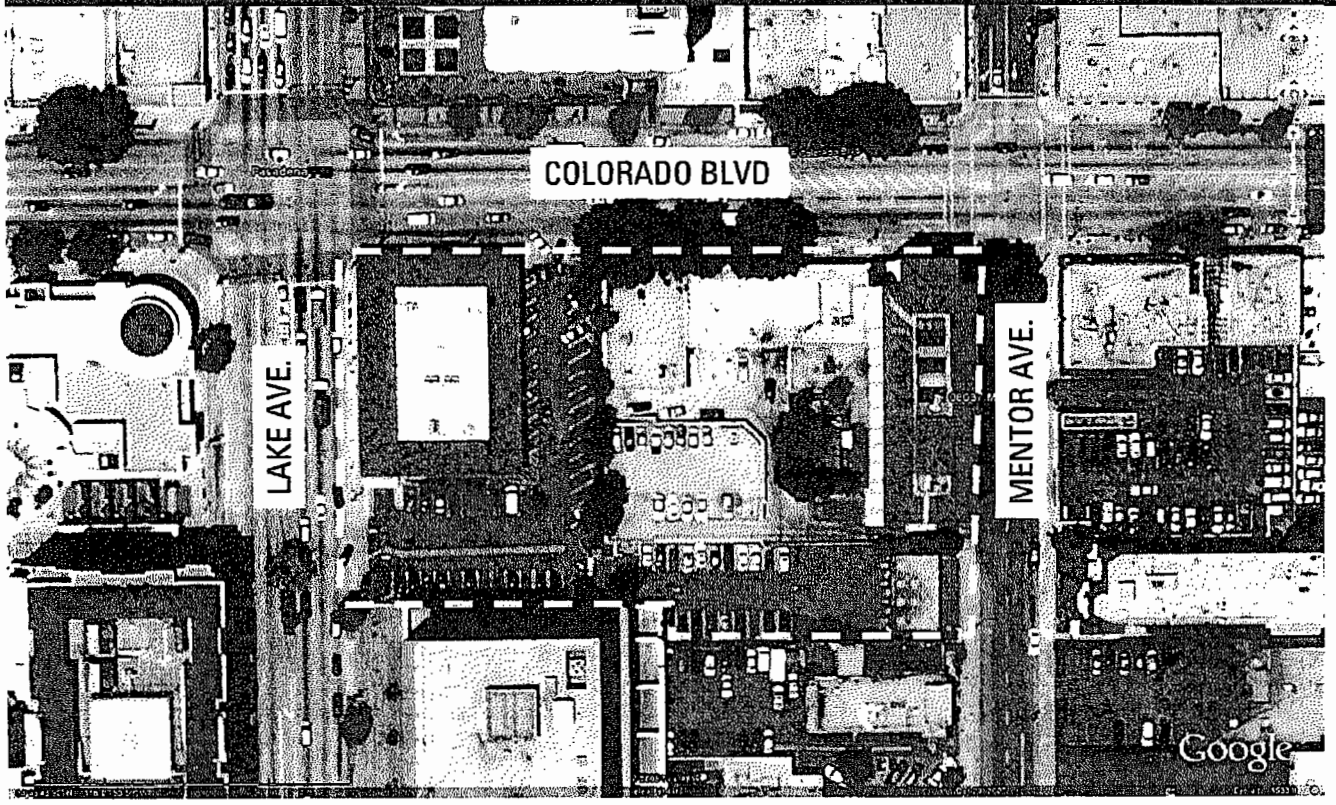
- Notice of Determination; Entitlement Resolutions from City of Pasadena
- Environmental Site Assessment
- Hotel Management Agreement (under final negotiation)

Exhibit 13 - IMPLAN report prepared by Dr. Michael K. Evans (November 2010)

JOHN DOE'S PASSPORT
IDENTIFICATION PAGE

EXISTING SITE

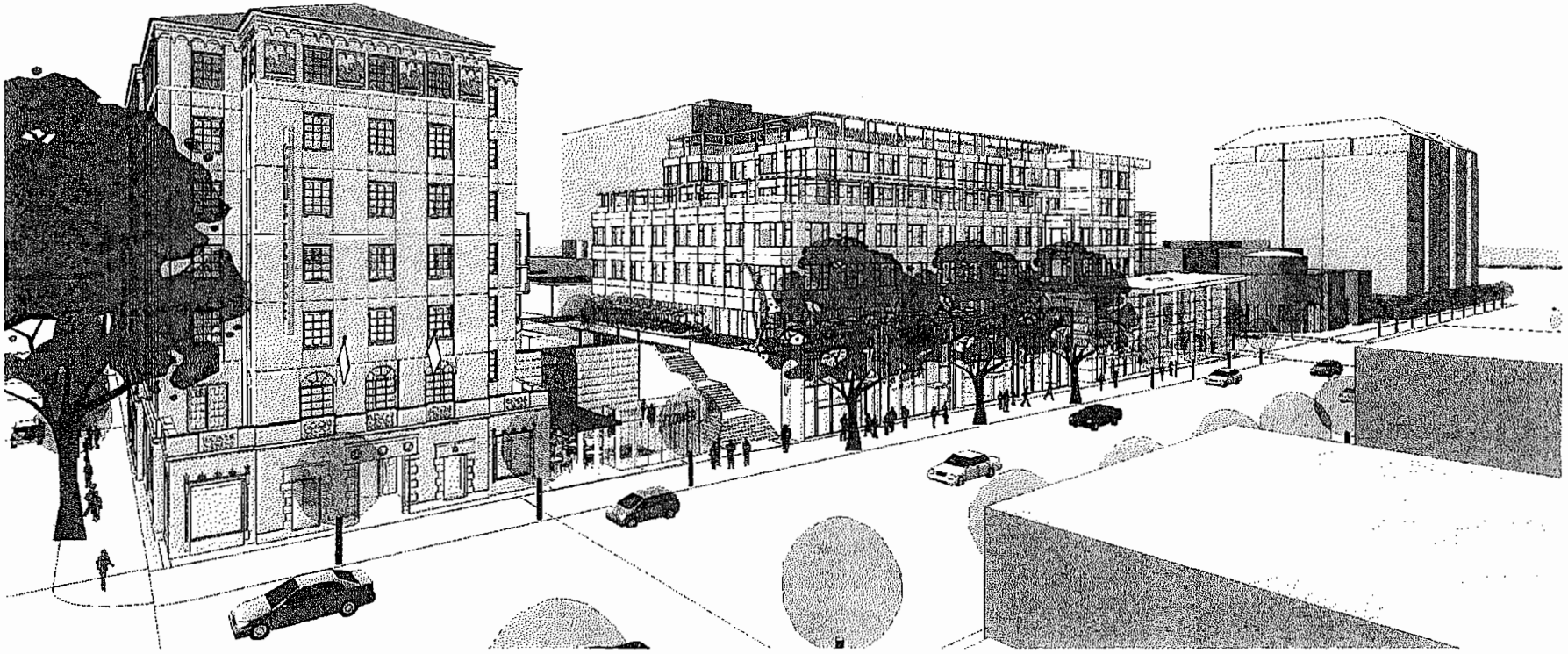


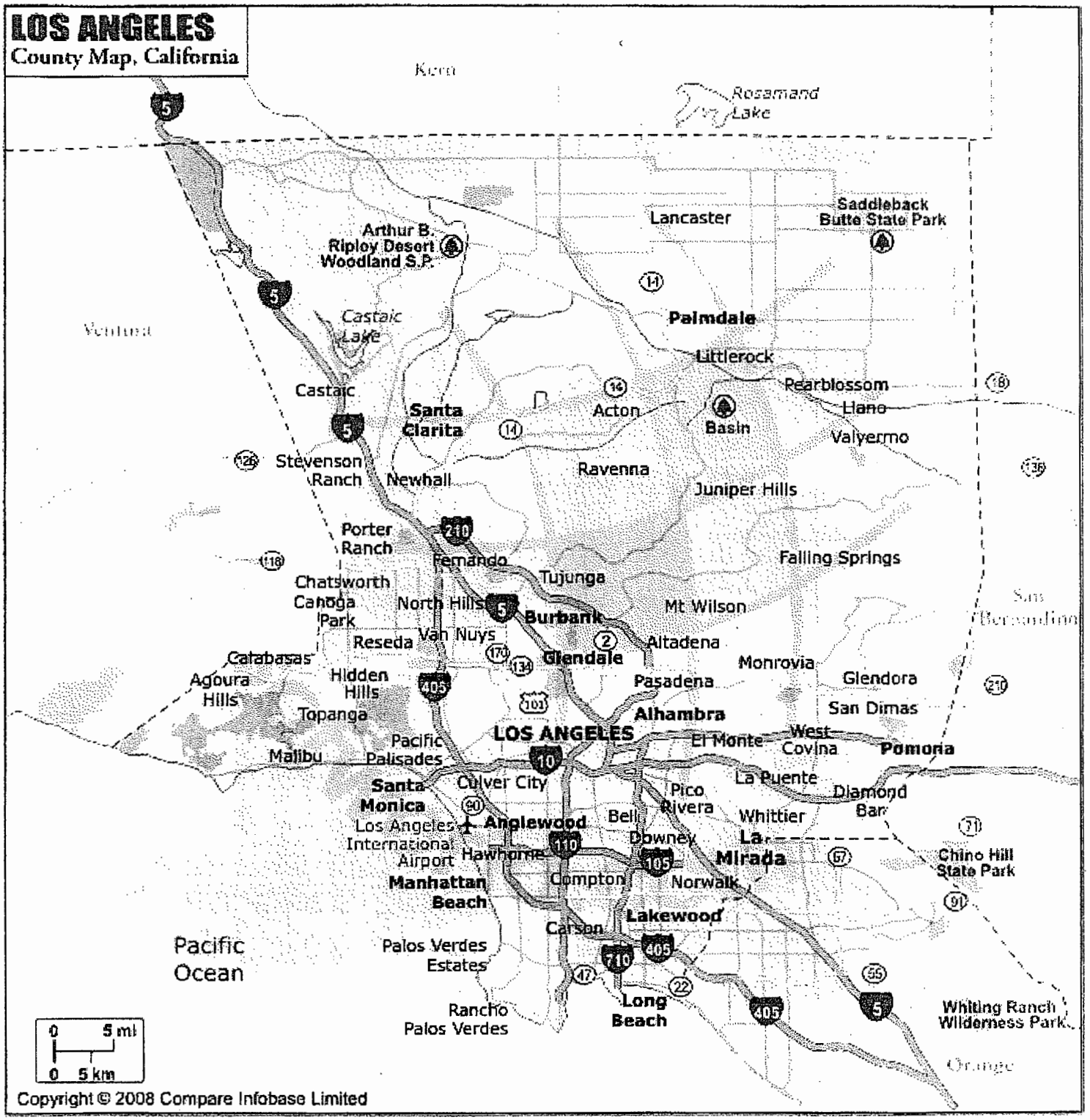
KEY FACTORS

- Vehicular Ingress and Egress at three locations
- Broken street edge on Colorado
- Currently under-parked for existing uses
- Historic Landmark Hotel

NORTHEAST CORNER VIEW

COLORADO at LAKE




LOS ANGELES
County Map, California
Kern
Rosamond Lake
Lancaster
Saddleback Butte State Park
Arthur B. Ripley Desert Woodland S.P.
Palmdale
Castaic Lake
Ventura
Littlerock
Pearblossom
Castaic
Santa Clarita
Acton
Basin
Llano
Valyermo
Stevenson Ranch
Newhall
Ravenna
Juniper Hills
Porter Ranch
Fernando
Tujunga
Falling Springs
Chatsworth
Canoga Park
North Hills
Burbank
Mt Wilson
Reseda
Van Nuys
Altadena
Calabasas
Glendale
Monrovia
Agoura Hills
Hidden Hills
Pasadena
Glendora
Topanga
Alhambra
San Dimas
Pacific Palisades
LOS ANGELES
El Monte
West Covina
Pomona
Malibu
Culver City
La Puente
Santa Monica
Pico Rivera
Diamond Bar
Los Angeles International Airport
Anglewood
Bell
Whittier
Downey
La Mirada
Chino Hill State Park
Hawthorne
Compton
Norwalk
Manhattan Beach
Lakewood
Carson
Pacific Ocean
Palos Verdes Estates
Long Beach
Rancho Palos Verdes
Whiting Ranch Wilderness Park
Orange
0 5 mi
0 5 km
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U.S. Department of Homeland Security
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

U.S. Citizenship and Immigration Services

December 2, 2010

Kin Hui
Invest LA Regional Center, LLC
25 East Foothill Boulevard
Arcadia, CA 91006

Application:	Request for Designation as a Regional Center
Applicant(s):	Kin Hui
Re:	Invest LA Regional Center, LLC W09001740

Pursuant to Section 610 of the Appropriations Act of 1993, on April 15, 2010, Kin Hui submitted a proposal seeking approval and designation by U.S. Citizenship and Immigration Services (USCIS) of the Invest LA Regional Center, LLC.

Based on its review and analysis of your proposal, and of your response to the USCIS Request For Evidence, USCIS hereby designates the Invest LA Regional Center, LLC as a Regional Center within the Immigrant Investor Pilot Program and approves the request as described below:

GEOGRAPHIC AREA:

The Invest LA Regional Center, LLC shall have a geographic scope which includes the counties of Los Angeles and Orange in the State of California.

FOCUS OF INVESTMENT ACTIVITY:

As depicted in the economic model, the general proposal and the economic analysis, the Regional Center will engage in the following economic activities: Loans and equity investments to 3rd party enterprises, Real Estate Construction for business and residential, hotels and restaurants. The Regional Center for EB-5 Immigrant purposes shall focus investments into new commercial enterprises and expansion of existing enterprises in the following target industry economic cluster:

1. NAICS 2362 and 5311 – Commercial Real Estate Development

If any investment opportunities arise that are beyond the scope of the approved industry clusters, then an amendment would be required to add that cluster.

The geographic focus of this area may contain some High Unemployment Targeted Employment Areas (TEAs) as designated by the State of California and rural TEAs as defined in 8 CFR 204.6(e). Therefore, the minimum capital investment threshold for any individual immigrant investment into an approved commercial enterprise throughout the Regional Center shall be not less than $500,000, if the investment target is located within a TEA or $1,000,000 if it is located outside of a TEA. No debt arrangement will be acceptable unless it is secured by assets owned by the alien entrepreneur. A full capital investment must be made and placed at risk.

Aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these commercial enterprises located within the approved Regional Center area.

For any alien requesting the reduced threshold of $500,000 based upon an investment in a Targeted Employment area, the alien must establish at the time of filing of the I-526 petition that either the investment will be made in a TEA designated area or was in a TEA designated area at the time of the alien's initial investment into the enterprise.

EMPLOYMENT CREATION

Immigrant investors who file petitions for commercial enterprises located in the Regional Center area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprises created ten new jobs indirectly as a result of the immigrant investor's investment. This determination has been established by way of USCIS' acceptance of the final economic analysis that is contained as part of the approved Regional Center proposal and its indirect job creation model and multipliers contained within the final approved Regional Center application package. Rather, the investor must show at the time of removal of conditions that they performed the activities described in the model and on which the approved methodology is based. In the case the IMPLAN methodology was used.

Multiplier based on underlying new "direct jobs"

In addition, where job creation or preservation of existing jobs is claimed based on a multiplier rooted in underlying new "direct jobs", the immigrant investor's individual I-526 petition affiliated with your Regional Center, should include as supporting evidence:

- A comprehensive detailed business plan with supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

An alien investor's I-829 petition to remove the conditions which was based on an I-526 petition approval that involved the creation of new direct jobs or the creation of new indirect jobs based on a multiplier tied to underlying new direct jobs needs to be properly supported by evidence of job creation. To support the full number of direct and indirect new jobs being claimed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Preservation or creation of direct jobs

Where preservation or creation of "direct jobs" is claimed in support of an immigrant investor's I-526 petition affiliated with the Regional Center, then:

- To be credited with projected creation of new "direct" jobs for "qualifying employees" upon filing the I-526 petition, then the petition must be supported by a comprehensive detailed business plan and supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

- For the purposes of an alien investor's filing of a subsequent I-829 petition to remove the conditions wherein the investment through the Regional Center involved the creation of new direct jobs or the creation of new indirect jobs based upon a multiplier tied to underlying new direct jobs, then to support the full number of direct and indirect new jobs being claimed, an alien's subsequent I-829 petition filed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Additional Guidelines for individual Immigrant Investors Visa Petition (I-526)

Each individual petition, in order to demonstrate that it is associated with the Regional Center, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain as supporting evidence relating to this Regional Center designation, the following:

1. A copy of this letter, the Regional Center approval and designation.

2. A copy of the USCIS approved Regional Center narrative proposal and business plan.

3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the final Regional Center economic analysis which has been approved by USCIS, which reflects that investment by an individual immigrant investor will create not fewer than ten (10) full-time employment positions, either directly or indirectly, per immigrant investor.

4. A legally executed copy of the USCIS approved:

a.	Operating Agreement	(Copy dated 4-18-10, submitted)
b.	Private Placement Memorandum	(Sample submitted 4-15-10)
c.	Subscription Agreement; and	(Sample submitted 11-3-10)
d.	Limited Partnership Agreement.	(Sample submitted 11-3-10)
e.	Escrow Agreement and Instructions	(Sample submitted 4-15-10)

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic

capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year[1], commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the Regional Center responsible for the normal operation, management and administration of the Regional Center.

2. Be prepared to explain how you are administering the Regional Center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.

3. Be prepared to explain the following:

    a. How the Regional Center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.

    b. How the Regional Center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the Regional Center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the Regional Center.

4. Be prepared to provide:

    a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:

        i. the petition was filed,

        ii. was approved,

        iii. denied, or

        iv. withdrawn by the petitioner, together with the date(s) of such event.

    b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.

    c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    e. For each alien investor listed in item 4.a., above, identify the following:

[1] A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

i. the date(s) of investment in the commercial enterprise;

ii. the amount(s) of investment in the commercial enterprise; and

iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or Regional Center from when the investment was initiated to the present.

5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your Regional Center that have:

   a. received alien investors' capital, and in what aggregate amounts;

   b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;

   c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:

      i. The name and address of each "direct" job creating commercial enterprise.

      ii. The industry category for each indirect job creating investment activity.

6. Be prepared to provide:

   a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your Regional Center.

   b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your Regional Center.

7. The total aggregate sum of EB-5 alien capital invested through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

8. The combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

9. If applicable, the total aggregate of "preserved" or saved jobs by EB-5 alien investors into troubled businesses through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

10. If for any given Federal Fiscal Year your Regional Center did or does not have investors to report, then provide:

    a. a detailed written explanation for the inactivity,

    b. a specific plan which specifies the budget, timelines, milestones and critical steps to:

       i. actively promote your Regional Center program,

       ii. identify and recruit legitimate and viable alien investors, and

iii. a strategy to invest into job creating enterprises and/or investment activities within the Regional Center.

11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your Regional Center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your Regional Center's hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.

12. Finally, please be aware that it is incumbent on each USCIS approved and designated Regional Center, in order to remain in good standing, to notify the USCIS within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:

- the name and contact information of the responsible official and/or Point of Contact (POC) for the RC
- the management and administration of the RC,
- the RC structure,
- the RC mailing address, web site address, email address, phone and fax number,
- the scope of the RC operations and focus,
- the RC business plan,
- any new, reduced or expanded delegation of authority , MOU, agreement, contract, etc. with another party to represent or act on behalf of the RC,
- the economic focus of the RC, or
- any material change relating to your Regional Center's basis for its most recent designation and/or reaffirmation by USCIS.

If you have any questions concerning the Regional Center approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,

Rosemary Langley Melville
Director
California Service Center

cc: Lincoln Stone, Esq.

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) is a full, true and correct copy of the original record in the custody of this office.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 08 2010

Debra Bowen

DEBRA BOWEN
Secretary of State

LLC-1 File # 201009810287

State of California
Secretary of State

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

ENDORSED - FILED
In the office of the Secretary of State
of the State of California
APR 08 2010

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

INVEST L.A. REGIONAL CENTER, LLC

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

PHILIP Y. KIM, ESQ.

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA	CITY	STATE	ZIP CODE
25 E. FOOTHILL BLVD.	ARCADIA	CA	91006

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- ☐ ONE MANAGER
- ☑ MORE THAN ONE MANAGER
- ☐ ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

8. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

4-7-10
DATE

SIGNATURE OF ORGANIZER

Philip Y. Kim
TYPE OR PRINT NAME OF ORGANIZER

OFFICE OF THE SECRETARY OF STATE

SUBSCRIPTION AGREEMENT

This Subscription Agreement is made by and between Park Place EB5, LP, a California Limited Partnership ("**Partnership**"), and the undersigned subscriber ("**Subscriber**" or "**Limited Partner**") who is subscribing for limited partnership interests in the Partnership ("**Partnership Interests**") pursuant to the terms of this Agreement.

RECITALS

(b) (4)

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(b) (4)

IN WITNESS WHEREOF, Subscriber has executed this Agreement on the date set forth on the signature page, and desires to take title in Partnership Interests of the Partnership organized by ILARC as General Partner:

_____
Name of Individual Subscriber

_____ Date: _____
Signature

Subscription Accepted this _____ day of _____, 20____

By: Park Place EB5, LP, a California Limited Partnership

By: _____
Kin Hui
Managing Member of Invest L.A. Regional Center, LLC, a California Limited Liability Company, General Partner of Park Place EB5, LP, a California Limited Partnership

ESCROW AGREEMENT

This Escrow Agreement is made as of the effective date (the "Effective Date") set forth on Schedule 1 attached hereto ("Schedule 1") by and among the purchaser identified on Schedule 1 (the "Purchaser"), Park Place EB5, LP, a California limited partnership (the "Seller") and _____, as escrow agent hereunder (the "Escrow Agent").

WITNESSETH

WHEREAS, Purchaser has offered to acquire __ unit(s) of limited partnership interest ("UNIT" or "UNITS") in Park Place EB5, LP, a California limited partnership (the "Partnership") pursuant to the terms of that certain Subscription Agreement entered into by Purchaser (the "Subscription Agreement"), the terms of which provide, among other things, that Purchaser (referred to as Subscriber in the Subscription Agreement) shall pay to the Partnership the subscription price of (b) (4) per Unit (the "Subscription Price"). Subscription Price consists of the capital contribution per Unit to the Partnership (US$500,000.00) and the syndication fee (b) (4)) per Unit pursuant to the Subscription Agreement. The Subscription Agreement further provides that the Subscription Price be deposited into an escrow account established by the Partnership (the "Escrow Account") at the bank listed in Schedule 1 attached hereto (the "Bank");

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Appointment**. Purchaser and Seller hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and Escrow Agent hereby accepts such appointment under the terms and conditions set forth herein.

2. **Deposit of Subscription Price.** Concurrently with the delivery of the Subscription Agreement (and the other documents attached thereto, including, without limitation, this Agreement) to the Partnership, duly executed by Purchaser, Purchaser shall either (i) deposit the Subscription Price, by way of wire transfer of immediately available funds, into the Escrow Account, or (ii) pay the Subscription Price to the Partnership by way of check, in which case the Partnership shall promptly deposit the Subscription Price into the Escrow Account. Upon confirmation by the Bank that the funds constituting the Subscription Price have cleared, Seller shall send written notice to Purchaser acknowledging receipt of the Subscription Price. The Subscription Price, plus all interest, dividends and other distributions and payments thereon received by the Bank, less any funds distributed or paid in accordance with this Agreement, are collectively referred to herein as the "Escrow Fund." Seller shall cause Escrow Agent to hold the Escrow Fund in a trust fund or other form of segregated account and shall invest, administer and distribute the Escrow Fund and all interest and earnings thereon in accordance with the terms of this Agreement.

3. **Investment of Escrow Fund.** During the term of this Escrow Agreement, the Escrow Fund shall be invested and reinvested by Escrow Agent in the investment indicated on Schedule

1 or such other investments as shall be directed in writing by Seller and Purchaser and as shall be acceptable to Escrow Agent. Subject to principles of test execution, Escrow Agent seeks to attain the best overall result for the Escrow Fund, taking into consideration quality of service and reliability. Periodic statements will be provided to Purchaser and Seller reflecting transactions executed on behalf of the Escrow Fund. Purchaser and Seller, upon written request, will receive a statement of transaction details upon completion of any securities transaction in the Escrow Fund without any additional cost.

Escrow Agent shall have no liability for any loss sustained as a result of any investment in an investment indicated on Schedule 1 or any investment made pursuant to the instructions of Purchaser and Seller or as a result of any liquidation of any investment prior to its maturity or for the failure of the parties to give Escrow Agent instructions to invest or reinvest the Escrow Fund.

4. **Dispositions and Termination**. Escrow Agent shall deliver the Escrow Fund upon, and pursuant to, either the joint written instructions of Purchaser and Seller or the written instructions singly from Seller under circumstances described in subparagraphs (i) and (ii) of this section. Upon distribution of all of the Escrow Fund by Escrow Agent in accordance with the procedures set forth in this Agreement, this Agreement shall terminate, subject to the provisions of Section 8.

The parties acknowledge and agree that Purchaser will be filing an I-526 Petition with the United States Citizenship and Immigration Services ("USCIS") in connection with Purchaser's proposed investment in the Partnership. Seller agrees to cause Escrow Agent to release the Escrow Fund as follows:

(i) Upon the written notification that Purchaser's I-526 Petition has been approved and provided that the Partnership has accepted Purchaser's subscription to purchase the Unit(s), Seller shall instruct the Escrow Agent and the Escrow Agent shall comply without further instruction from Purchaser, to promptly distribute the Escrow Fund to the following two separate accounts: (1) distribute the full capital contribution amount of US$500,000.00 per Unit to the Partnership and any remaining balance of the Escrow Fund including without limitation any interest and investment return accrued thereon by wire transfer to an account designated by Seller without further instruction from the Purchaser, and (2) distribute the syndication fee of (b) (4) per Unit to Invest L.A. Regional Center, LLC, a California limited liability company, the general partner of the Partnership, by wire transfer of immediately available funds to an account designated by Seller without further instruction from the Purchaser; or

(ii) Upon the written notification that Purchaser's I-526 Petition has been rejected or upon the Partnership's election not to accept Purchaser's subscription, Seller shall instruct Escrow Agent and the Escrow Agent shall comply to promptly distribute to Purchaser (b) (4) per Unit of the Subscription Price, interest and investment return accrued thereon if any, less any escrow charges, by wire transfer of immediately available funds to an account designated by Purchaser.

For purposes of avoiding doubt, upon the occurrence of events described in sub-paragraph (i) of this section, all interest accrued and investment return earned on the Escrow Fund shall be paid to the Seller without further instruction from Purchaser.

5. **Escrow Agent**. Escrow Agent undertakes to perform only such duties as are expressly set forth herein and no duties shall be implied. Escrow Agent shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. Escrow Agent shall have no duty to solicit any payments, which may be due it or the Escrow Fund. Escrow Agent shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to Purchaser or Seller. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through agents or attorneys (and shall be liable only for the careful selection of any such agent or attorney) and may consult with counsel, accountants and other skilled persons to be selected and retained by it. Escrow Agent shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons. In the event that Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other parties hereto or by a final order or judgment of a court of competent jurisdiction.

6. **Succession.** Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving 10 days advance notice in writing of such resignation to the other parties hereto specifying a date when such resignation shall take effect. Any corporation or association into which Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all the escrow business of Escrow Agent's corporate trust line of business may be transferred, shall be Escrow Agent under this Agreement without further act.

7. **Fees.** Purchaser and Seller agree jointly and severally to pay Escrow Agent upon execution of this Agreement (if applicable) and from time to time thereafter reasonable compensation for the services to be rendered hereunder, which unless otherwise agreed in writing shall be as described in Schedule 1 attached hereto.

8. **Indemnity**. Purchaser and the Seller shall jointly and severally indemnify, defend and save harmless Escrow Agent and its directors, officers, agents and employees (the "Indemnitees") from all loss, liability or expense (including the fees and expenses of in house or outside counsel) arising out of or in connection with (i) Escrow Agent's execution and performance of this Agreement, except in the case of any indemnities to the extent that such loss, liability or expense is due to the gross negligence or willful misconduct of any of such

Indemnitees, or (ii) its following any instructions or other directions from Purchaser or Seller, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof.

9. TINs. Purchaser (if applicable) and Seller each represent that its correct Taxpayer Identification Number ("TIN") assigned by the Internal Revenue Service ("IRS") or any other taxing authority is set forth in Schedule 1. Upon execution of this Agreement, Purchaser and Seller shall provide the Escrow Agent with a fully executed W-8 or W-9 IRS form, which shall include Purchaser's (if applicable) and Seller's TIN. In addition, all interest or other income earned under this Agreement shall be allocated and/or paid as directed in a joint written direction of Purchaser and Seller and reported by the recipient to the Internal Revenue Service or any other taxing authority. Notwithstanding such written directions, Escrow Agent shall report and, as required withhold any taxes as it determines may be required by any law or regulation in effect at the time of the distribution.

In the absence of timely direction, all proceeds of the Escrow Fund shall be retained in the Escrow Fund and reinvested from time to time by the Escrow Agent as provided in Section 3. In the event that any earnings remain undistributed at the end of any calendar year, Escrow Agent shall report to the Internal Revenue Service or such other authority such earnings as it deems appropriate or as required by any applicable law or regulation or, to the extent consistent therewith, as directed in writing by Purchaser and Seller. In addition, Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities.

10. Notices. All communications hereunder shall be in writing and shall be deemed to be duly given and received:

(i) upon delivery if delivered personally or upon confirmed transmittal if by facsimile;
(ii) on the next Business Day (as hereinafter defined) if sent by overnight courier; or
(iii) four (4) Business Days after mailing if mailed by prepaid registered mail, return receipt requested, to the appropriate notice address set forth on Schedule 1 or at such other address as any party hereto may have furnished to the other parties in writing by registered mail, return receipt requested.

Notwithstanding the above, in the case of communications delivered to Escrow Agent pursuant to (ii) and (iii) of this Section 10, such communications shall be deemed to have been given on the date received by Escrow Agent. In the event that Escrow Agent, in its sole discretion, shall determine that an emergency exists, Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate.

"Business Day" shall mean any day other than a Saturday, Sunday or any other day on which Escrow Agent located at the notice address set forth on Schedule 1 is authorized or required by law or executive order to remain closed.

11. Security Procedures. In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement), whether in writing, by telecopy or otherwise,

Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the person or persons designated on Schedule 2 hereto ("Schedule 2"), and Escrow Agent may rely upon the confirmation of anyone purporting to be the person or persons so designated. The persons and telephone numbers for callbacks may be changed only in a writing actually received and acknowledged by Escrow Agent. Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by Purchaser or Seller to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The parties to this Agreement acknowledge that these security procedures are commercially reasonable.

12. Miscellaneous. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any party, except as provided in Section 6, without the prior consent of the other parties. This Agreement shall be governed by and construed under the laws of the State of California. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-convenes or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of California. The parties further hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising out of or relating to this Agreement.

No party to this Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, floods, strikes, equipment or transmission failure, or other causes reasonably beyond its control. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth in Schedule 1.

_____ **as Escrow Agent**

By: _____

PURCHASER

By: _____

SELLER
Park Place EB5, LP, a California limited partnership

By: _____
Kin Hui
Managing Member of Invest L.A. Regional Center, LLC, a California Limited Liability Company, General Partner of Park Place EB5, LP, a California Limited Partnership

SCHEDULE 1

Effective Date:

Name of Purchaser:

Purchaser Notice Address:

Purchaser TIN:

Name of Seller: Park Place EB5, LP, a California limited partnership

Seller Notice Address: 25 E. Foothill Blvd., Third Floor, Arcadia, CA 91006 USA
Tel: (626) 566-1881 Fax: (626) 566-1887

Seller TIN: (b) (3) (A)

Escrow Deposit: $

Escrow Account:

Name of Bank:
Address:

Account No.:

Investment: [specify]
[ ]

[ ] Such other investments as Purchaser, Seller, and Escrow Agent may from time to time mutually agree upon in a writing executed and delivered by the Purchaser and the Seller and accepted by the Escrow Agent.

Escrow Agent notice address:

Escrow Agent's compensation:

Escrow Agreement

SCHEDULE 2

Telephone Number(s) for Call-Backs and Person(s) Designated to Confirm Funds Transfer Instructions:

If to Purchaser:

Name / Telephone Number

1. _____/_____
2. _____/_____
3. _____/_____

If to Seller:

Name / Telephone Number

1. _____/_____
2. _____/_____
3. _____/_____

Telephone callbacks shall be made to each Purchaser and Seller if joint instructions are required pursuant to this Escrow Agreement.

DOCUMENTS RELATING TO MR. DOE'S INVESTMENT OF [redacted] (b) (4)

DOCUMENTS RELATING TO MR. DOE'S SOURCE OF INVESTMENT FUNDS

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER
Governor

Department of Alcoholic Beverage Control
Department of Corporations
Department of Financial Institutions
California Highway Patrol
California Housing Finance Agency
Department of Housing & Community Development
Department of Managed Health Care
Department of Motor Vehicles
Board of Pilot Commissioners

DALE E. BONNER
Secretary

Department of Real Estate
Department of Transportation
Office of the Patient Advocate
Office of Real Estate Appraisers
Office of Traffic Safety
California Film Commission
California Office of Tourism
Infrastructure and Economic Development Bank
Public Infrastructure Advisory Commission

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

May 18, 2010

Department of Homeland Security
U.S. Citizenship and Immigration Services (USCIS)
California Service Center
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

To Whom It May Concern:

Section 204.6(i) of Title 8, Code of Federal Regulations (CFR) governing alien entrepreneur immigrant visa petitions under the USCIS administered EB-5 visa program authorizes the state government of any state of the United States to designate a particular geographic or political subdivision located within a metropolitan statistical area or within a city or town having a population of 20,000 or more within such state as a high unemployment area if the area experienced an unemployment rate of at least 150 percent of the national average. The designation of high unemployment areas in the State of California has been delegated to the Secretary of the Business, Transportation and Housing Agency. Accordingly, this agency is the authorized entity in California to designate a particular area within these statistical areas as a high unemployment area. *8 FCR §204.6(j)(6)(ii)*. It is also this agency that has the authority to certify that a metropolitan statistical area, a specific county, city, town, or census designated place (CDP) within a metropolitan statistical area, has experienced an average unemployment rate of 150 percent of the national average rate. Such certification is based on official estimated unemployment data provided by the Employment Development Department of this state.

The national average unemployment rate for calendar year 2009, as calculated by the U.S. Bureau of Labor Statistics, was 9.3% requiring an unemployment rate of 13.95% or greater for "high unemployment area" eligibility.

A request for designation of a special high unemployment area has been received to accommodate a mixed use commercial building project at the street addresses of 908 to 940 E. Colorado Blvd., Pasadena, California, falling into Census Tract No. 463500. The desired geographical area would include 26 contiguous census tracts as listed in Exhibit 1 attached to this designation letter. By this reference, Exhibit 1 is hereby incorporated into this designation letter and made part hereof.

The area identified in Exhibit 1 as a whole has an average unemployment rate of 14.32%. This unemployment rate was calculated based on the Census Share Methodology prescribed by the U.S. Department of Labor for all states in designating high unemployment areas under the Immigration Act of 1990. As shown in Exhibit 1, the Census Share Methodology indicated that the unemployment rate of the designated area consisting the cities and CDPs listed was over 150 percent of the national unemployment rate for calendar year 2009.

Therefore, in accordance with the cited federal regulations, the Business, Transportation and Housing Agency is hereby designating the geographic subdivision consisting of the area described by the census tracts listed in Exhibit 1 as a high unemployment area ("targeted employment area"), for the purposes of alien entrepreneur visa requests. *8 CFR sections 204.6(h)(i) and (j)(6)(ii).*

This designation is effective until April of 2011 when unemployment estimate data will be published for calendar year 2010. The Census Share Methodology will continue to be used in subsequent years and, given the uncertainties about the area's unemployment rate and the national unemployment rate there is no guarantee that this area will continue to remain a high unemployment area ("targeted employment area").

Sincerely,

GABOR MOROCZ
Deputy General Counsel

For DALE E. BONNER
Secretary of the Business, Transportation and Housing Agency

Enclosure: Exhibit 1, Census Tract List and Data

908 to 940 E. Clorado Blvd. Pasadena, CA
Mixed Used Commercial Building; 2010 High Unemployment Area Designation

County Name	County FIP Code	2000 Census Tract	2000 Total Population	2000 Labor Force Employment	2000 Labor Force Unemployment	2000 Unemployment Rate	2009 AA Labor Force	2009 AA Labor Force Employment	2009 AA Labor Force Unemployment	2009 AA Unemployment Rate	EMP Ratio	UnEmp Ratio	2009 Qualify
Los Angeles County	037	183101	3,998	1,686	120	6.6%	2,038	1,846	192	9.43%	0.0004265	0.0003387	NO
Los Angeles County	037	183102	6,132	2,551	234	8.4%	3,168	2,793	375	11.83%	0.0006453	0.0006604	NO
Los Angeles County	037	183220	4,363	1,418	164	10.4%	1,815	1,553	263	14.47%	0.0003587	0.0004628	YES
Los Angeles County	037	183520	4,138	1,300	183	12.3%	1,716	1,423	293	17.07%	0.0003288	0.0005164	YES
os Angeles County	037	183610	3,773	1,397	115	7.6%	1,714	1,530	184	10.75%	0.0003534	0.0003245	NO
Los Angeles County	037	183620	3,272	1,185	113	8.7%	1,478	1,297	181	12.24%	0.0002997	0.0003189	NO
Los Angeles County	037	183810	4,582	1,384	219	13.7%	1,866	1,515	351	18.79%	0.0003501	0.0006180	YES
Los Angeles County	037	183820	3,784	1,203	220	15.5%	1,669	1,317	352	21.10%	0.0003043	0.0006209	YES
Los Angeles County	037	199110	2,644	897	192	17.6%	1,290	982	307	23.84%	0.0002269	0.0005418	YES
Los Angeles County	037	199201	4,444	1,360	160	10.5%	1,745	1,489	256	14.68%	0.0003440	0.0004515	YES
Los Angeles County	037	199202	3,164	952	157	14.2%	1,294	1,042	251	19.43%	0.0002408	0.0004431	YES
Los Angeles County	037	199300	4,135	1,582	218	12.1%	2,081	1,732	349	16.77%	0.0004002	0.0006152	YES
Los Angeles County	037	201110	1,942	691	108	13.5%	930	757	173	18.61%	0.0001748	0.0003048	YES
Los Angeles County	037	201120	5,083	1,661	206	11.0%	2,149	1,819	330	15.35%	0.0004201	0.0005814	YES
Los Angeles County	037	201200	2,655	935	115	11.0%	1,208	1,024	184	15.25%	0.0002365	0.0003245	YES
Los Angeles County	037	201301	3,678	1,178	169	12.5%	1,560	1,290	271	17.34%	0.0002980	0.0004769	YES
Los Angeles County	037	201401	4,738	1,589	187	10.5%	2,039	1,740	299	14.69%	0.0004019	0.0005277	YES
Los Angeles County	037	201504	2,433	979	112	10.3%	1,251	1,072	179	14.33%	0.0002476	0.0003161	YES
Los Angeles County	037	460900	7,009	2,654	326	10.9%	3,428	2,906	522	15.23%	0.0006713	0.0009200	YES
Los Angeles County	037	461900	6,623	2,898	279	8.8%	3,620	3,173	447	12.34%	0.0007330	0.0007874	NO
Los Angeles County	037	462000	9,001	2,961	520	14.9%	4,075	3,242	833	20.44%	0.0007490	0.0014675	YES
Los Angeles County	037	462200	5,297	2,247	247	9.9%	2,856	2,460	396	13.85%	0.0005684	0.0006971	NO
Los Angeles County	037	462300	7,657	3,826	298	7.2%	4,666	4,189	477	10.23%	0.0009678	0.0008410	NO
Los Angeles County	037	463500	5,396	3,161	224	6.6%	3,820	3,461	359	9.39%	0.0007996	0.0006321	NO
Los Angeles County	037	463700	1,710	685	86	11.2%	888	750	138	15.51%	0.0001733	0.0002427	YES
Los Angeles County	037	463900	3,321	1,688	62	3.5%	1,947	1,848	99	5.10%	0.0004270	0.0001750	NO
Total Area							**56,312**	**48,250**	**8,062**	**14.32%**			**Yes**

GOVERNOR ARNOLD SCHWARZENEGGER

April 21, 2008

Ms. Barbara Q. Velarde
Chief
Office of Service Center Operations
U.S. Citizenship and Immigration Services
20 Massachusetts Avenue NW
Room 2123
Washington, DC 20529

RE: State Designation of Agency

Dear Ms. Velarde,

Under section 203(b)(5) of the Immigration and Nationality Act, 8 U.S.C. § 1153(b)(5), 10,000 immigrant visas per year are available to qualified individuals seeking permanent resident status on the basis of their engagement in a new commercial enterprise. I am writing to update your records as to the authorized California Agency to designate geographic areas as a high unemployment area ("targeted employment area") to comply with the components of the Immigration Investor Program.

As Governor of the State of California, I select the Secretary of Business, Transportation and Housing (BTH), or his or her designee, to be the authorized entity empowered to certify identified targeted employment area that meet the qualifications to be designated for the Immigration Investor Program. The Secretary of BTH will, upon request, certify by letter to the U.S. Citizenship and Immigration Services that the areas where the investments are being directed meets the definition of "high unemployment," that the data reflects the unemployment rate for the area to be in excess of 150 percent of the national average and the "targeted employment area" designation will remain in effect for the foreseeable future.

Sincerely,

Arnold Schwarzenegger

/la

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) is a full, true and correct copy of the original record in the custody of this office.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 16 2010

DEBRA BOWEN
Secretary of State

LP-1 File # 201009900015

State of California
Secretary of State

Certificate of Limited Partnership

ENDORSED - FILED
in the office of the Secretary of State
of the State of California
APR 08 2010

A $70.00 filing fee must accompany this form.
Important – Read instructions before completing this form.

This Space For Filing Use Only

Entity Name (End the name with the words "Limited Partnership" or the abbreviation "LP" or "L.P.")

1. NAME OF LIMITED PARTNERSHIP

PARK PLACE EB5, LP

Initial Designated Office Address (Do not abbreviate the name of the city.)

2. ADDRESS OF INITIAL DESIGNATED OFFICE IN CALIFORNIA	CITY	STATE	ZIP CODE
25 E. FOOTHILL BLVD.	ARCADIA	CA	91006

Initial Agent For Service of Process (If the initial agent is an individual, the agent must reside in California and both items 3 and 4 must be completed. If the initial agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and item 3 must be completed (leave item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

PHILIP Y. KIM, ESQ.

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CA	CITY	STATE	ZIP CODE
25 E. FOOTHILL BLVD.	ARCADIA	CA	91006

General Partners (Enter the names and addresses of all the general partners. Attach additional pages, if necessary.)

5a. NAME	ADDRESS	CITY	STATE	ZIP CODE
LA International R.C., LLC	25 E. Foothill Blvd.	Arcadia	CA	91006
5b. NAME	ADDRESS	CITY	STATE	ZIP CODE

Additional Information

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

Execution (This certificate must be signed by all of the general partners. If additional signature space is necessary, the signatures may be made on an attachment to this certificate.)

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

4-6-10
DATE

SIGNATURE OF GENERAL PARTNER
By: Philip Y. Kim as Managing Member of General Partner

LA International Regional Center, LLC
TYPE OR PRINT NAME OF GENERAL PARTNER

SIGNATURE OF GENERAL PARTNER

TYPE OR PRINT NAME OF GENERAL PARTNER

PARTNERSHIP AGREEMENT
OF
PARK PLACE EB5, LP
A CALIFORNIA LIMITED PARTNERSHIP

This Agreement is made by and among Invest L.A. Regional Center, LLC ("ILARC," the "General Partner") and each of the persons set forth in Schedule A attached hereto and designated as Limited Partners (the "Limited Partners"). The Limited Partners and the General Partner(s) are collectively referred to as the "Partners."

ARTICLE I
FORMATION OF LIMITED PARTNERSHIP

Section 1.01. Formation. The undersigned hereby form Park Place EB5, LP, a California limited partnership, under the revised Uniform Limited Partnership Act of the State of California, as amended from time to time (the "Act"), to make investments in underperforming commercial properties and businesses in Los Angeles County, State of California that need capital for operations, rehabilitation, and/or development.

Section 1.02. Name. The name of the Limited Partnership is "Park Place EB5, LP, a California limited partnership." The General Partner may from time to time change the name of the Limited Partnership to adopt such trade or fictitious names as it may determine to be appropriate.

Section 1.03. Principal Office of the Limited Partnership. The principal office of the Limited Partnership shall be at 25 E. Foothill Blvd., Third Floor, Arcadia, California 91006 USA. The Limited Partnership may maintain offices at such other location as may be determined appropriate by the General Partner.

Section 1.04. Name and Place of Residence of Each Partner. The name, address, Capital Contribution, and number of Units of each of the Partners are designated on the attached **Schedule A**. The name and address of the General Partner is Invest LA Regional Center, LLC, a California limited liability company located at 25 E. Foothill Blvd., Third Floor, Arcadia, California 91006 USA.

Section 1.05. Term. The term of the Limited Partnership shall commence upon filing of the Certificate of Limited Partnership in the office of the California Secretary of State and shall continue until the Limited Partnership is dissolved, wound up, and terminated in accordance with the provisions of this Agreement and the Act.

Section 1.06. Designated Agents for Service of Process. The Limited Partnership elects and appoints Philip Kim, 25 E. Foothill Blvd., Third Floor, Arcadia, California 91006 USA as the designated agent for service of process.

ARTICLE II
DEFINITIONS

The following terms used in the Agreement shall have the meaning specified below:

Section 2.01. "Act" means the Uniform Limited Partnership Act of the State of California, as amended from time to time.

Section 2.02. "Additional General Partner" means a person or entity that serves as a General Partner in addition to ILARC.

Section 2.03. "Affiliate" means any person who directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control of the General Partners or Limited Partners.

Section 2.04. "Agreement" means this Agreement, as it may be amended from time to time.

Section 2.05. "Assignee" means a person who has acquired all or any portion of a Limited Partner's Interest in the Limited Partnership and has not been admitted as a Limited Partner.

Section 2.06. "Available Cash Flow" means funds provided from operation of the Limited Partnership, without deductions for depreciation, but after deducting funds used to pay all expenses and debts of the Limited Partnership, including administrative operational expenses, debt payments, capital improvements, and less the amount set aside by the General Partner, in the exercise of its sole discretion, for reserves.

Section 2.07. "Capital Account" means that as defined in Section 4.04 herein.

Section 2.08. "Capital Contribution" means the total amount of money or property contributed to the Limited Partnership by each Partner.

Section 2.09. "Capital Event" means the refinance, sale, exchange or other disposition of the businesses of the Partnership or any portion thereof, including but not limited to the Initial LP Project. Capital Event includes an involuntary conversion or condemnation of Partnership's real property or any portion thereof.

Section 2.10. "Class A Units" means Limited Partner units as reflected on Schedule A herein.

Section 2.11. "Class B Units" means General Partner units as reflected on Schedule A herein.

Section 2.12. "Closing Date" means the date when the subscription of limited partners shall end. The actual closing date shall be at the sole discretion of the General Partner however it shall not be more than 365 days from the date the first Subscription Agreement is received by the Limited Partnership.

Section 2.13. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

Section 2.14. "Deficit Capital Account" means the situation whereby the Limited Partnership has distributed to a Partner distributions in excess of such Partners capital contributions plus allocable share of income less allocable share of loss and any other charges allowable under this Agreement, resulting in such Partner's capital account falling below zero.

Section 2.15. "General Partner" means Invest LA Regional Center, LLC and/or any other entity or person admitted as a General Partner pursuant to the Agreement and their successors.

Section 2.16. "Initial LP Project" means an investment to acquire up to 36.98% limited partnership interest in a commercial property for redevelopment located at 908 to 940 E. Colorado Blvd., Pasadena, California 91106.

Section 2.17. "Interest" or "Limited Partnership Interest" or "Partnership Interest" means the ownership interest of a Partner in the Limited Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in the Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of the Agreement and the Act. The Limited Partnership Interests held by each Partner is set forth on the attached Schedule A.

Section 2.18. "Limited Partner" means each Limited Partner listed on Schedule A and any person admitted to the Limited Partnership as a Limited Partner.

Section 2.19. "Limited Partnership" or "Partnership" means the Park Place EB5, LP, a California limited partnership.

Section 2.20. "Management Fee" means an annual fee to ILARC calculated as 2% of all Capital Contributions of the Limited Partners which is more fully described in Section 7.02 hereof.

Section 2.21. "Net Proceeds from a Capital Event" means the net proceeds derived by the Limited Partnership from a capital event after payment or allowance for the expenses incurred in connection with such Capital Event and after payment or allowance for existing indebtedness, the discharge of any other expenses or liabilities of the Limited Partnership and the establishment of appropriate reserves, all as determined by the General Partner, in its sole discretion.

Section 2.22. "Partners" means collectively the General Partners and the Limited Partners, and a reference to a Partner shall be to any one of the Partners.

Section 2.23. "Partnership Business" means Partnership's investments in underperforming commercial properties and businesses in Los Angeles County, State of California that need capital for operations, rehabilitation, and/or development.

Section 2.24. "Partnership Interest" means the total of all ownership rights of a Partner in the Partnership, including a Limited Partner's right to vote on certain limited matters and the right to receive information concerning the business and affairs of the Partnership.

Section 2.25. "Person" means any natural person, partnership, corporation, association or other legal entity.

Section 2.26. "Positive Capital Account" means that the balance of a Partner's Capital Account is greater than zero.

Section 2.27. "Profit or Loss" means the income or loss of the Limited Partnership as determined by the method of accounting chosen by the General Partner and permitted by the Code.

Section 2.28. "Subscription Agreement" means the agreement signed by each Limited Partner in connection with their Capital Contribution to the Limited Partnership.

Section 2.29. "Syndication Fee" means a fee of Forty Thousand Dollars ($40,000) per each Unit acquired by the Limited Partners in connection with the Offering, which shall be paid to the General Partner by each Limited Partner and shall not constitute a Capital Contribution made by the Limited Partner.

ARTICLE III
PURPOSE, BUSINESS, AND POWERS OF THE LIMITED PARTNERSHIP

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IN WITNESS WHEREOF the parties have executed this Agreement as of the day and your first above written.

GENERAL PARTNER:
Invest L.A. Regional Center, LLC

Kin Hui, Managing Member

LIMTED PARTNER _____:

By: _____

Name: _____

Date: _____

SCHEDULE A
As of October , 2010

This Schedule A may be amended from time to time by the General Partner to reflect current and up-to-date list of Limited Partners.

Park Place EB-5, LP
Pasadena Project Phase 1
Business Plan

908 - 940 E. Colorado Blvd.
Pasadena, California 91106

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INTRODUCTION

Park Place EB-5, LP will be part of a mixed-use commercial center, known as ***Colorado at Lake***, which is located at the corner of E. Colorado Blvd. and Lake Avenue in Pasadena, California. This development will consist of an upscale boutique hotel, restaurants, retail space, an office building, bank facilities, and parking garage (the "Pasadena Project"). The Pasadena Project will be undertaken in two phases. Phase I will include the renovation and conversion of a 142-room hotel, approximately 22,600 square feet of historic retail and rooftop restaurant/bar space, and a parking garage with 125 spaces. Phase II will include 25 more rooms in the hotel, approximately 10,000 square feet of retail space, 13,000 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

This business plan will be addressing Phase 1 of the Pasadena Project only. There currently exists a vacant 7 story historic building that was first built in 1926 as a hotel by the name of Constance Hotel. Constance Hotel in the 1970's was converted into a senior apartment complex. The hotel building is about 65,000 square feet. Adjacent to hotel is a one story, 10,000 square feet of existing retail stores. Park Place Commercial, LP acquired the hotel in vacant form and the adjacent one story retail in 2007. The general partner of Park Place Commercial, LP is Singpoli Pacifica, LLC. In 2008, Singpoli Pacifica, LLC along with its investors acquired the adjacent property to the Phase I Property. This building is part of Phase II of the Pasadena Project.

The entitlement application for the Pasadena Project was submitted fall of 2008. Entitlement and the Final Environmental Impact Report were approved in a public hearing held on October 20, 2010. Construction on Phase I is anticipated to start before December 31, 2010.

This business plan will focus primarily on the hotel property even though the final product will include some retail. The primary economic driving force for Phase I of the Pasadena Project will be the hotel. The retail portion of Phase I will be complimentary amenities to the hotel, such as restaurants.

PROJECT DESCRIPTION

Park Place EB5, LP is a California Limited Partnership formed under the laws of the State of California (the "Partnership") by its General Partner, Invest L.A. Regional Center, LLC, a California limited liability company, (the "General Partner"). The General Partner is a federally designated Regional Center under Section 610 of the Departments of Commerce, Justice and State, the Judiciary and Related Agencies Appropriations Act of 1993, as amended. Through the offering of up to 50 units of its limited partnership interests (individually, a "Unit" and collectively, the "Units"), the Partnership seeks to raise investment capital of up to (b) (4) (b) (4) immigrant investors under the Immigration Act EB-5 Immigrant Investor Pilot Program for the acquisition of up to a(b) (4) limited partnership interests in Park Place Commercial L.P., a California limited partnership.

Park Place Commercial, LP was formed in 2007 as a real estate investment company with the sole purpose to acquire, design and redevelop the real properties located at 908 - 940 E. Colorado

Boulevard in the City of Pasadena (the "Project"). It is an integral part of a development project known as ***Colorado at Lake*** which covers the entire street block located between Lake and Mentor Avenues, along the south side of Colorado Boulevard. Its vision is to return an existing historic resource, The Constance Hotel, to its original hotel use, and to create a sustainable pedestrian-friendly mixed-use project that will encourage economic growth and development east of Lake Avenue.

TARGETED EMPLOYMENT AREA

Pursuant to 8 Code of Federal Regulations (CFR) sections 204.6(h)(i) and (j)(6)(ii), the Business, Transportation and Housing Agency, the authorized entity in the State of California, has designated the geographic subdivision consisting of 26 contiguous census tracts that includes the Pasadena Project as a targeted employment area ("TEA)") for the purposes of alien entrepreneur visa requests. Accordingly, an immigrant investor seeking permanent residence in the United States needs only make a minimum capital investment of $500,000, instead of a minimum $1 million normally required under the Immigration Act of 1990 (the "Immigration Act"). **See Attachment A.**

JOB CREATION

The Immigration Act EB-5 Immigrant Investor Pilot Program further requires that each $500,000 investment must create full-time employment for at least ten U.S. citizens or other legal residents, other than members of the investor's family, for a period of two years. Based on economist Dr. Michael Evans's economic study using the IMPLAN Model, Phase I of the Pasadena Project will create (b) (4) . **See Attachment B.** Accordingly, the Project qualifies for a maximum of (b) (4) qualified immigrant investors that the Project plans to invite.

PROJECT AREA REVIEW AND NEIGHBORHOOD ANALYSIS

State of California

Within the past eight years, California has experienced the full spectrum of the economic cycle; first with a recession in the early 2000's followed by several years of recovery, resurgence, prosperity and now at the end of an economic recession. Beginning in midyear 2003, California entered into a time of economic recovery and growth. This time was marked by a decline in the State's unemployment rate, an increase in the employment base, and a strong increase in the State's gross domestic product fueled by a diversifying knowledge based economy. In conjunction with the strengthening of the national economy and a booming real estate market, California's economy prospered from mid-year 2003 through mid-year 2007. Beginning in the second half of 2007, the California economy slowed due to realities of a recession driven by the national mortgage credit crisis. This most recent recession lasted 20 months and officially ended in August 2009. The State of California is currently facing a $6.3 billion projected deficit for fiscal year 2009-2010 and a $14.4 billion gap between projected revenues and spending in 2010-2011, totaling a deficit of roundly $20 billion over the next two years. Going forward, it is projected that operating deficits after 2010-2011 will be approximately $20 billion each year.

Within the California economy overall, Southern California has a highly diversified economy supported by the entertainment, technology, and tourism industries. The following table highlights the primary positive and negative attributes of the California economy today.

Summary of the Positive and Negative Attributes Impacting the California Economy

Positive Attributes	Negative Attributes
"Knowledge-intensive" and diversified economy	High cost of living and doing business
World center of information and bio-technology	Increasing traffic congestion
Highly skilled and educated labor force	High housing costs
World class tourism destination	Challenged public education system
Uniquely scenic	Aging infrastructure
Cultural center of the West Coast	Shortfall in tax revenues

Los Angeles Area Regional Conclusions and Economic Outlook

Los Angeles County, otherwise referred to as the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), includes 88 incorporated cities, covers an area of 4,752 square miles, and as of July 2009, had an estimated population of approximately 12.9 million people. In the past 80 years, the county has evolved into a large commercial/industrial urban community and become the business and financial center of California and the Western United States. The regional economy has become more diversified with a larger number of people employed in services, home-based businesses, motion picture production, computer software development, and other professional services.

Los Angeles County typically acts as an excellent barometer for the performance of the greater Southern California lodging market. As the largest and most diverse of the major Southern California markets, individual hotel performance often greatly varies. However, when taken as a whole, the growing pains and opportunities of the Los Angeles County area often reflect those seen in other areas.

The national economy continues to find itself in a recession due to its troubled financial, housing, and automotive industries, as well as declining employment. It is still unclear if the economy has reached bottom and at what pace a recovery will follow. Unemployment will remain an issue in any recovery, with nonfarm employment declining by 4.1 percent in 2009 and forecasted to decline by nearly 2.0 percent in 2010 for Los Angeles County. By June 2010, unemployment in Los Angeles County reached 12.3 percent, one of the highest levels in over 20 years.

In terms of the Los Angeles hotel market, 2009 had been characterized by a significant decline in average daily rate amid a less drastic decrease in demand as represented by occupied room nights. This slowdown in the overall county lodging market continued as the economy began to falter in the latter part of 2007. These hotel submarkets either slowed in growth or reversed to a decline in terms of both occupancy and average daily rate, in the fourth quarter of 2008 and through 2009, and are expected to continue to do so but at a more moderate pace through 2010.

Conclusions

Los Angeles is home to a very large population base. Air access to the county is very good with Los Angeles International Airport and the numerous regional airports. Los Angeles is also the center of the entertainment industry and numerous media companies ensuring adequate press coverage. While the current economic environment has had a significant impact across all industries, Los Angeles continues to present a viable place to do business, and is expected to recover as economic signs become better.

Orange County Economic Outlook

Orange County, otherwise referred to as the Orange County Metropolitan Statistical Area (MSA), includes 34 incorporated cities, covers an area of 948 square miles, and as of July 2009, had an estimated population of approximately 3.1 million people. The county is famous for its tourism, as the home of such attractions as Disneyland and Knott's Berry Farm, as well as several beaches along its more than 40 miles of coastline.

UCLA economists expect continued slow growth in Orange County 2011. The UCLA Anderson Forecast predicts about 24,000 new jobs in Orange County in 2011 and 41,000 more jobs in 2012, which will bring down the county's unemployment rate from its current 9.6 percent to 8.5 percent.

According to Colliers PKF Consulting USA, business at Orange County hotels rose in July 2010, bringing welcome news to local tourism officials. About 84.4 percent of rooms were occupied in the month, up 7.6 percent from the same time in 2009.

Pasadena Overview

Best known for the annual Rose Bowl and Tournament of Roses Parade, the City of Pasadena was incorporated in 1886, making it one of the oldest suburbs of Los Angeles. Located ten miles northeast of downtown Los Angeles, the City of Pasadena is bordered by neighboring cities including La Canada Flintridge, South Pasadena, Arcadia, and Sierra Madre located to the east and south, Glendale and Los Angeles located to the west, and unincorporated Altadena located to the north.

The City of Pasadena encompasses more than 23 square miles. As an independent city, and part of the San Gabriel Valley, Pasadena is known for its historic architecture and many restored craftsman-style homes. Since 1980, the City of Pasadena has undergone an aggressive development program in an effort to attract major corporations. These efforts have been successful as industry leaders such as Jacobs Engineering, The Parsons Company, Avery Dennison, and the J.G. Boswell Company have made Pasadena their home.

<u>Old Town Pasadena</u>

The area of Old Town Pasadena is bordered by the 210 freeway, Arroyo Parkway, Green Street, and Pasadena Avenue and is approximately one square mile in size. Colorado Boulevard, the

main throughway and largely recognized as the route for the annual Tournament of Roses Parade has been redeveloped over the past ten years with retail outlets, entertainment venues, and restaurants. Tenants include Banana Republic, Cheesecake Factory, Mi Piace, Starbucks, Barnes & Noble, an AMC Movie Theater, and the Pottery Barn. The Project should be able to benefit from its location on Colorado Boulevard and Mentor Avenue proximate to Old Town Pasadena.

Employment

Historically, Pasadena has maintained a lower unemployment rate than that of Los Angeles County. This continues as of June 2010, when Pasadena's unemployment rate held at 9.4 percent, 3 percent lower than Los Angeles County.

A listing of the major employers in the Pasadena area is provided in the table below.

Pasadena
Major Employers

Employer	No. of Employees	Business
Jet Propulsion Laboratory	5,200	Aerospace
California Institute of Technology	3,600	Education
Huntington Memorial Hospital	3,000	Hospital
SBC	2,525	Communications
Pasadena City College	2,200	Education
Pasadena Unified School District	2,007	Education
Kaiser Permanente	2,000	Health Care
Parsons Corporation	2,000	Engineering/Construction
City of Pasadena	1,825	Government

Source: Pasadena Chamber of Commerce

New entrants in Pasadena include several technology and biotechnology companies which represent a sector that shows particular growth in Pasadena within recent years. Much of this is due to the presence of the California Institute of Technology, as well as the Jet Propulsion Laboratory.

Area Developments

The following list provides information on recent and proposed developments in the Pasadena area.

Paseo Colorado

Located at 300 East Colorado Boulevard, Paseo Colorado replaced the existing Plaza Pasadena indoor mall with an open-air urban village of approximately 560,000 square feet. Developed by TrizecHahn, $135 million in renovations transformed the site into a multiuse destination combining retail, restaurant, residential, and office components. The "village" is anchored by Macy's department store and includes a health club and a multiscreen cinema. Paseo Colorado held its grand opening in September 2001.

MTA Gold Line

The Metropolitan Transportation Authority completed the expansion of its light rail system into Pasadena in July 2003. The Gold Line has six stations in the Pasadena area. This new transportation system allows for easy access into downtown Los Angeles and other MTA-enabled locations.

Pasadena City Hall Retrofit and Restoration

Pasadena City Hall, built in 1927, underwent an $80 million restoration that included seismic strengthening, restoration of architecturally significant spaces, and improvements. The project began in June 2004 and was completed in July 2007.

Pasadena Conference Center Expansion

The City of Pasadena is currently in the process of renovating and expanding its conference center. The project consists of an exterior and interior renovation of the existing conference center, complete demolition of the Exhibition Hall and West Plaza, and the construction of a new 60,000 square foot Exhibition Hall, 25,000 square foot Ballroom, 28 new conference center breakout rooms, and 28,650 square foot Stressed Membrane Structure. This development project was completed in 2009 and is anticipated to attract additional room nights into the Pasadena hotel market going forward. While 2010 has been a difficult year, future bookings should reflect the significantly expanded facility and upgraded Pasadena hotel supply.

PROPERTY DESCRIPTION

Analysis of the Site Location

The Project is situated on a portion of a nine-tenths of an acre parcel. This parcel is part of a larger assemblage which will be utilized to develop the mixed use project. The mixed use project will include the hotel, an office building, retail, restaurants, and a parking garage.

The focus of this analysis is the existing seven-story retirement facility that will be converted into a mixed-use development to include a hotel, retail, and ancillary facilities.

The land uses surrounding the site are detailed below:

North: To the north are Colorado Boulevard and the 210 Freeway.

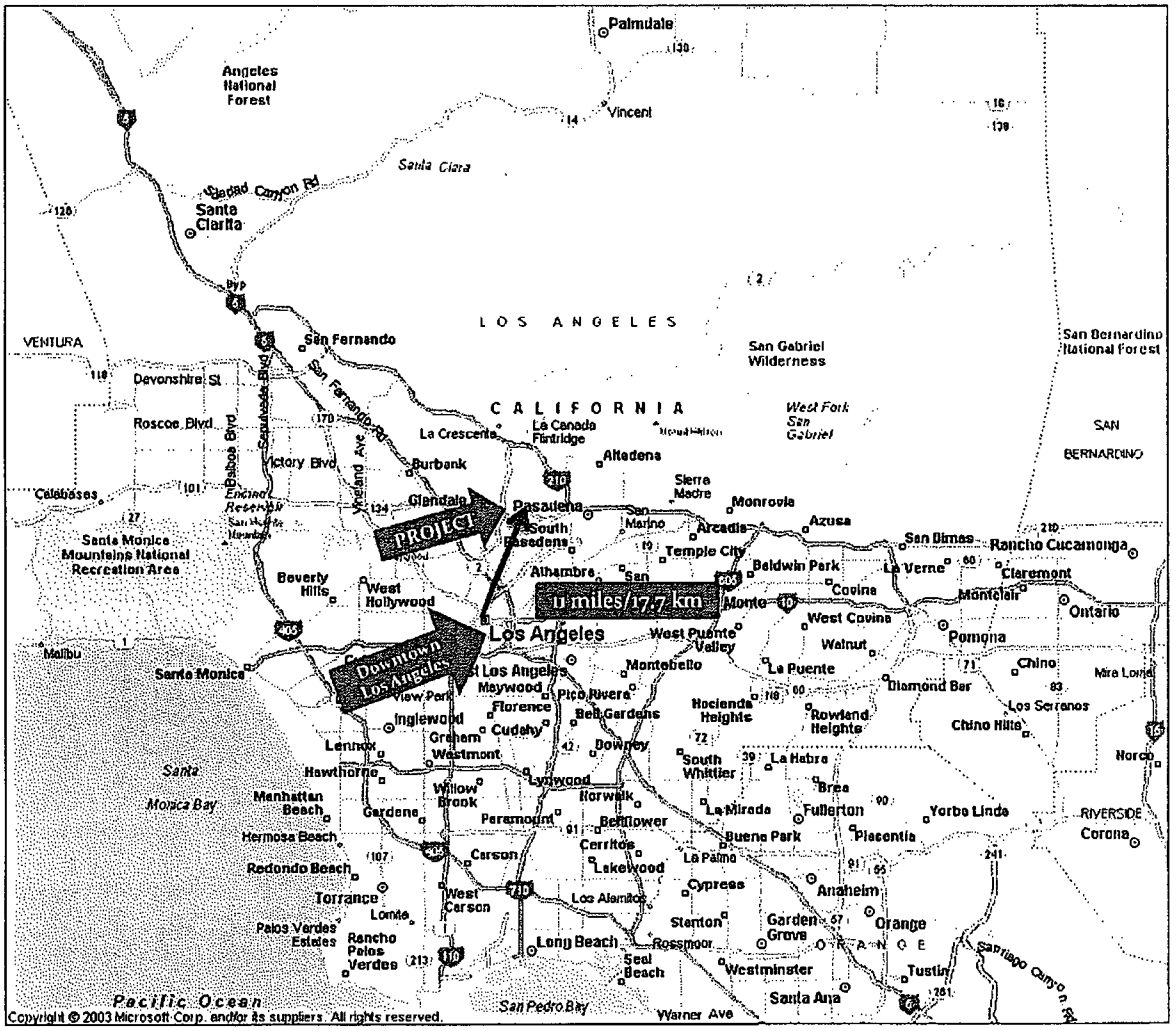
South: Directly south of the site is the Bistro 45 restaurant followed by Green Street and the South Lake Avenue District.

West: Directly to the west is the intersection of Colorado Blvd and Lake Avenue with Bank of America and Washington Mutual. Further west is the Playhouse District and Paseo Colorado.

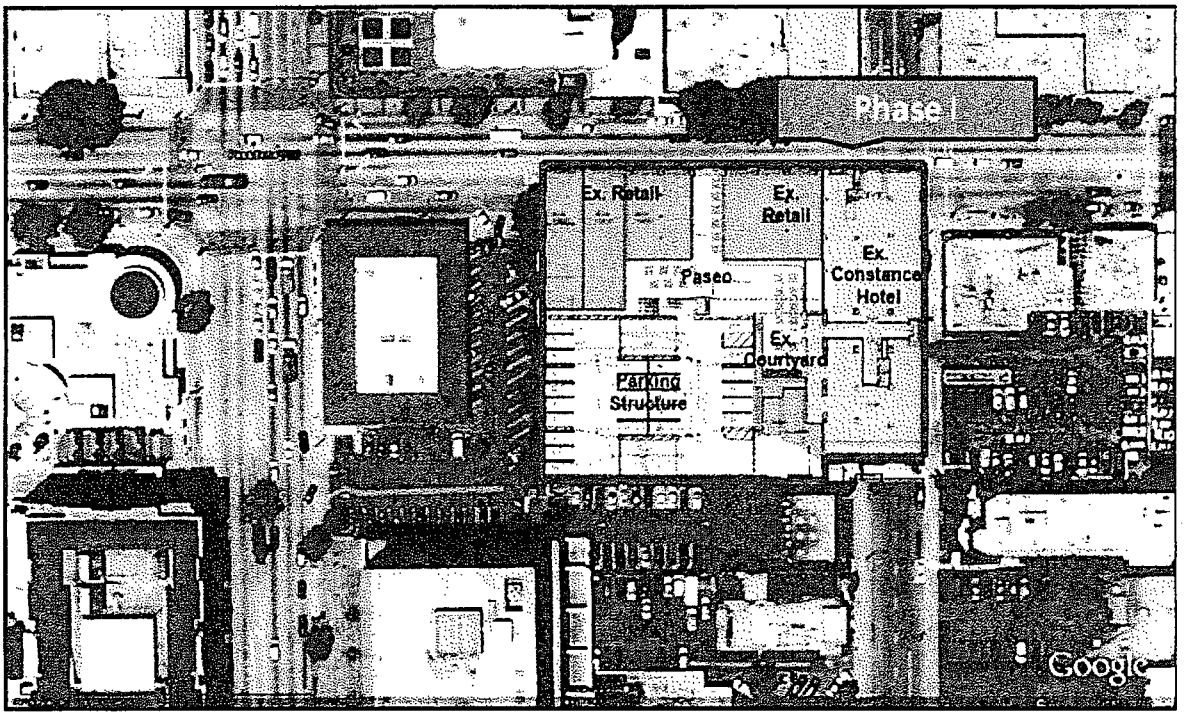
East: To the east of the site is Mentor Ave, followed by commercial space including Kaiser Permanente Vision Center, U.S. Post Office, and Countrywide Financial.

Overall, the Project's location relative to the area's primary demand generators is considered to be excellent. Situated on Colorado Boulevard and proximate to Lake Avenue, the Project will be positioned to take advantage of the surrounding commercial, retail, and entertainment developments.

Area Map



Aerial View



Relationship to Demand Generators

The Project will benefit from demand created by major retail tenants, restaurants and commercial office space situated in the South Lake Financial District, as well as its neighboring districts in Pasadena. It's positioning along Colorado Blvd. will allow the Project to capture drive-through demand. The Project is the closest hotel to the financial district in the competitive set. Considering that the Pasadena lodging market largely consists primarily of commercial travel, the Project's location creates a significant competitive advantage over the other hotels.

Relationship to Area Amenities

There are several amenities in the immediate market area, including Paseo Colorado, the Rose Bowl Stadium, and the Old Pasadena Historic District. In addition, the Project is located proximate to amenities in Southern California, such as Disneyland, Hollywood, and The Getty Center.

Competitive Analysis of the Site versus the Major Competition

Relative to the existing hotels in the market area, the Project will enjoy a visible location positioned on Colorado Boulevard, the main arterial thoroughfare that runs through Pasadena. In addition, the site's proximity to Pasadena's financial district creates a significant advantage considering that the market's largest occupancy segment is that of corporate travel. At the

intersection of Colorado Boulevard and Mentor Avenue, the Project is the closest hotel to the financial district within its competitive set.

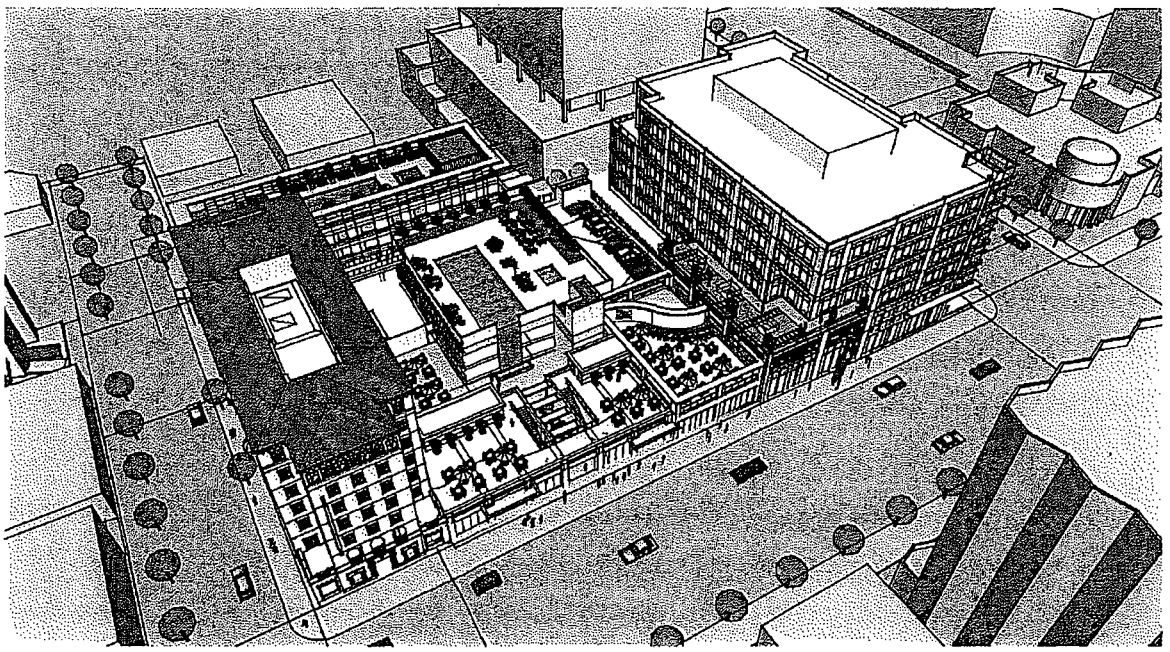
Site Conclusions

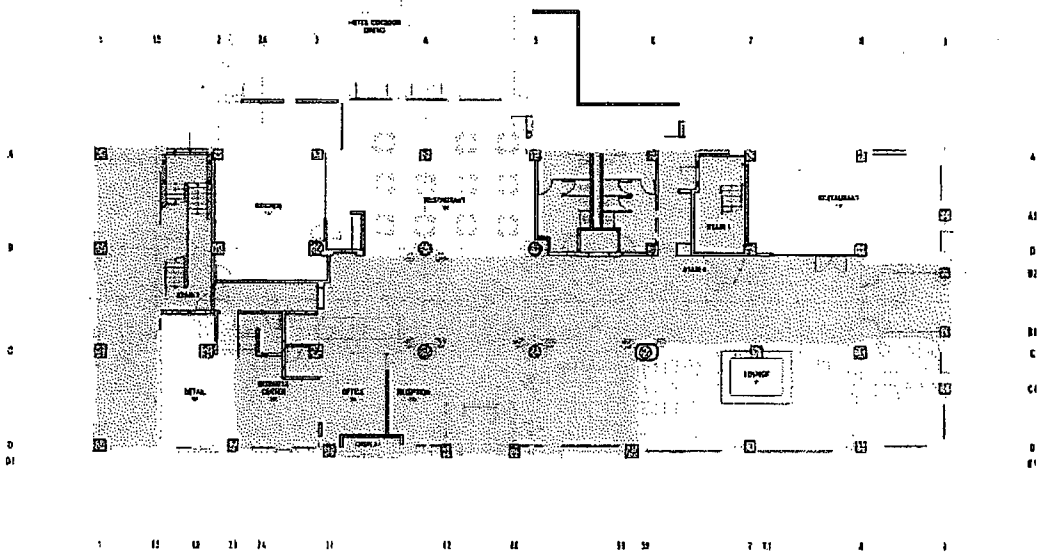
The site within the project area is well located with respect to demand generators in the local market. It is proximate to major retail and commercial business within the area and enjoys good visibility and location. Guests will enjoy easy access to the hotel with entry via Colorado Boulevard and Mentor Avenue. Its location relative to major demand generators, such as The Rose Bowl, Old Pasadena, and commercial office complexes will enable the proposed hotel to capture commercial, group and leisure demand.

FACILITY DESCRIPTION

The Project is currently a vacant building. Following an (b) (4) renovation, the Project will be a 7-story structure featuring 142 boutique guestrooms. The property will be designed as a boutique hotel under Joie De Vivre Hotels management. The property will feature a bar and pool bar operated by the hotel, as well as leased space including Food & Beverage outlets, a nail salon, hair salon, and spa. Additional amenities will include an infinity pool and whirlpool, fitness center, business center, and 125-stall parking structure.

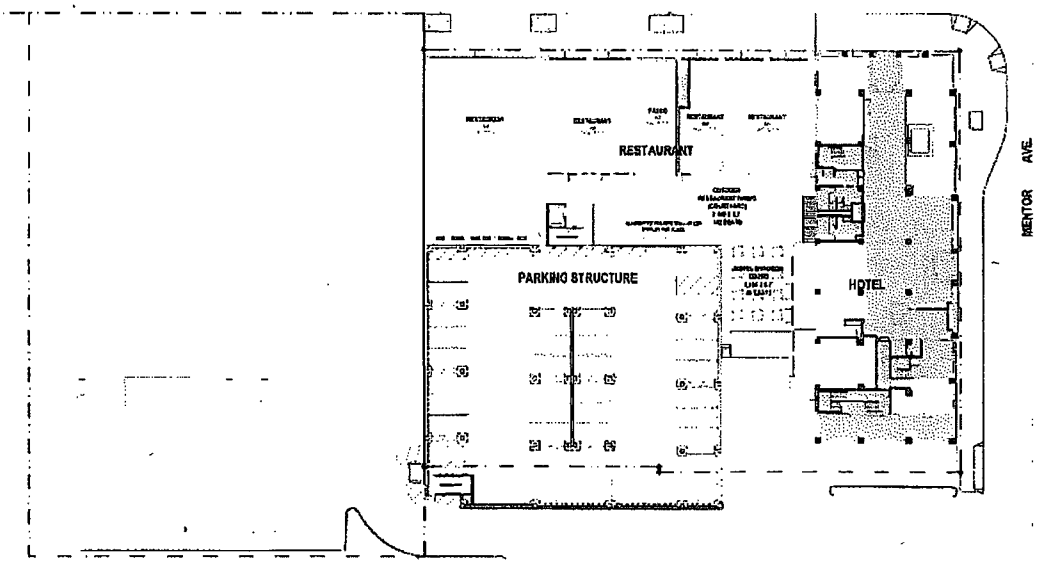
The following pages present the layout of the Project.



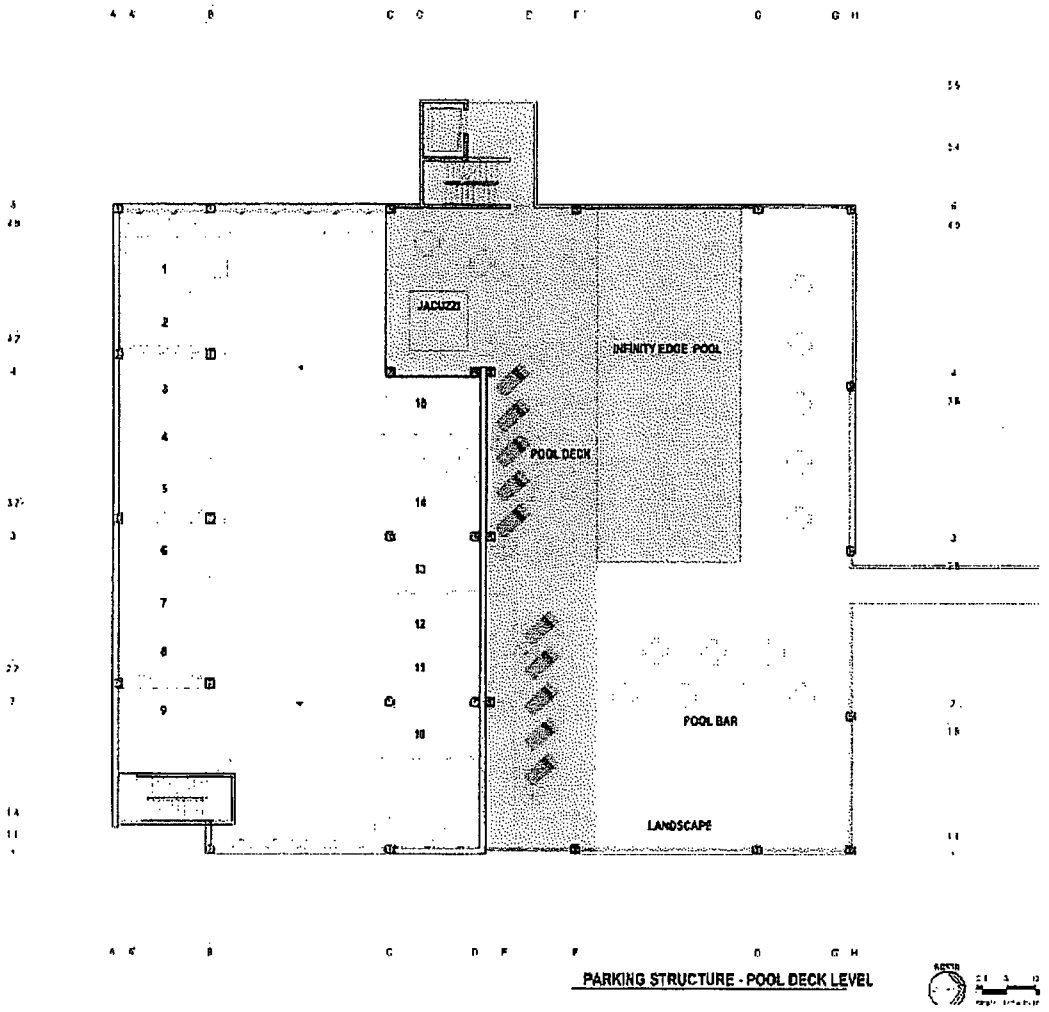


FLOOR PLAN - FIRST FLOOR

COLORADO BLVD.



COMPOSITE SITE PLAN



OVERALL QUALITY LEVEL OF FACILITY

The Project will be competing on the local level directly with four other hotels located in Pasadena, California. All of the hotels except for the Courtyard by Marriott, which is a focused-service property, are full-service hotels.

Proposed Constance Hotel
Competitive Hotel Facilities

Property	Number of Units	Meeting Space	Restaurant	Lounge
Sheraton Pasadena	376	11,000	Yes	Yes
Pasadena Hilton	296	27,000	Yes	Yes
Westin Pasadena	350	26,000	Yes	Yes
Courtyard by Marriott	314	6,000	No	Yes
Group Total	1,336	70,000		
Group Average	334	17,500		

Source: Colliers PKF Consulting USA and individual hotels

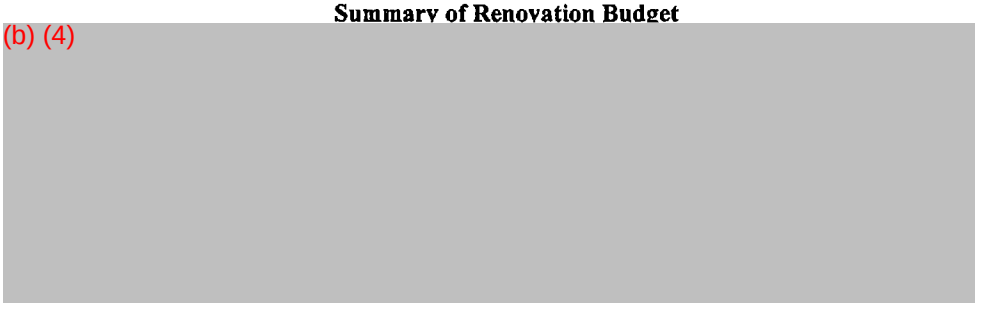
To appropriately position the Project within the competitive market, the hotel's overall quality level should be at or above that of the competitive hotels. The Project will be positioned as a boutique hotel that will target the surrounding market demand. The property's location on the border between a financial and recreational district makes it appealing to both corporate and leisure travelers. The Project property will contain a fitness complex, spa tenant, multiple dining tenants and in-house bar facilities, and business center in order to offer the services and amenities that cater to a corporate and leisure demand base. The proper utilization of retail space in the remainder of the hotel and the proposed office tower in Phase II should satisfy any additional needs for guest amenities and allow for optimal operating margins. The proposed scope of the development will include:

- Complete room renovation
- Lobby and meeting space renovation
- Addition of bar on ground floor
- Renovation of retail building and construction of second level
- Construction of fitness center and business center
- Construction of parking garage adjacent to hotel
- Construction of Infinity pool and Jacuzzi on roof of parking deck
- An update of building façade

The total redevelopment budget is as follows:

Summary of Renovation Budget

(b) (4)



Redevelopment of the Project will be managed by the Singpoli Group, an affiliate of the Pasadena Project. **See DEVELOPMENT TEAM and GENERAL CONTRACTOR.**

Guestrooms

Number of Guestrooms

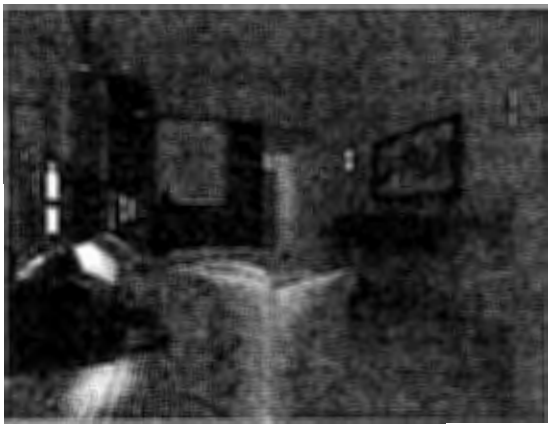
The Project will offer 142 guestrooms on floors two through seven. The four properties within the competitive market have an average room count of 334 guest rooms. Due to the positioning of the subject as a boutique property, a new concept within the Pasadena hotel market, the property will have a lower number of guestrooms, limited meeting space, and rely largely on surrounding retail space for its guest amenities. With a marginal addition to supply, the proposed hotel will have an opportunity to capture commercial, leisure, and group demand and achieve strong occupancy levels.

The guestroom mix will be comprised of 130 king and double-double rooms and 12 suites.

Guestroom Amenities

The Project is an existing structure with standard rooms ranging from 290 to 300 square feet while the suites are approximately 600 square feet. In-room amenities will include:

- 40" flat screen television
- Cable
- Movies on demand
- Coffee maker
- In-room safe
- Shower with 360 degree seated water spray
- Hairdryer
- Upscale bath amenities
- Luxury bedding package



Food and Beverage Facilities

The Project will contain a significant amount of retail and food and beverage space. The following table summarizes the proposed improvements and respective tenants.

Summary of Leased Space and Hotel Operation

Type	Operator	Interior	Exterior	Total
Leased Space				
French Restaurant	Iron Chef	2,191	1,106	3,297
Constance Café	Iron Chef	6,145	2,448	8,593
Nail Salon	Existing Tenant	2,196		2,196
Taste of Bangkok	Existing Tenant	2,196		2,196
Hair Salon	New Tenant	464		464
Spa	New Tenant	1,481		1,481
Total		14,673	3,554	18,227
Hotel Operations				
Bar	Hotel	1,382		1,382
Rooftop Pool Bar	Hotel		3,235	3,235
Total		1,382	3,235	4,617
Total Leased & Operated		**16,055**	**6,789**	**22,844**

Source: Park Place Commercial, LP

The Project will present a range of dining options, both hotel operated and third party. Catering will also be provided to nearby office buildings. Based on discussions with Colliers PKF Consulting USA, we have incorporated a lease rate of $4.00 per square foot for interior space per month, and $2.50 per square foot for exterior space, which are reasonable given existing market rents of $2 to $6 per square foot. The proposed tenant for the French restaurant and deli will be Yutaka Ishinabe who is recognized as the original French chef on the world famous Japanese TV program "Iron Chef". He will transform the Project's food and beverage operations into a high energy facility that complements existing fine dining restaurants such as Bistro 45.

Recreation

As an existing structure, the hotel facilities are limited by the current building program. The Project, however, will be enhanced by a series of amenities, including a fitness room, infinity pool and whirlpool located on the parking deck, and a tenant spa.

Amenities and Services

The subject will offer the following services and amenities:

- Valet parking;
- Valet laundry service;
- Concierge; and,
- Business Center.

Facility Summary

The Project is a well-located and the proposed renovation and conversion to a hotel will utilize the property's historical architecture. Overall, the Project will be well designed and will enjoy a strong competitive position within the market.

HOTEL OPERATOR AND AFFILIATION

The key to a successful hotel development is picking the right hotel operator. The Constance Hotel will be managed by Joie De Vivre Hotels ("JdV") based in San Francisco. The management agreement is being negotiated. **See Attachment C** for the proposed contract with JdV and **ATTACHMENT D** for an overview of Joie De Vivre Hotels.

JdV is a collection of creative lifestyle businesses with annual sales revenues of around $240 million. The company manages more than 30 boutique hotels, more than 20 restaurants, and five spas in California. It is recognized for creating some of the most innovative hospitality services and products and designing one-of-a-kind properties.

As California's largest boutique hotel collection, JdV is becoming the hotel brand synonymous with the California travel experience, offering a wide range of urban, suburban, and waterfront boutique hotels that cater to leisure and business travelers in all market segments. Each property celebrates California through its innovative design, one-of-a-kind amenities, and personalized service. JdV has a combined 3,800 guestrooms in San Francisco, Marin County, San Francisco

East Bay, Silicon Valley, Santa Cruz, Big Sur, Sacramento, Sonoma County, Los Angeles, Venice Beach, Huntington Beach, and Laguna Beach.

In June 2010, JdV entered into a strategic partnership with Geolo Capital, a private equity investment firm started by John Pritzker, whose family helped launch the Hyatt Hotel Corp. JdV has access to an investment fund of $150 million to invest in hotel developments.

HOTEL MARKET ANALYSIS

Introduction

As a hotel includes a going-concern business as well as real property, the future market performance of a lodging facility is a direct function of the supply and demand for the hotel rooms within its market area. Accordingly, an analysis of the local area's hotel market is a key component of our projections of future performance.

Primary Competitors

In order to identify the competitive market of the Proposed Constance Hotel, we have engaged the leading hospitality consultant, Colliers PKF Consulting USA ("PKF"), to analyze the overall Pasadena hotel market. We selected four properties that we estimate will offer competition to the subject hotel. These competitive properties have been selected based on their size, facilities, location, similar market orientation, and rate structure. There are other lodging facilities located in the area, which were excluded from the Project's competitive market due to a lack of comparable rate structures, facilities, and/or market orientation. The following chart presents the competitive supply for the proposed property.

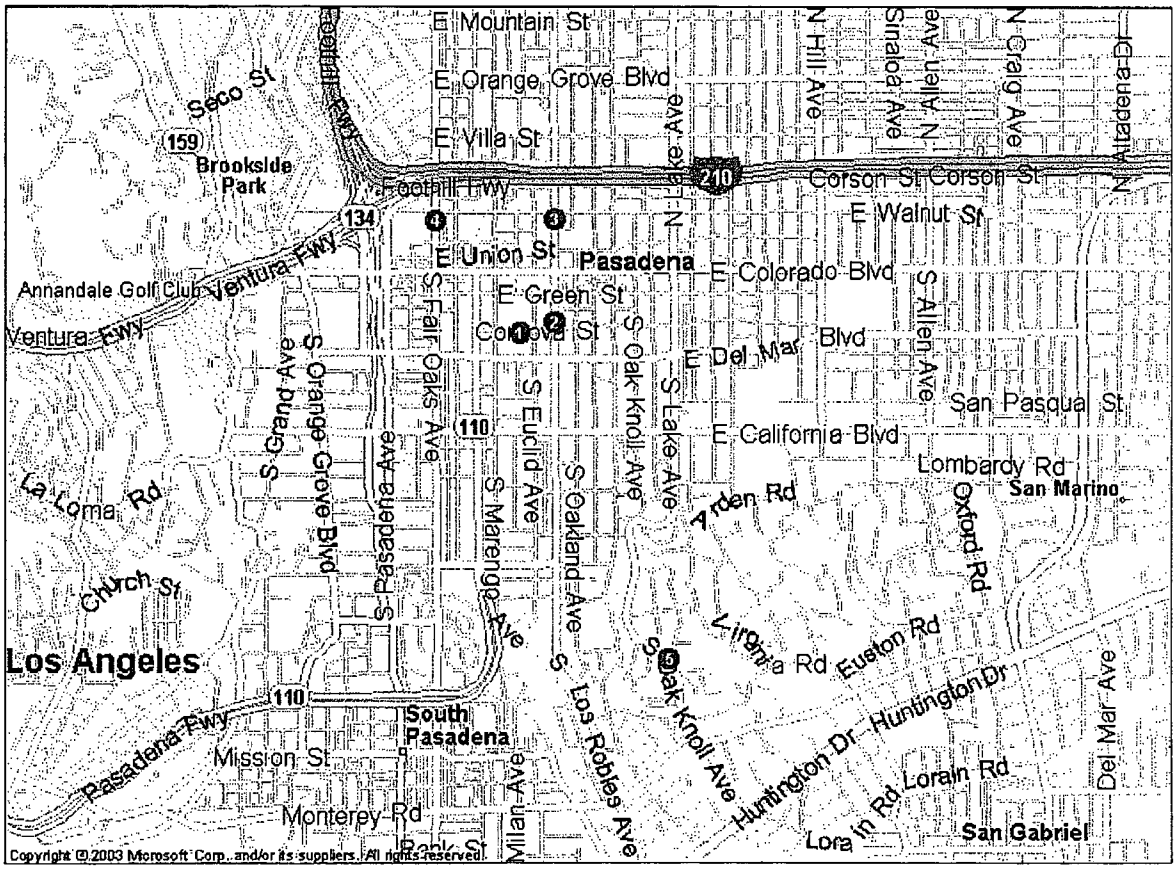
Competitive Supply

Map Code	Property	Number of Rooms
Subject	Proposed Constance Hotel	**142**
1	Sheraton Pasadena	376
2	Pasadena Hilton	296
3	Westin Pasadena	350
4	Courtyard by Marriott	314
	Competitive Market Total	1,336

Source: Colliers PKF Consulting USA

Following is a map detailing the location of each of the selected competitive hotels relative to the subject. Photographs and a more detailed description of each hotel are also provided. We have also pinpointed the Langham, Number 5, for information purposes. We have excluded this property from the competitive set because of its market positioning, including size, orientation, rate positioning, and target market.

Competitive Supply Map



Sheraton

Competitive Property Number One
Sheraton Pasadena

Location

Address: 303 Cordova Street
Pasadena, CA 91101

Distance from the Project: 0.98 miles southwest

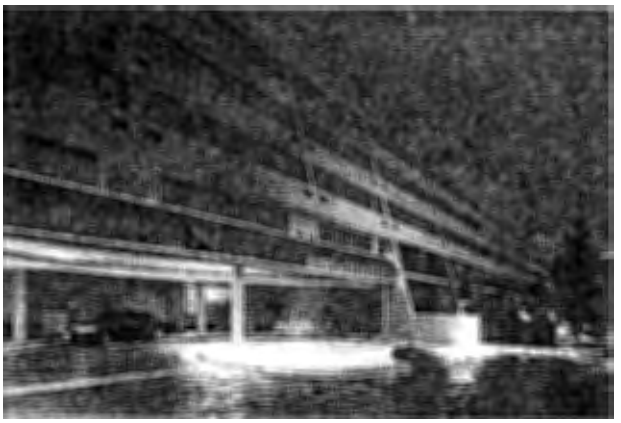
Description

Date opened/Converted:	1975/2001
Guestrooms:	376, incl. 6 suites
Stories:	5
Configuration:	Interior corridor

Amenities

- Fitness Center
- Business Center
- Babysitting Service
- Heated Outdoor Pool
- 11,000 SF of Meeting Space
- Two Restaurants
- Room Amenities:
  - Computer Data Ports
  - Wet Bars in Suites
  - Coffee Makers
  - Cable Television & In-room Movies
  - High Speed Internet
  - Hairdryer
  - Iron/ironing board
  - Refrigerator
  - In-room Safe

Picture



Condition & Renovations

Property converted from Holiday Inn to Sheraton in 2001. Refrigerators were added to guestrooms and the fitness center was improved with new paint and flat screen televisions in 2005.

Historical Performance

In 2009, the Sheraton Pasadena performed above the competitive market in terms of occupancy and below in terms of average daily rate.

Hilton

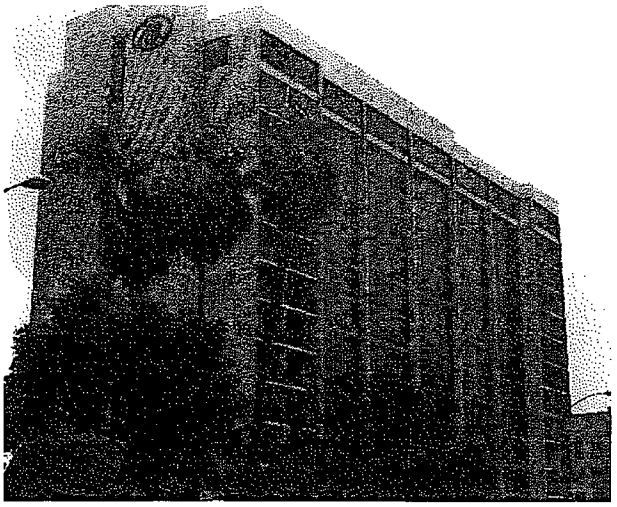
Competitive Property Number Two
Pasadena Hilton

Location	Description
Address: 168 South Los Robles Avenue Pasadena, CA 91101 Distance from the Project: 1.14 miles southwest	Date opened/Converted: 1970 Guestrooms: 296, incl. 11 suites Stories: 13 Configuration: Interior corridor

Amenities

- 27,000 SF of Meeting Space
- Trevo's Restaurant
- Swimming Pool and whirlpool
- Fitness Center
- Business Center
- Gift Shop
- Room Amenities:
  - Sweet Dreams Bed
  - Coffee makers
  - Min Bar
  - Iron/ironing board
  - Hairdryer
  - Web TV & Premium Channels
  - Smart Lamps

Picture



Condition & Renovations	Historical Performance
The Hilton Pasadena completed a $5 million renovation in August 2005. The lobby, Trevo's restaurant, and guestrooms were updated. In addition, a new bar was added to the property.	In 2009, the Hilton performed below the competitive market in terms of occupancy and above in average daily rate.

WESTIN
HOTELS & RESORTS

Competitive Property Number Three
Westin Pasadena

Location

Address: 191 North Los Robles Avenue
Pasadena, CA 91101

Distance from the Project: 1.18 miles southwest

Description

Date opened/Converted:	1989/2002
Guestrooms:	350, incl. 10 suites
Stories:	12
Configuration:	Interior corridor

Amenities

- Three restaurants
- 26,000 SF of Meeting Space
- Outdoor heated pool
- Westin WORKOUT Room
- Dry Cleaning Service
- Room Amenities:
  - Flat Screen Television
  - Internet Service
  - Hairdryer
  - Coffee Makers
  - Computer and Data Fax Ports
  - In-room safe

Picture

Condition & Renovations

The Westin was converted from a Doubletree in December 2002. The 350-room hotel completed an $11 million renovation in 2005. The floors, lobby and Living Room Bar have been updated, as well as the public spaces. The hotel has added a business center, Westin workout gym, and a new restaurant. Each guestroom has been outfitted with the signature Heavenly Beds, flat screen televisions, and redesigned bathrooms with Heavenly showers.

Historical Performance

In 2009, the Westin performed below the market average in terms of occupancy and above in terms of rate.

Marriott

Competitive Property Number Four
Courtyard by Marriott

Location	Description
Address: 180 North Fair Oaks Avenue Pasadena, CA 91103 Distance from the Project: 1.69 miles southwest	Date opened/Converted: 2000 Guestrooms: 314, incl. 18 suites Stories: 6 Configuration: Interior corridor

Amenities

- 6,000 SF of Meeting Space
- Fitness Center
- Courtyard Café open for breakfast and dinner
- Outdoor pool and whirlpool
- Room Amenities:
  - Remote Control Television
  - High Speed Internet Access
  - Hairdryer
  - Coffee Maker
  - Iron/ironing board
  - Two-line telephone and voicemail
  - In-room Safe

Picture

Condition & Renovations	Historical Performance
In 2005, the hotel replaced all bedding and mattresses. In 2007, the hotel spent $3-$4 million updating the soft goods in guestrooms and the wallpaper and carpeting in the public area.	In 2009, the Courtyard performed above the competitive market in terms of occupancy and in terms of average daily rate.

Summary of Competitive Hotel Facilities

The hotels in the primary competitive set are characterized as full-service properties, except for the Courtyard, which is a focused-service property. These hotels have a range of facilities and amenities to target the corporate, leisure and group markets.

Additions to Supply

Although a few proposed additions to the lodging supply are in discussion or planning in Pasadena, the majority of them have remained in these various states for an extensive period of time and are therefore either speculative, in the preliminary planning stages, and/or differ from the proposed subject in terms of location and market positioning. There have been discussions regarding the addition of a W Hotel to the Pasadena market; however, the project is preliminary and has no definitive timeline.

Market Performance of the Competitive Market

(b) (4)

Rooms Demand for the Competitive Market

Demand for the primary competitive market is derived primarily from three segments. These segments include the corporate, leisure, and group markets. Presented in the following table is a summary of the 2009 mix of demand for the competitive market.

Competitive Market
2009 Mix of Demand

Market Segment	Room Nights	Ratio
Corporate	210,300	61%
Leisure	56,700	16%
Group	77,800	23%
Total	344,800	100%

Source: Colliers PKF Consulting USA

Projected Growth in Demand

(b) (4)

(b) (4)

(b) (4)

STATEMENT OF ESTIMATED OPERATING RESULTS

For this business plan, we have used the *Uniform System of Accounts for Hotels*, recommended by the American Hotel and Motel Association, to classify income and expenses. In conformity with this system of account classifications, only direct operating expenses are charged to the operating departments of the Project. The general overhead items that are applicable to operations as a whole are classified as deductions from income and include administrative and general expenses, marketing expenses, utility costs, and property operations and maintenance. Additional costs for management fees, fixed charges, which include real estate taxes and insurance, and reserves for replacement are deducted to derive at the net operating income.

Comparable Hotels

(b) (4)

The following summary is the weighted average data pertaining to the comparable hotels.

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MANAGEMENT

The Partnership will rely entirely upon the experience of the General Partner in identifying and managing all investment opportunities for the Partnership.

General Partner's Management Team

Kin Hui, **President** - Mr. Hui will contribute his expertise in real estate development and construction.

Mr. Hui is the owner and operator of a group of real estate investment companies based in Arcadia, California. This group is involved mostly with major commercial, office, and retail properties in both Los Angeles County and Orange County. Mr. Hui is the general partner of a major development in downtown Pasadena, California. He is also a co-owner and managing partner of 2 North Lake Tower, a Class A multi-story office tower in Pasadena. The acquisition of this property by Mr. Hui's group ranked as the second largest brokered office deal in Los Angeles County and one of the largest in Southern California in 2009.

Mr. Hui has been active in the acquisition, development and management of real properties in Southern California since early 1990's. He is the founder and CEO of Singpoli Construction since 1992, a founding partner and President of Pacific Design Group since 1997, a Managing

Partner of Singpoli Investment, LLC since 1992 and the Managing Member of Singpoli Pacifica, LLC since 2007.

A holder of a California General Contractor license, Mr. Hui obtained a Bachelor of Science degree from Woodbury University with major in Interior Designs and minor in Business Administration.

***William H. Chu CPA*, Treasurer** - Mr. Chu will be contributing his expertise in finance, banking, accounting and management matters.

Mr. Chu joined Singpoli in 2009, after a distinguished banking career that spanned from New York, Little Rock, San Francisco, Los Angeles to Las Vegas, having served as President and Chief Executive Officer of First Asian Bank, United Pacific Bank and Los Angeles Community Development Bank, as well as a senior executive at East West Bank. A certified public accountant, Mr. Chu graduated from the University of Winnipeg in Canada and completed his MBA degree at the University of Southern California.

Aside from managing Singpoli Construction, Mr. Chu is actively involved in the other Singpoli Group companies that specialize in real estate investments, property developments, real estate syndications and secured project financing.

***Philip Y. Kim*, Corporate Counsel** - Mr. Kim's primary role will be related to real estate and legal matters.

Mr. Kim is a licensed California attorney specializing in real estate transaction and litigation, corporate management, and business litigation. He graduated from the University of California Los Angeles with a Bachelor of Science degree in Mechanical Engineering in 1993 and he received his law degree from Trinity Law School in 1998.

Mr. Kim is the president of AmerEstate Realty, Inc. a commercial and residential brokerage company specializing in the Los Angeles County area. He is also the Chief Administrative Officer for Singpoli Construction and general counsel to various corporations.

***Vincent S. Chan*, Secretary** - Mr. Chan's involvement will focus on strategic planning and legal matters. Mr. Chan is a licensed California attorney and an investor.

Mr. Chan received his Bachelor of Science degree in Industrial Engineering from Northwestern University in 1977 and his MBA from UCLA in 1979. After graduating from UCLA, he worked as the assistant to the chairman of a Hong Kong group with business interests in construction materials, real estate development and hotels. Mr. Chan then started his own business in Hong Kong importing, wholesaling and retailing giftware and floral materials. Mr. Chan returned to the U.S. in 1989 and has since accumulated valuable experience in a wide range of businesses through investing in real estate, laundries, restaurant, auto repair, and construction. Mr. Chan has arranged overseas capital to invest in U.S. businesses including real estate and a retail concept start-up.

In 2006, Mr. Chan earned his Juris Doctor degree from Concord Law School and was admitted to practice law in California. Mr. Chan is currently of counsel to Curd, Galindo & Smith, LLP of Long Beach California.

DEVELOPMENT TEAM

Developer

Singpoli Group - Extensive real estate investment, construction and development experience in Southern California since 1992.

Architects

RTKL, Inc.

- One of the largest architectural firms in the world.
- The City of Pasadena uses RTKL as its consultant.
- RTKL was the architect on the Paseo Colorado project in Pasadena.

Pacific Design Group (Design Architect)

Entitlement Legal Counsel (Hogan, Rosen, Becham, & Coren, LLP)

Richard McDonald, Esq. - former Chair of the Pasadena Planning Commission.

Historic Preservation Consultant

Peyton Hall, FAIA

- Well known and well respected historic preservation expert in Los Angeles.
- Worked on numerous projects in Pasadena.

Engineering

Psomas Engineering - One of the largest and most experienced civil engineering firms in the world.

Hotel Operator

Joie de Vivre Hotels

- Largest boutique hotel operator in all of California.
- Considered one of the best employers to work for in the San Francisco area.

GENERAL CONTRACTOR

Singpoli (Hop Kin) Construction and Decoration (Nevada), Inc.

Singpoli Construction is a provider of professional construction services through the entire life cycle of a construction project. From initial concept to post-construction administration, Singpoli Construction's team actively manages every step to ensure the highest standards of delivery. Over the years Singpoli Construction has developed an organic teamwork approach that brings together planners, owners, architects, engineers and trade contractors as one seamless entity working towards common goals. Its strength in project management has enabled the company to complete many projects on time, within budget, and meeting or expecting the client's expectation - the ultimate yardstick of project success. In the process, it has managed to build solid foundations of trust and commitment from all parties involved. The most telling validation of Singpoli Construction's work is the repeat business its existing clients bring to the company. The diverse group of clients includes the government of China, the Queen Mary recreation group in California, and the many Chinese American banks located throughout California.

LETTER OF INTENT WITH COMMERCIAL PLACE, LP

Park Place Commercial, LP

October 14, 2010

William Chu
Park Place EB5, LP
Singpoli Corporate Center
Third Floor
25 E. Foothill Blvd.
Arcadia, CA 91006

Re: Letter of Intent re Sale of Interest in Park Place Commercial, LP

Dear Mr. Chu:

(b) (4)

25 E. Foothill Blvd., Arcadia, CA 91006
Tel: 626-566-1888 | Fax: 626-566-1887

(b) (4)

8. RISK FACTORS

PPEB5 acknowledges and agrees as follows:

AN INVESTMENT IN THE PARTNERSHIP HAS CERTAIN ELEMENTS OF RISK DIFFERENT FROM AND/OR GREATER THAN THOSE ASSOCIATED WITH OTHER INVESTMENTS. THE HIGHER DEGREE OF RISK MAKES AN INVESTMENT IN THE PARTNERSHIP SUITABLE ONLY FOR SUBSCRIBERS (i) WHO HAVE A CONTINUING ADEQUATE LEVEL OF ANNUAL INCOME AND A SUBSTANTIAL NET WORTH, (ii) WHO CAN AFFORD TO BEAR THOSE RISKS, (iii) WHO HAVE PREVIOUSLY MADE THE INVESTMENT OF AT LEAST WHAT THEY INTEND TO INVEST IN THE PARTNERSHIP, AND, (iv) WHO HAVE NO NEED FOR LIQUIDITY FROM THESE INVESTMENTS. EACH SUBSCRIBER SHOULD CONSIDER CAREFULLY THE RISK FACTORS ASSOCIATED WITH THIS INVESTMENT, INCLUDING, WITHOUT LIMITATION, THE FOLLOWING, AND SHOULD CONSULT HIS OR HER OWN LEGAL, TAX AND FINANCIAL ADVISORS WITH RESPECT THERETO. SUBSCRIBERS UNABLE OR UNWILLING TO ASSUME THE FOLLOWING RISKS, AMONG OTHERS, MUST NOT CONSIDER AN INVESTMENT IN THE PARTNERSHIP.

A. **Lack of Significant Operating History.** Neither the partnership nor Singpoli Pacifica, LLC has any operating history with respect to the Project.

B. **Financial Projection.** Since the Partnership has no operating history, no balance sheet or income statement based on actual operations of the Partnership is available. Pro forma statements and financial projections for the Partnership will be based upon what Singpoli Pacifica, LLC as the General Partner believes to be reasonable assumptions concerning certain factors affecting the probable future operations of the Partnership. No assurances can be made that these forecasts will prove to be accurate, and Subscriber is cautioned against placing excessive reliance on such forecasts in deciding whether to invest in the Partnership. In particular, construction costs are very volatile and may cause the Partnership to seek additional capital that could result in a dilution of a Subscriber's percentage interest in the Partnership.

C. **General Risks of Real Estate Ownership.** Partnership investments may be subject to the risks generally incident to the ownership of real property, including, without limitation, the following: uncertainty of cash flow to meet fixed obligations; adverse changes in general or local economic conditions; excessive building resulting in an oversupply; relative appeal of particular types of properties to tenants, lenders and Subscribers; decrease in employment, reducing the demand for properties in the area; the possible need for unanticipated renovations; adverse changes in interest rates and availability of mortgage funds; changes in real estate tax rates and other operating expenses; changes in governmental rules and fiscal policies, acts of God, including earthquakes, which may cause uninsured losses; the financial condition of tenants of the Project; environmental risks; condemnation of the Project and other factors which are beyond the control of the Partnership and Singpoli Pacifica, LLC as the General Partner. Liquidation or dissolution of the Partnership may be delayed until all purchase money loans that the Partnership may extend to a buyer of the Project is repaid or sold. Decreases in actual rental income from expected amounts, or increases in operating expenses, among other factors, could result in the Partnership's inability to meet all its cash obligations. Any decrease in rental income received by the Partnership may reduce, and possibly eliminate, the amount of cash available for distribution to the Partners, since operating expenses, such as property taxes, utility costs, maintenance, and insurance are unlikely to decrease significantly, and other expenses such as advertising and promotion may increase. If the income from the Project is not sufficient to meet operating expenses or debt service, the Partnership may have to dispose of its interest in the Project on disadvantageous terms in order to raise needed funds.

D. **Leverage and Other Factors Relating to Financing.** The Partnership plans to borrow money, Leveraging increases the risk of loss of the Partnership's equity investment if and to the extent the Project declines in value. In addition, to the extent cash flow from a leveraged investment is not sufficient to pay debt service, cash from other sources will be required. Unless the Project generates such cash, the Partnership will be required to request additional Capital Contributions from the Partners or to borrow additional funds for such purpose, and there can be no assurance that such Capital Contributions or such loans will be available. In such event, the Partnership may be required to sell its interest in the Project on disadvantageous terms, or mortgages or deeds of trust securing the Partnership's debt may be foreclosed and the Project sold by the lender to repay the Partnership's debt.

E. **Future Market Value of the Project.** The economic future of Los Angeles County, State of California, future construction activity, interest rates, demographic changes, changes in tax laws, and numerous other factors will determine the future market value of the Project. There is no assurance that the Project will increase in value in accordance with the expectations or otherwise of Singpoli Pacifica, LLC or the Partnership.

F. **Distributions From Operations.** Singpoli Pacifica, LLC as the General Partner will make qualified projections as to distributions to the Subscriber from operations. Because distributions are related to market conditions for rentals, vacancy factors, costs of operating the Project, and numerous other factors, there is no assurance that there will be cash from operations available for distribution to Subscriber. Subscriber who borrowed all or part of the Capital Contribution must understand that income, rental or otherwise, is subject to market forces and cannot be relied upon as a source of funds to repay such debt.

G. **General Tax Risks.** Investment in the Partnership involves substantial tax risks. Although the primary motive of Subscriber should be for long-term appreciation, state and federal legislatures and tax authorities may alter and change the permissible deductions that may be taken and may change tax rates to less favorable rates. In addition, state and federal tax authorities may be more likely to audit taxpayers with higher incomes or partnership income or loss. Since Subscriber may fall into this category, Singpoli Pacifica, LLC and the Partnership may also

have increased risk of being audited. Such an examination could result in adjustments to items that are related to the Partnership. Subscriber may incur legal or other professional expenses in connection with such audit or the adjustments resulting from such audit. Singpoli Pacifica, LLC has not obtained a legal opinion or ruling from any tax authority regarding any tax aspects of its business including the Partnership. The tax risks include, without limitation, the following:

1. Changes in federal income tax laws;
2. Partnership status;
3. Taxable income in excess of distributions;
4. Allocation of tax items among Partners;
5. Allocation of purchase price;
6. Partnership termination;
7. At risk limitations;
8. Risk of audit;
9 Profit objective; and
10. Limitations on passive losses.

The tax discussion contained in this Agreement is not tax advice to Subscriber. Subscriber is advised to consult with his or her own tax advisor regarding the tax consequences of investing in the Partnership.

H. **Limited Transferability of Interests.** Except upon death, Subscriber may not assign, sell, or transfer his or her Partnership Interests to another party except as provided for in the Partnership Agreement. There is no public market for sale of the Partnership Interests and it is not anticipated that a market will develop for their purchase or sale. Consequently, Subscriber may not be able to liquidate his or her investment in the Partnership in the event Subscriber desires or needs to do so.

I. **Illiquidity.** This Agreement does not contain any redemption, buy back, or loan provisions. Partnership Interests are a highly illiquid asset in that they cannot be readily sold or pledged as collateral for a loan.

J. **Limitation of Company's Liability.** Under California Statutes, Singpoli Pacifica, LLC as General Partner is accountable to the Limited Partners as a fiduciary, and is required to exercise good faith in handling the affairs of the Partnership. However, the Partnership Agreement provides that the General Partner shall not be liable to the Limited Partners for any loss or liability incurred in connection with the affairs of the Partnership, so long as such loss or liability did not result from willful misconduct or gross negligence, and also provides that certain losses that the General Partner may incur shall be paid from Partnership assets. Therefore, Subscriber may have a more limited right of action against the General Partner than he or she would have had absent these provisions in the Partnership Agreement.

K. **Limited Right to Participate in Management.** Subscriber will not have a right to participate in the active management of the Partnership or the decisions made by the Partnership, except as expressly provided in the Partnership Agreement.

L. **No Independent Counsel.** No independent counsel has been or will be retained by Singpoli Pacifica, LLC or the Partnership to represent the interests of Subscriber. Subscriber is therefore urged to consult with his or her own counsel as to the terms and provisions of this Agreement, the Partnership Agreement and all other

documents relating thereto as well as his or her own accountant as to the financial information and projections provided.

M. **Uninsured Losses; Casualty Insurance.** Certain risks in connection with the Project are either uninsurable or not insurable at commercially reasonable rates, and could have a detrimental effect on the Partnership. Examples of uninsurable losses are those arising from flood, earthquakes, war and acts of God, among others. Should such an uninsurable loss occur, the Partnership could suffer a loss of some or all of the capital invested in the Project as well as the loss of any potential profits from the Project.

N. **Environmental Risks.** The business of investing, especially in real property, involves risks relating to hazardous and toxic contamination of such property or adjacent property, including subsurface and underground water contamination. Such contamination could have a detrimental effect on the Partnership and can result from the actions of tenants, contractors and other parties such adjacent property owners. The Partnership could be required to clean up or otherwise abate such contamination which could cause the Partnership to suffer a loss of some or all of the capital invested in the Project as well as the loss of any potential profits from the Project. Many areas in California is generally known to have hydrocarbons, lead, arsenic, and other hazardous materials in the soils in levels above clean up limits established by the State of California and the U.S. government.

O. **Potential Conflict of Interest.** The obligations of Singpoli Pacifica, LLC as the General Partner to the Partnership are not and will not be exclusive, and Singpoli Pacifica, LLC as the General Partner need only devote so much time to a Partnership's affairs as Singpoli Pacifica, LLC as the General Partner, in its sole discretion, determines to be necessary to manage the Partnership's business. Singpoli Pacifica, LLC as the General Partner will be involved with other commitments and in other businesses that may compete with the Partnership.

P. **Construction Risks.** The Project may involve significant construction activity that often results in surprises and unexpected problems. These problems may delay construction which in turn delays the ability to generate cash flow and increases costs, which can significantly increase projected construction costs and reduce projected rates of return. Also, obtaining building permits can be a time consuming process. In any event, it may be virtually impossible to predict how long it takes to receive final building permits. This uncertainty may result in construction delays and increased costs.

Q. **Immigration Risks**

1. The Congress of the United States and/or USCIS may change the law, regulations, or interpretations of the law without notice and in a manner that may be detrimental to Subscriber and/or the Partnership. Accordingly, Subscriber understands that there is no guarantee that an investment in the Partnership will result in the Subscriber obtaining permanent residence in the United States. Currently, the Immigrant Investor Pilot Program is set to expire on March 12, 2012.

2. If Subscriber's I-526 Petition is approved by the USCIS (and the Subscriber's subscription is accepted in accordance with this Agreement), Subscriber's Capital Contribution will be released from the Escrow Account to the Partnership to invest in accordance with the Partnership Agreement and the PPM. In the event that Subscriber's application for adjustment of status in the United States, application for immigrant visa, or I-829 Petition is later denied for any reason, Subscriber may not terminate his or her investment in the Partnership.

3. Subscribers who obtain permanent residence status must intend to make the United States their primary residence. Permanent residents who continue to live abroad risk revocation of their permanent residence status.

Please sign below so that we can begin the process of preparing the written purchase and sales agreement.

Sincerely,

Kin Hui
Manager of Singpoli Pacifica, LLC
General Partner to Park Place Commercial, LP

Approved by:

William Chu
Manager of Invest LA Regional Center, LLC
GP of Park Place EB5, LP

ARTICLES OF ORGANIZATION OF PARK PLACE COMMERCIAL, LP

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUN 23 2007

Debra Bowen

DEBRA BOWEN
Secretary of State

State of California
Secretary of State

CERTIFICATE OF LIMITED PARTNERSHIP - CONVERSION

File #200717200020

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

JUN 20 2007

IMPORTANT — Read all instructions before completing this form.

This Space For Filing Use Only

CONVERTED ENTITY INFORMATION

1. NAME OF LIMITED PARTNERSHIP (End the name with the words "Limited Partnership" or the abbreviation "L.P.")
   PARK PLACE COMMERCIAL, L.P.

2. NUMBER OF GENERAL PARTNERS' SIGNATURES REQUIRED FOR FILING DOCUMENTS WITH THE CA SECRETARY OF STATE:

3. NAMES AND ADDRESSES OF ALL GENERAL PARTNERS (ATTACH ADDITIONAL PAGES, IF NECESSARY)

NAME	ADDRESS	CITY AND STATE	ZIP CODE
SINGPOLI PACIFICA, LLC	18071 IRVINE BLVD.	TUSTIN, CA	92780

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE — 18071 IRVINE BLVD. | CITY AND STATE — TUSTIN, CA | ZIP CODE — 92780

5. NAME OF AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both items 5 and 6 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and item 5 must be completed (leave item 6 blank).)
   PHILIP Y. KIM, ESQ.

6. IF AN INDIVIDUAL, ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CA — 18071 IRVINE BLVD. | CITY — TUSTIN | STATE — CA | ZIP CODE — 92780

CONVERTING ENTITY INFORMATION

7. NAME OF CONVERTING ENTITY
   PARK PLACE COMMERCIAL, LLC

8. FORM OF ENTITY — LIMITED LIABILITY COMPANY | 9. JURISDICTION — CALIFORNIA | SECRETARY OF STATE FILE NUMBER, IF ANY — 200714610140

11. THE PRINCIPAL TERMS OF THE PLAN OF CONVERSION WERE APPROVED BY A VOTE OF THE NUMBER OF INTERESTS OR SHARES OF EACH CLASS THAT EQUALED OR EXCEEDED THE VOTE REQUIRED. IF A VOTE WAS REQUIRED, PROVIDE THE FOLLOWING FOR EACH CLASS:

STATE THE CLASS AND NUMBER OF OUTSTANDING INTERESTS ENTITLED TO VOTE	AND THE PERCENTAGE VOTE REQUIRED OF EACH CLASS
MEMBERS	51%

ADDITIONAL INFORMATION

12. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

13. I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING IS TRUE AND CORRECT OF MY OWN KNOWLEDGE. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

SIGNATURE OF AUTHORIZED PERSON	DATE	TYPE OR PRINT NAME AND TITLE OF AUTHORIZED PERSON
	6-19-07	KIN HUI, MANAGER
	6-19-07	PHILIP KIM, MANAGER

LP-1A (REV 06/2005) APPROVED BY SECRETARY OF STATE

State of California
Secretary of State

I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY 29 2007

Debra Bowen

DEBRA BOWEN
Secretary of State

LLC-1

File # 200714610140

State of California
Secretary of State

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAY 24 2007

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

PARK PLACE COMMERCIAL, LLC

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

PHILIP Y. KIM, ESQ.

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA

ADDRESS	CITY	STATE	ZIP CODE
18071 IRVINE BLVD.	TUSTIN	CA	92780

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- ☐ ONE MANAGER
- ☑ MORE THAN ONE MANAGER
- ☐ ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

8. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

5-23-07
DATE

SIGNATURE OF ORGANIZER

Philip Kim
TYPE OR PRINT NAME OF ORGANIZER

OFFICE OF THE SECRETARY OF STATE

LLC-1 (REV 04/2007)

APPROVED BY SECRETARY OF STATE

BUYER'S SETTLEMENT STATEMENT; GRANT DEED

First American Title Insurance Company
National Commercial Services
550 S. Hope Street, Suite 1950 • Los Angeles, CA 90071

Buyer's Estimated Settlement Statement

Property: 908 - 940 E. Colorado Blvd., Pasadena, CA

File No: NCS-227711-A-LA2
Officer: James Cardenas/jc
New Loan No:
Settlement Date: 08/23/2007

(b) (4)

Initials: _____ _____

Continued From Page 1

Buyer's Estimated Settlement Statement

(b) (4)

BUYER(S):

Park Place Commerical, L.P., a California Limited Partnership

By: Kim Hui

Its: MANAGER

This page is part of your document - DO NOT DISCARD

20071986093 Pages: 007

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County, California

08/24/07 AT 08:00AM

Fee: 36.00
Tax: NFPR
Other: 0.00
Total: NFPR

Title Company

TITLE(S) : DEED

Assessor's Identification Number (AIN)
To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

E464790

THIS FORM IS NOT TO BE DUPLICATED

RECORDED BY:

FIRST AMERICAN TITLE COMPA.
LOS ANGELES
WHEN RECORDED MAIL TO:

Singpoli
18071 Irvine Blvd.
Tustin, CA 92780
Attn: Philip Y. Kim, Esq.

08/24/07
20071986093

MAIL TAX STATEMENTS TO:

Park Place Commercial
18701 Irvine Blvd.
Tustin, CA 92780
Attn: Kim Hui

TRANSFER TAX
NOT A PUBLIC RECORD

DOCUMENTARY TRANSFER TAX
$

NOT FOR PUBLIC RECORD

__ Computed on the consideration or value of property conveyed; OR
__ Computed on the consideration or value less liens or encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax- Firm Name

GRANT DEED

APN **5735-006-032**

227711-21

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Singpoli
18071 Irvine Blvd.
Tustin, CA 92780
Attn: Philip Y. Kim, Esq.

MAIL TAX STATEMENTS TO:

Park Place Commercial, L.P.
18071 Irvine Blvd.
Tustin, CA 92780
Attn: Kin Hui

Documentary Transfer Taxes Due
Shown on the Attached Affidavit

TRANSFER TAX
NOT A PUBLIC RECORD

APN: 5735-006-032

(Space above this line is for recorder's use)

GRANT DEED

FOR VALUABLE CONSIDERATION, 940 EAST COLORADO, L.P., a California limited partnership ("**Grantor**"), HEREBY GRANTS to PARK PLACE COMMERCIAL, L.P., a California limited partnership, that certain improved real property located in the City of Pasadena, County of Los Angeles, State of California, as more particularly described in **Exhibit A** attached hereto.

SUBJECT TO:

All matters set forth in **Exhibit B** attached hereto.

[Signature on following page]

07 1983093

IN WITNESS WHEREOF, the undersigned Grantor has executed this Grant Deed as of August ___, 2007.

940 EAST COLORADO, L.P.,
a California limited partnership

By: Mid-Wilshire Capital Management Group, LLC,
a California limited liability company
Its: General Partner

By: _____
Name: Jacob Friedman
Its: Manager

07 1980695

State of California)
County of Los Angeles) ss.

On August 15, 2007 before me, ELIAS T. DANHO,
a Notary Public, personally appeared JACOB FRIEDMAN,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

ELIAS T. DANHO
Commission # 1608274
Notary Public - California
Los Angeles County
My Comm. Expires Oct 18, 2009

(Seal)

20080031969

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Pasadena, County of Los Angeles, State of California, described as follows:

PARCEL 1:

Those portions of Lots 5, 6 and 7 of Thomas and Farris Subdivision of Lot 1 and a portion of Lot 4, in Block "L" of the San Pasqual Tract, in the City of Pasadena, as per map recorded in Book 10 Page 100 of Miscellaneous Records, in the Office of the County Recorder of said County, described as a whole as follows:

Beginning at the intersection of the Southerly line of Colorado Street, 100 feet wide, with the Westerly line of Mentor Avenue, 60 feet wide; thence North 89° 59' West along said Colorado Street, 224.96 feet to the intersection of the Southerly line of said Colorado Street with the Westerly line of said Lot 5; thence South along said Westerly line, 175.35 feet to the Southwest corner of said Lot 5; thence along the Southerly line of said Lots 5, 6 and 7, South 89° 59' East 224.96 feet to the Westerly line of said Mentor Avenue; thence North along said Mentor Avenue, 175.35 feet to the point of beginning.

PARCEL 2:

The Northerly 2 feet of Lot 8 of Thomas and Farris Subdivision of Lot 1 and a portion of Lot 4 in Block "L" of San Pasqual Tract, in the City of Pasadena, as per map recorded in Book 10 Page 100 of Miscellaneous Records, in the Office of the County Recorder of said County.

EXCEPT the Westerly 65 feet thereof.

APN: 5735-006-032

20150369621

EXHIBIT B TO GRANT DEED

EXCEPTIONS

1. General and special taxes and assessments not yet delinquent.

2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

3. Water rights, claims or title to water, whether or not shown by the public records.

4. Any rights, interest or claims which may exist or arise by reason of or reflected by the following facts shown on the ALTA survey prepared by ALTA LAND SURVEYING, INC. dated August 3, 2006 as Job No. 06-1101.

   A. Building overhangs above the public right of way at the northerly and easterly property lines at various locations.

   B. The westerly edge of the most northerly located building is on the northerly property line and 0.1 foot west of the westerly property line at northwest building corner and 0.2 feet west of the westerly property line at southwest building corner.

   C. The westerly edge of parking structure is on the westerly property line at northwest building corner and 0.1 feet west of the west property line and 0.2 feet north of the south property line at the southwest building corner.

   D. The south face of an east-west masonry wall is on the southerly property line of Parcel 2 at the east end of wall and 0.3 feet south of the southerly property of Parcel 2 at the west end of wall. A north-south segment of wall is located to the west of the west property line of Parcel 2 and to the south of the south property line of Parcel 1.

   E. Any easement or lesser right for a phone near the southeast corner of building and a phone located partially upon the northerly property line.

   F. Gas meter, shut off and guard posts are located near the southwest corner of building.

   G. Cleanouts, drains and trap in various locations.

   H. Electric meters, gas valve, guard post in dock areas. Gas valve at easterly property line of Parcel 1.

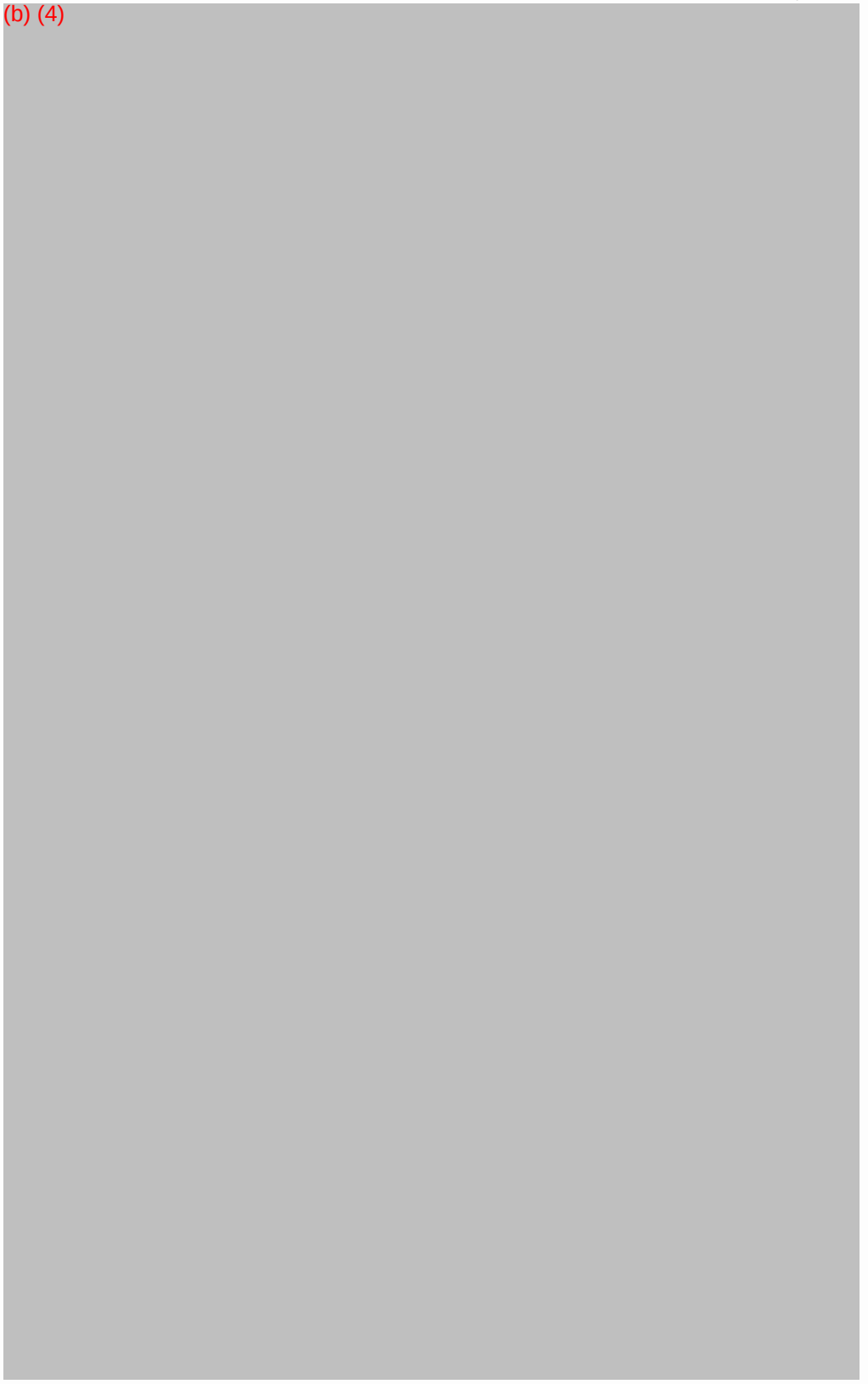
5. Rights of parties in possession.

2006-0769357

PRELIMINARY CONSTRUCTION BUDGET

Construction Budgets - Hotel Constance - 142-Room 7-Storey Property as of October 29, 2010

(b) (4)



Note: Project construction costs are determined based on preliminary bids from contractors specialized in their respective trades.

NOTICE OF DETERMINATION; ENTITLEMENT RESOLUTIONS FROM CITY OF PASADENA

NOTICE OF DETERMINATION

To: Office of Planning and Research
For U.S. Mail: P.O. Box 3044, Sacramento, CA 95812-3044
Street Address: 1400 Tenth Street, Sacramento, CA 95814

From: City of Pasadena
Planning & Development Dept.
175 N. Garfield Avenue
Pasadena, CA 91101-1704

To: Los Angeles County Clerk
Business Filing & Registration
12400 E Imperial Highway
Norwalk, CA 90650

Contact: John Steinmeyer, Senior Planner

Phone: (626) 744-6880

SUBJECT: Filing Notice of Determination in compliance with §21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2009051066

Project Title/Project Applicant: Colorado at Lake: Alternative 3—Hotel Option Project / Park Place Commercial, LP

Project Location (include county): 880, 908-938, 940-942 E. Colorado Blvd & 19-25 S. Mentor Ave

Project Description: The environmental impact report analyzed the "Colorado at Lake" project and "Alternative 3 – Hotel Option" in full detail. The Hearing Officer of the City of Pasadena certified the EIR, and approved project entitlements for Alternative 3 – Hotel Option. This description is of the Alternative 3 – Hotel Option. The project site is on the south side of E. Colorado Boulevard and is bounded by S. Lake Avenue on the west and S. Mentor Avenue on the east. The site is currently developed with a seven-story building (formerly the Hotel Constance and most recently used for senior housing; now vacant), which is a designated landmark, and other commercial structures. The project is a two-phased, mixed-use project with hotel, office, retail, restaurant, and residential uses at 880-940 East Colorado Boulevard. Phase 1 includes renovation of the existing landmark Constance Hotel building for use as a new hotel; renovation of the existing one-story historic commercial structures for new retail and restaurant uses; and construction of a three-story parking garage. Phase 2 includes a rear addition to the hotel; a new office building with six occupied floors, including commercial uses with a bank on the ground floor; and a subterranean parking garage. The total gross floor area of all proposed uses is approximately 231,711 square feet. The majority of the parking (445 spaces) for the project would be located on-site in the new parking structures; an additional portion of available parking would be located off-site at an existing parking garage at 2 North Lake Avenue.

This is to advise that the City of Pasadena ☒ Lead Agency or ☐ Responsible Agency has approved the above described project on October 20, 2010 and has made the following determinations regarding the above described project:

1. The project ☒ will ☐ will not have a significant effect on the environment.
2. ☒ An Environmental Impact Report was prepared for this project pursuant to the Provisions of CEQA.
   ☐ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures ☒ were ☐ were not made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan ☒ was ☐ was not adopted for this project.
5. A statement of Overriding Considerations ☒ was ☐ was not adopted for this project.
6. Findings ☒ were ☐ were not made pursuant to the provisions of CEQA (Section 15091).

This is to certify that the Final EIR with comments and responses and record of project approval, or the Negative Declaration/Mitigated Declaration, is available to the General Public at: The City of Pasadena Permit Center, 175 N. Garfield Avenue, Pasadena, CA 91101.

Signature (Public Agency) Jason E Mullen *Title* Zoning Administrator

Date 10/21/2010 Date received for filing at OPR (if applicable) _____

Authority Cited: Sections 21083 and 21087, Public Resources Code.
Reference Sections 21000-21174, Public Resources Code.

RESOLUTION NO. _____

A RESOLUTION OF THE HEARING OFFICER OF THE CITY OF PASADENA ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR ALTERNATIVE 3—HOTEL OPTION TO THE COLORADO AT LAKE PROJECT

WHEREAS, the Alternative 3—Hotel Option to the Colorado at Lake mixed-use project (the "Alternative 3—Hotel Option Project") would convert the former Constance Hotel structure to a hotel use (156 rooms converted and new, plus new 5 multi-family residential units). Existing retail space along Colorado Boulevard would be retained and renovated, with ground floor retail and/or restaurant also provided in the former Constance Hotel. The total proposed office building and restaurant and retail square footage would be approximately 141,000 square feet with the hotel option. Total site development and reuse would be approximately 229,000 square feet. A new parking structure would be built and would include above grade parking in addition to on grade and subterranean parking (two subterranean levels and three structured levels), and the project would provide limited shared parking of approximately 65 parking spaces with the 2 N. Lake Avenue parking garage across Colorado Boulevard. A total of approximately 510 spaces (on- and off-site) would be provided. The construction could be accomplished in two phases;

WHEREAS, the Hearing Officer, as the decision-making body for the lead agency, by prior and separate Resolution certified the environmental impact report ("EIR") for the Colorado at Lake project and made environmental findings;

WHEREAS all potential environmental effects of the Alternative 3—Hotel Option Project were fully and adequately analyzed in the EIR, and the Hearing Officer found that, for CEQA purposes, the Alternative 3—Hotel Option Project cannot be rejected because it is less impactful across every resource area than the Colorado at Lake project, although potentially significant effects still remain, and the Alternative 3—Hotel Option Project would meet or exceed many of the objectives of the Colorado at Lake project;

WHEREAS the applicant for the Colorado at Lake project has agreed to seek land use approvals for the Alternative 3—Hotel Option Project instead of the Colorado at Lake project; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE HEARING OFFICER OF THE CITY OF PASADENA RESOLVES AS FOLLOWS:

I. RESOLUTION ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to State CEQA Guidelines Section 15093, the Hearing Officer declares that the City of Pasadena has balanced the economic, legal, social, technological, and other benefits of the Alternative 3—Hotel Option Project against its unavoidable environmental risks in determining whether to approve the Alternative 3—Hotel Option

Project. If these benefits outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."

The Hearing Officer finds that the Alternative 3—Hotel Option Project's benefits outweigh its unavoidable adverse environmental effects, finds that this Statement of Overriding Considerations is supported by substantial evidence in the administrative record, and therefore adopts the following Statement of Overriding Considerations.

STATEMENT OF OVERRIDING CONSIDERATIONS

1. While the Colorado at Lake project always included rehabilitation and restoration of the historic Constance Hotel in accordance with the Secretary of the Interior's Standards, the Alternative 3—Hotel Option Project goes much further and also retains and rehabilitates the 1926 Colorado Boulevard multi-storefront retail buildings that are associated with the Constance Hotel tower. This preservation provides historical context for the Constance Hotel that would have otherwise been lost. After rehabilitation, the 1926 storefronts will be able to be evaluated for independent historic resource value beyond their association with the Constance Hotel.
2. The Alternative 3 Project will revitalize the site by providing Class A office space, ground-floor pedestrian uses, and more economically productive uses of the property than previously existed. The Alternative 3 —Hotel Option Project will also bring more tenants and employees to the site than currently exist, who will

patronize existing businesses within the vicinity and thereby contribute to their viability.

3. Implementation of the Alternative 3—Hotel Option Project will promote the City's Mobility Element guiding principle that "Pasadena will be a city where people can circulate without cars," and also implements Pasadena's Transit Oriented Development policies by coordinating and concentrating development in proximity to transportation alternatives such as the Gold Line. The Alternative 3—Hotel Option Project will utilize an existing parking garage at 2 N. Lake Avenue to provide a portion of the required parking and thereby efficiently using an existing parking resource in the Central District. The Alternative 3—Hotel Option Project will also provide secure bicycle parking facilities on site.
4. Implementation of the Alternative 3—Hotel Option Project will improve social and economic conditions in Pasadena and Los Angeles County through:
    a. providing approximately (b) (4) jobs;
    b. creating approximately (b) (4) jobs when construction is completed and in full operation with a payroll of nearly (b) (4) . The indirect and induced employment impacts of the Alternative 3—Hotel Option Project in Los Angeles County are estimated at over (b) (4) jobs and a payroll of nearly (b) (4) and
    c. providing the City with annual increased revenues from sources such as property taxes, sales taxes, utility taxes, and business license, of (b) (4)

(b) (4) and one-time revenue, generally in the form of permit, impact and plan check fees, of approximately (b) (4)

5. Implementation of the Alternative 3—Hotel Option Project will provide a LEED certified, energy efficient and environmentally conscious development at the site, thereby contributing to Pasadena's efforts to achieve the goals of its Green City Action Plan.

6. Implementation of the Alternative 3—Hotel Option Project will create a pedestrian and economic linkage between the Old Pasadena district to the west, and the South Lake Avenue district to the south, and the Metro Gold Line Station to the north, thereby enhancing the Central District and fulfilling multiple policies and objectives of the General Plan.

II. RESOLUTION ADOPTING A MITIGATION MONITORING PLAN

Pursuant to Public Resources Code Section 21081.6, the Hearing Officer hereby adopts the Mitigation Monitoring and Reporting Plan ("MMRP") attached to this Resolution as Exhibit A, and incorporated herein. This MMRP includes all of the mitigation measures analyzed in the EIR that are applicable to the Alternative 3—Hotel Option Project, and only excludes those mitigation measures that are not required to reduce impacts of the Alternative 3—Hotel Option Project that are already less than significant. For informational purposes only, the mitigation measures that are not applicable to the Alternative 3—Hotel Option Project are shown on the MMRP in strikeout form.

III. RESOLUTION REGARDING NOTICE OF DETERMINATION

Staff is directed to file a Notice of Determination with the Clerk of the County of Los Angeles within five working days of final approval of the Alternative 3—Hotel Option Project.

Adopted by the Hearing Officer for the City of Pasadena on the 20th day of October, 2010.

Hearing Officer

APPROVED AS TO FORM:

Theresa E. Fuentes
Assistant City Attorney

EXHIBIT A

ENVIRONMENTAL MITIGATION MONITORING AND REPORTING PROGRAM FOR ALTERNATIVE 3—HOTEL OPTION OF THE COLORADO AT LAKE PROJECT

A. AUTHORITY

Section 21081.6 of the California Public Resources Code requires that public agencies approving a project with an Environmental Impact Report (EIR) adopt a Mitigation Monitoring and Reporting Program (MMRP) for that project. The purpose of the MMRP is to ensure that the mitigation measures identified in the EIR to mitigate the potentially significant environmental effects of the project are, in fact, properly carried out. In its findings concerning the environmental effects of a project for which an EIR was prepared, a Lead Agency must also include a finding that a MMRP has been prepared and provides a satisfactory program that would ensure avoidance or sufficient reduction of the significant effects of the proposed project. This report will be kept on file in the offices of the City of Pasadena Planning Department, 175 North Garfield Avenue, Pasadena, CA 91101.

B. MONITORING SCHEDULE

Monitoring of the implementation of adopted mitigation measures is required by Public Resources Code Section 21081.6. Therefore, this MMRP has been prepared to ensure compliance with all of the mitigation measures identified in the Final EIR which would lessen or avoid potentially significant adverse environmental impacts resulting from implementation of the Alternative 3—Hotel Option ("Project") of the Colorado at Lake Project. Prior to the issuance of building permits, while detailed development plans are being prepared for approval by City staff, City staff will be responsible for ensuring compliance with mitigation monitoring applicable to the Project design phase. City staff will prepare or cause to be prepared reports identifying compliance with mitigation measures. Once construction has begun and is underway, monitoring of the mitigation measures associated with construction will be included in the responsibilities of designated City staff, who shall prepare or cause to be prepared reports of such monitoring of no less than once a month until construction has been completed. Once construction has been completed, the City will monitor the Project as appropriate and provided in the monitoring plan.

C. FORMAT OF MITIGATION MONITORING MATRIX

The mitigation monitoring matrix on the following pages is formatted to parallel the format of the Executive Summary table contained in the Final EIR. The matrix identifies the environmental issue areas for which monitoring is required, the required mitigation measures, the time frame for monitoring, and the responsible monitoring agencies. Because an alternative was selected as the project to be implemented, the matrix shows in strikeout version those mitigation measures or portions thereof that are not applicable to the Alternative 3—Hotel Option Project.

If any mitigation measures are not being implemented by the developer that are otherwise required, the City may pursue corrective action. Penalties that may be applied include, but are not limited to, the following: (1) a written notification and request for compliance, (2) withholding of permits, (3) administrative fines, (4) a stop work order, (5) criminal prosecution and/or administrative fines, (6) forfeiture of security bonds or other guarantees, and (7) revocation of permits or other entitlements.

TABLE VIII-1
Colorado at Lake Mitigation Monitoring and Reporting Program Matrix

Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
Aesthetics				
Lighting and Illumination				
The proposed project would result in new sources of increased light and glare from new lighting systems. This is considered a potentially significant impact.	**IV.A-1** All lighting along the perimeter of the site, particularly street lamps, shall be focused on the project site and oriented in a manner that will prevent spillage or glare into surrounding uses. Lighting shall be energy-efficient and shielded so that direct glare and reflections are confined to the maximum extent feasible within the building site, and shall be directed downward and away from adjoining properties and public rights-of-way. All proposed exterior (safety, landscape and signage) lighting shall comply with the outdoor lighting standards in the City of Pasadena Zoning Code.	Applicant's Lighting Engineer	At design review and plan check; field inspection and confirmation prior to final building approval	Planning Department—Code Compliance
	IV.A-2 The proposed project shall comply with the City's lighting regulations included in the Zoning Code, which limit the reflectivity of architectural materials used to reduce any adverse impacts from window glass glare.	Applicant's Lighting Engineer	At design review and plan check	Planning Department—Code Compliance
	IV.A-3 Construction equipment staging areas shall use and maintain appropriate screening (i.e., temporary fencing with opaque material) to buffer views of construction equipment and material to the adjacent land uses. Any construction-related lighting shall include shielding in order to direct lighting down and away from adjacent residential and commercial areas.	Applicant's Mitigation Monitor; Applicant's General Contractor	At design review and plan check; field inspection	Planning Department—Code Compliance and Public Works Department
Air Quality				
VOC concentrations would exceed the SCAQMD regional thresholds during Phase 3 of the proposed project, and, as such, would result in a significant and unavoidable regional impact during project construction.	**IV.B-1** The construction area and all accessible areas (public streets, sidewalks, etc.) within 100 feet of the project site shall be swept (preferably with water sweepers) and watered at least twice daily.	Applicant's Mitigation Monitor; Applicant's General Contractor	Prior to issuance of grading permits; daily monitoring during construction; weekly reporting during	Public Works Department

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
Additionally, daily construction emissions for $PM_{2.5}$ and PM_{10} would exceed the SCAQMD localized significance threshold during each project phase and, as such, would result in a significant and unavoidable localized impact during project construction. Even with implementation of SCAQMD Rule 403, impacts would still exceed localized thresholds.	IV.B-2 The construction contractor shall utilize at least one of the following measures at each vehicle egress from the project site to a paved public road: • Install a pad consisting of washed gravel maintained in clean condition to a depth of at least six inches and extending at least 30 feet wide and at least 50 feet long; • Pave the surface extending at least 100 feet and at least 20 feet wide; • Utilize a wheel shaker/wheel spreading device consisting of raised dividers at least 24 feet long and 10 feet wide to remove bulk material from tires and vehicle undercarriages; or • Install a wheel washing system to remove bulk material from tires and vehicle undercarriages. IV.B-3 Site access points shall be swept/washed within thirty minutes of visible dirt deposition. Street sweepers that comply with SCAQMD Rule 1186 and 1186.1 shall be used to sweep site access points or reclaimed water shall be used to wash site access. IV.B-4 All haul trucks hauling soil, sand, and other loose materials shall be covered (e.g., with tarps or other enclosures that would reduce fugitive dust emissions). IV.B-5 Construction activity on unpaved surfaces shall be suspended when winds exceed 25 miles per hour. IV.B-6 Heavy-duty equipment operations shall be suspended during first and second stage smog alerts. IV.B-7 Ground cover in disturbed areas shall be replaced as quickly as possible. IV.B-8 The construction contractor shall utilize		construction	

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
	super-compliant architectural coatings as defined by the SCAQMD (VOC standard of less than ten grams per liter). **IV.B-9** The construction contractor shall utilize materials that do not require painting, as feasible. **IV.B-10** The construction contractor shall use pre-painted construction materials, as feasible. **IV.B-11** All diesel-powered construction equipment in use shall require control equipment that meets Tier III emissions requirements. In the event Tier III equipment is not available, diesel powered construction equipment in use shall require emissions control equipment with a minimum of Tier II diesel standards. **IV.B-12** The construction contractor shall utilize electricity from power poles rather than temporary gasoline or diesel power generators.			
Historical Resources				
The project would not result in significant adverse effects to the Constance Hotel property because it avoids the demolition of the related Colorado Boulevard storefronts. Implementation of mitigation measures would reduce impacts to historic resources to a less-than-significant level. Consequently, the project would not have a significant and unmitigated impact to historical resources.	**IV.C-1** The Constance Hotel and related buildings shall be photographed according to HABS standards for photography prior to any demolition, abatement or rehabilitation work. Views shall include all exterior elevations for each building, important interior features, key spatial relationships among buildings, and exterior hardscape features. These photos will also serve as graphic documentation for the Historic Structures Report described in mitigation measure IV.D-2. The negatives and archival quality prints will be donated to the Pasadena Public Library. **IV.C-2** A Historic Structures Report (HSR) shall be prepared which will include all the original components of the Constance Hotel property (hotel tower, courtyard, one-story retail	Applicant's Independent Historic Preservation Consultant	Prior to issuance of grading permit	Planning Department—Design & Historic Preservation

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Impact		Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
		building, and garage). The HSR will provide documentary, graphic, and physical information about both the property's history and its existing condition including a reproduction of the hotel's original drawings. Measured drawings of as-found conditions are not required. The report will also include appropriate methods for treatment of the existing historic fabric, a recommended scope of work, and provide information and recommendations for further treatment. This report will be prepared according to the National Park Services *Preservation Brief 43: The Preparation and Use of Historic Structures Reports.* A copy of this report will be donated to the Pasadena Public Library.			
	IV.C-3	The exterior rehabilitation of the Constance Hotel tower will follow the Secretary of the Interior's Standards and have specifications for the treatment of character defining features as identified in the HSR contained in the general specifications for the project. The specifications will include (but are not limited to), sections for treatment of historic fabric; quality control; substitution procedures; demolition; selective removal and storage of historic materials; protection, patching, and cleaning; determination of repair options and potential replacement of severely deteriorated features. Materials conservation plans shall be incorporated into the plans and specifications if necessary.	Applicant's Independent Historic Preservation Consultant	Prior to issuance of grading permit; monthly during construction period	Planning Department—Design & Historic Preservation
	IV.C-4	Original character-defining features on the exterior of the Constance Hotel tower and certain courtyard features (glazed tile and flagstone paving) will be substantially retained and rehabilitated according to the Secretary of the Interior's Standards in order to ensure that all remaining historic fabric is appropriately treated and returned to its	Applicant's	Daily monitoring	Planning

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
	original appearance wherever possible.	Independent Historic Preservation Consultant	during construction; weekly reporting during construction	Department—Design & Historic Preservation, Code Compliance
	~~IV.C-5 The historic Constance Hotel courtyard will be partially salvaged through the removal of distinctive features that are examples of craftsmanship, reconstructed to substantially replicate the existing form and finish, and the salvaged features shall be reinstalled in their original locations. The features that shall be salvaged intact, using such expertise and care as is necessary for intact removal without loss and damage, are (a) glazed ceramic tiles at the fountain pool and glazed ceramic tile panels on the concrete walls, and (b) flagstone pavers. In addition to the HABS photographs that shall be provided, the courtyard shall be documented by measured drawings of the floor plan and north, east, south, and west elevations to HABS standards prior to demolition. The reconstructed courtyard shall match the demolished courtyard in size, shape, form, material, and finish, as documented by the HABS photographs and measured drawings. The features that shall be replicated accurately include the footprint of the walls, planters, and fountain, and materials such as the board formed, poured in place concrete walls. The only aspect that may vary in the replicated courtyard is the finished elevation of the flagstone pavers, which will be raised to accommodated the parking structure below and matching the elevation to the interior first floor level to accommodate wheelchair users without the need to add a ramp and railing at the loggia such as occurred at the existing incompatible addition.~~	Applicant's Independent Historic Preservation Consultant; structural engineer	Daily monitoring during construction; weekly reporting during construction	Planning Department—Design & Historic Preservation, Code Compliance and Public Works Department
	V.C-6 There are potential construction impacts that are mitigated to a less than significant level by monitoring by a qualified professional. These impacts are demolition of buildings and			

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Impact		Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
		landscaping, shoring, excavation, new buildings below and above grade near and attached to historic resources on the site. A structural engineer with qualifications in completed historic preservation projects that conform to the Secretary of the Interior's Standards for Rehabilitation will be consulted and provide monitoring and written review of the engineering and construction of work that is on site and contiguous with historic resources that are to remain to ensure that the work being done is consistent with the Standards. If the engineer concludes that the work being done is not consistent with the Standards, the engineer shall give immediate verbal notice to the owner and contractor, followed by written notice of non-conformance. If there is no satisfactory response within one calendar week, then the engineer shall notice the City's mitigation monitor immediately, verbally, followed in writing and the City shall take any action as may be necessary to halt the work until such consistency is re-established.	Applicant's Independent Historic Preservation Consultant	Daily monitoring during construction; weekly reporting during construction	Planning Department—Design & Historic Preservation, Code Compliance
	IV.C-7	A historic preservation professional with qualifications in completed historic preservation project that conform to the Secretary of the Interior's Standards for Rehabilitation will be consulted and provide monitoring and written review of the work that is related to historic preservation to ensure that the work being done is consistent with the Standards. If the historic preservation professional concludes that the work being done is not consistent with the Standards, they shall give immediate verbal notice to the owner and contractor, followed by written notice of non-conformance. If there is no satisfactory response within one calendar week, then the historic preservation			

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Impact		Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
		professional shall notice the City's mitigation monitor immediately, verbally, followed in writing and the City shall take any action as may be necessary to halt the work until such consistency is re-established. This professional shall meet the Secretary of the Interior's professional qualifications standards for a historic architect.	Applicant's Independent Historic Preservation Consultant	Prior to issuance of occupancy permit	Planning Department—Design & Historic Preservation
	IV.C-8	Using materials gathered for mitigation measures IV.C-1 and 2, an interpretive program including photographic exhibits and written descriptions shall be developed to chronicle the history of the site, original configurations, architects, technological innovations, and uses. These materials shall be placed in the historic hotel tower building at a location that is reasonably accessible to the general public.	Applicant's Qualified Archaeologist	Daily monitoring during construction; weekly reporting during construction	Planning and Development Department—Design & Historic Preservation
	IV.C-9	Archaeological monitoring shall be conducted by a qualified archaeologist in all areas of grading or ground alterations on the project site. The archaeological monitor shall have the authority to halt any activities impacting potentially significant archaeological resources and the monitor/archaeological consultant must be permitted to adequately evaluate the find in accordance with CEQA criteria. In the event potentially significant archaeological materials are encountered, work shall be stopped immediately or redirected until the significance of the find can be evaluated. If materials are found to be significant, measures must be taken to preserve such materials in place or relocate the material off site for further study.			
Noise and Vibration					
Construction Noise					

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Impact	Mitigation Measure		Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
The project would expose persons to temporary noise levels increases on an intermittent basis. Noise levels would fluctuate depending on the construction phase, type of equipment, duration of use distance between the noise source and receptor, and presence of noise attenuation barriers. Maximum noise levels prior to mitigation at the closest sensitive receptor would approach 87 dBA and pile driving activities would approach 99 dBA. Mitigation including caisson drilling rather than pile driving would reduce these levels to below the 85 dBA threshold.	IV.D-1	All residential units located within one-quarter mile of the construction site shall be sent a notice regarding the construction schedule of the proposed project. A sign, legible at a distance of 50 feet shall also be posted at the construction site. All notices and the signs shall indicate the dates and duration of construction activities, as well as provide a telephone number where residents can inquire about the construction process and register complaints.	Applicant's Acoustic Engineer/Operator	Prior to issuance of grading permits	Department of Public Health—Environmental Health Division
	IV.D-2	A "noise disturbance coordinator" shall be established. The disturbance coordinator shall be responsible for responding to any local complaints about construction noise. The disturbance coordinator shall determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and shall be required to implement reasonable measures such that the complaint is resolved. All notices that are sent to residential units within one-quarter mile of the construction site and all signs posted at the construction site shall list the telephone number for the disturbance coordinator.	Applicant's Acoustic Engineer/Operator	Prior to issuance of grading permit; monthly during construction period	Department of Public Health—Environmental Health Division
	IV.D-3	The construction contractor shall utilize caisson drilling instead of pile driving on the project site.	Applicant's Construction Contractor	Prior to issuance of grading permit; monthly during construction period	Department of Public Works
Construction Vibration					
Based on federal guidelines, the project could result in a vibration impact if the project would expose buildings to vibration levels of 0.5 inches per second, or would expose historic buildings to vibration levels of 0.12 inches per second. Mitigation including caisson drilling and recordation/repair of any potential vibration damage would reduce impacts to less than	IV.D-4	Prior to commencement of construction activity, a qualified structural engineer shall survey the existing foundation and other structural aspects of the former Hotel Constance and 45 N. Mentor Avenue (subject to property owner granting access to conduct the survey). The survey shall provide a shoring design to protect the identified land uses from potential damage. Pot holing or	Applicant's structural engineer	Prior to commencement of construction	Department of Public Works; Planning and Development Department—Design & Historic Preservation

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Impact		Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
significant.		other destructive testing of the below grade conditions may be necessary to establish baseline conditions and prepare the shoring design. The qualified structural engineer shall hold a valid license to practice structural engineering in the State of California and have a minimum of ten years specific experience rehabilitating historic buildings and applying the Secretary's Standards to such projects.	Applicant's Structural Engineer	Prior to commencement of construction	Department of Public Works; Planning and Development Department—Design & Historic Preservation
	IV.D-5	The qualified structural engineer shall submit a pre-construction survey letter establishing baseline conditions at the former Hotel Constance and the buildings located adjacent and to the south of the project site. These baseline conditions shall be forwarded to the lead agency and to the mitigation monitor prior to issuance of any foundation only or building permit for the proposed project.	Applicant's Structural Engineer	Upon completion of vibration causing activities	Department of Public Works; Planning and Development Department—Design & Historic Preservation
	IV.D-6	At the conclusion of vibration causing activities, the qualified structural engineer shall issue a follow-on letter describing damage, if any, to the former Hotel Constance and the buildings located adjacent and to the south of the project site. The letter shall include recommendations for any repair, as may be necessary, in conformance with the Secretary of the Interior Standards. Repairs to the former Hotel Constance shall be undertaken and completed in conformance with all applicable codes including the California Historical Building Code (Part 8 of Title 24) prior to issuance of any temporary or permanent certificate of occupancy for the new building.			

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
Transportation and Circulation				
	All phases of the project are subject to the City's Transportation Demand Management (TDM) Trip Reduction Ordinance (TRO) requirements. The purpose of the trip reduction requirement is to reduce the demand for automobile commute trips by ensuring that the design of major nonresidential developments projects accommodates facilities for alternative modes of transportation. A TDM plan shall be completed to address the project's programs to promote alternative modes of transportation prior to the issuance of the first permit for construction per phase (foundation, demolition, grading, or building) and shall meet the following requirements: 1. *Carpool and Vanpool Parking.* A minimum of 10% of the employee parking spaces shall be reserved for and designated as preferential parking for carpool and vanpool vehicles. Such parking area shall be in a location more convenient to the place of employment than parking spaces for single occupant vehicles, and shall be located as close as practical to the employees' entrances. 2. *Bicycle Parking.* Bicycle parking shall be provided on-site in compliance with Section 17.46.320 (Bicycle Parking Standards). In addition, the bicycle parking shall be located near the employee entrance and shall be conveniently accessible from the external circulation system. *Transportation Demand Management Program Plan.* A Transportation Demand Management Program ("TDM") Plan shall be submitted which complies with Chapter 10.64 of the Municipal Code (Transportation Management Program). The owner/ developer shall place a deposit with the Department of Transportation prior to the issuance of the first permit for construction (foundation, demolition, grading, or building) per phase. This deposit is subject to a partial refund or additional billing in the event that the deposit amount is 'not	Applicant	Prior to issuance of occupancy permit	Department of Transportation

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
	sufficient to cover the cost of the review. The developer shall pay an annual Transportation Demand Management (TDM) status report review fee in compliance with the requirements of the Trip Reduction Ordinance.			
Phase 1 - Intersections				
No significant intersection impacts would occur.	No mitigation measures related to intersection operations would be required for Phase 1 of the proposed project. However, all phases of the project are subject to the City's Transportation Demand Management (TDM)/Trip Reduction Ordinance (TRO) requirements.	Applicant	Prior to issuance of occupancy permit	Department of Transportation
Phase 1- Street Segments				
Phase 1 segment impacts would exceed the City's 7.4% increase significance threshold along two street segments (i.e., Mentor Avenue between Union Street and Colorado Boulevard and Mentor Avenue between Green Street and Cordova Street), with provision of off-site valet parking.	IV.E-1 The proposed project shall contribute funds to the Neighborhood Traffic Management Capital Improvement Program Fund Number 75210. The funds will be used to implement traffic management measures to protect neighborhoods potentially influenced by the project's traffic. This mitigation measure is in line with the objectives of the street segment thresholds to protect residential neighborhoods from intrusion of traffic intended to and from commercial projects. Section 4.1.3.1 of the Mobility Element of the General Plan states: "The Council established, as City policy, that traffic growth would be limited on selected streets in order to protect residential neighborhoods."	Applicant	Prior to issuance of building permit	Department of Transportation
	IV.E-2 All of the sidewalks, crosswalks and travel lanes along Mentor Avenue and Colorado Boulevard shall be made available such that pedestrian and vehicular access and circulation within and in the vicinity of the	Applicant	Prior to issuance of grading permit; monthly during construction period	Department of Transportation; Department of Public Works

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Impact		Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
		project site would be maintained at all times during Phase 1 construction activities.			
Phase 1- Access and Circulation					
Mitigation is required to ensure valet operations and on-site services function without conflict.	IV.E-3	The functional adequacy of the valet operations on-site shall be demonstrated to the Pasadena Department of Transportation at the time of final design and permits for the Phase 1 component of the proposed project to ensure there will be no conflicts with on-site services. Continued operational adequacy of the valet operations during Phase 2 construction shall also be demonstrated to Pasadena DOT.	Applicant	Prior to issuance of building permits	Department of Transportation
Phase 1 - Parking					
Although an adequate number of parking spaces would be available at 2 N. Lake Avenue to satisfy Phase 1 parking needs, the mitigation is required to ensure the formal agreement to allow for off-site parking is in place, prior to proceeding with the project.	IV.E-4	A formal recorded parking agreement between the applicant and the off-site parking provider shall be submitted to the City's Planning Department and Department of Transportation prior to the issuance of the first permit for construction (foundation, demolition, grading, or building). The parking agreement shall indicate the number of parking spaces to be leased to the applicant, and any time constraints to access those parking spaces, if any.	Applicant	Prior to issuance of grading permits	Planning Department; Department of Transportation

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
Phase 1 - Construction				
The effect of Phase 1 construction traffic would be less than significant, but mitigation is required to ensure that appropriate construction controls are in place.	**IV.E-5** A final construction traffic management plan shall be prepared for each phase of the proposed project. This Plan would address haul routes, dust control, noise control and City regulations. The construction management plan ensures that the construction activities and workers follow the City regulations and provides details of activities planned on-site will be prepared at the time of final design, prior to commencement of construction. The Construction Management Plan will address various issues and details such as those noted above - number of construction trips, haul routes and delivery management, relocation of the bus stop along Lake Avenue and associated coordination with the local transit operators), appropriate signage, temporary relocation/closing sidewalks along Lake Avenue, Colorado Boulevard and Mentor Avenue and other site-specific changes during construction.	Applicant	Prior to issuance of grading permits; monthly during construction period	Department of Public Works; Department of Transportation
	IV.E-6 Construction truck traffic shall be restricted to the hours of 9:00 AM to 3:00 PM, which is outside of the typical peak hour period of traffic, unless otherwise stipulated by Mitigation Measure IV.E-5.	Applicant; Applicant's General Contractor	Weekly monitoring during construction; Monthly reporting during construction	Department of Public Works; Department of Transportation
	IV.E-7 Construction staging shall not block any lanes of traffic along the project frontage of Lake Avenue, Colorado Boulevard and Mentor Avenue.			
	IV.E-8 Construction workers shall be restricted from parking on-street. Construction workers should be transported to the project site using shuttles (bus or van).			
Phase 2 - Intersections				

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
No significant intersection impacts would occur.	No mitigation measures related to intersection operations would be required for Phase 2 of the proposed project. However, all phases of the project are subject to the City's Transportation Demand Management (TDM)/Trip Reduction Ordinance (TRO) requirements.	Applicant	Prior to issuance of occupancy permit	Department of Transportation
Phase 2 – Street Segments				
Phase 1 segment impacts would exceed the City's 7.4% increase significance threshold along one street segment (i.e., Mentor between Green Street and Cordova Street.	Refer to Mitigation Measure IV.E-1 above.	Applicant	Prior to issuance of building permit	Department of Transportation
Phase 2 – Access and Circulation				
Mitigation is required to ensure functional adequacy of driveways and loading spaces with development of a portion of total subterranean parking.	**IV.E-9** The configuration of the Mentor Avenue driveway shall be coordinated with the City of Pasadena DOT before Final design approval. Specifically, the Mentor Avenue driveway shall be designed to provide unimpeded vehicular access at all times. At a minimum, DOT recommends three unrestricted lanes to serve vehicular traffic to and from Mentor Avenue. Appropriate overhead signage and striping shall be installed to reduce on-site driver confusion and decision-making. **IV.E-10** The functional adequacy of the loading spaces shall be demonstrated to the satisfaction of the Pasadena Department of Transportation at the time of final design and permits for Phase 2 conditions to ensure there will be no conflicts with on-site services.	Applicant	Prior to issuance of building permit	Department of Transportation
Phase 2 - Construction				
The effect of Phase 2 construction traffic would be less than significant, but mitigation is required to ensure that appropriate construction controls are in place.	Refer to Mitigation Measures IV.E-5 through IV.E-8 above.	Applicant	Prior to issuance of grading permits; monthly during construction period	Department of Public Works; Department of Transportation

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
Phase 3 - Intersections				
The intersection of Lake Avenue/Walnut Street would be significantly impacted during the evening peak hour by the combined traffic effects of the overall proposed project, Phases 1, 2 and 3 combined.	~~IV.E-11 *Lake Avenue/Walnut Street* – The proposed project shall compensate for the acquisition of a shuttle bus as well as for the operations and maintenance (O&M) costs for the new shuttle bus service to be operated along Lake Avenue and/or the Walnut Street travel corridors at minimum for the first three years. The final route selection would be determined by the transit shuttle operator. Additionally, the unsubsidized portion of the O & M costs for this shuttle service for an additional seven years shall be considered. This Project transit improvement will recognize, consider, and build upon the recommendations from Pasadena ARTS Bus or any other bus operator for implementation of this improvement.~~ ~~IV.E-12 *Transit Incentives* – The proposed project shall provide subsidized transit passes at specific locations, conveniently located on-site. All eligible employees, residents and hotel guests shall be offered discounted daily or monthly transit passes giving them access to all transit services operating in the area.~~	Applicant	Prior to issuance of first construction permits	Planning Department—Code Compliance and Department of Transportation
Phase 3 – Street Segments				
During Phase 3, three street segments (i.e., Mentor Avenue between Walnut Street and Union Street, Mentor Avenue between Union Street and Colorado Boulevard and Mentor Avenue between Green Street and Cordova Street) would exceed the City's 7.4% increase threshold.	Refer to Mitigation Measure IV.E-1 above.	Applicant	Prior to issuance of building permit	Department of Transportation

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Impact	Mitigation Measure		Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
Phase 3 – Transit					
The project would have a less than significant impact on the regional transit system, but would impact the bus zone at lake Avenue/Colorado Boulevard, warranting mitigation.	IV.E-13	For the bus zone at the southeast corner of the Lake Avenue/ Colorado Boulevard intersection, the following conditions shall apply: • The applicant shall provide funds for a new bench, solar trash container, and bus stop signage; • Bus zone shall be a minimum of 130 feet wide at this very heavily used transit stop location. • No new trees shall be located within the bus zone to prevent interference with ADA guidelines, boarding/alighting, and other pedestrian accessibility. • The existing bus shelter shall be retained in the zone at all times. • Existing transit operations of the transit stop shall be maintained during and after construction at all times.	Applicant	Prior to issuance of building permit; monthly during construction period	Department of Transportation
Phase 3 – Access and Circulation					
Mitigation is required to ensure that driveway designs, valet service area and operations and loading functionality are effectively coordinated with the City.	IV.E-14	The driveway designs, valet service area and operations and loading area functionality shall be coordinated with the City of Pasadena DOT at the time of final design.	Applicant	Prior to issuance of grading permit	Department of Transportation
	IV.E-15	Truck and vehicular turn templates should be laid out on the site plan once design details have been worked out to ensure that on-site congestion is minimized to the satisfaction of Pasadena DOT at the time of final design approval.			
Phase 3 - Construction					

TABLE VIII-1
Colorado at Lake Mitigation Monitoring and Reporting Program Matrix

Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
The effect of Phase 3 construction traffic would be less than significant, but mitigation is required to maintain key elements of the transportation infrastructure in an operable manner and to minimize construction impacts.	Refer to Mitigation Measures IV.E-5 through IV.E-8 above.	Applicant	Prior to issuance of grading permits; monthly during construction period	Department of Public Works and Department of Transportation
Utilities				
Wastewater and Service Systems				
Adequate capacity is available at regional treatment facilities. However, some improvements in local infrastructure might be needed to connect the project.	IV.F.1-1 At the time of construction design documents and if determined by the Department of Public Works, the applicant shall install one new 6-inch sewer lateral in Mentor Avenue or Lake Avenue, to Department of Public Works specifications. Since the lateral is not allowed to be larger than 6-inches, there is no ability to install a larger lateral in anticipation of future development. IV.F.1-2 The City of Pasadena Department of Public Works shall approve all plans for the proposed installations prior to issuance of any building permit and all improvements shall be provided to the satisfaction of the City Engineer prior to issuance of Certificates of Occupancy. IV.F.1-3 If so directed by the City of Pasadena Department of Public Works at the time a connection request is made, sewer loading for the proposed project shall be directed away from the Lake Avenue sewer system, which has relatively less available capacity, to the Colorado Boulevard or Mentor Avenue sewer systems to the satisfaction of the City Engineer.	Applicant	At design review and plan check	Department of Public Works
Water Supply Systems				

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Impact	Mitigation Measure	Responsible Implementation Party/Monitor and Reporter	Time Frame/ Monitoring Milestone	Responsible to Review Reports
Adequate regional water supply is available to serve the project within existing entitlements. Existing local facilities are also available to serve the project. However, mitigation is warranted to further ensure that water consumption is sufficiently conserved.	**IV.F.2-1** Consistent with LEED New Construction and Major Renovations, Water Efficiency Credit 3.1, the project shall employ strategies that in aggregate use 20% less water than the water use baseline calculated for the building (not including irrigation) after meeting the Energy Policy Act of 1992 fixture performance requirements. Calculations are based on estimated occupant usage and shall include only the following fixtures (as applicable to the building): water closets, urinals, lavatory faucets, showers and kitchen sinks. • Implementation of fixtures that meet or exceed those fixtures listed in LEED NC V3.0 Credit Number 3 in the table titled "Commercial and Residential Fixtures". • Renovation of the existing hotel will include replacement of toilets with high efficiency toilets and replacement of shower heads with low flow shower heads and faucets. • Restrooms in the proposed residential units will include high efficiency toilets as well as low flow shower heads and faucets. • Restrooms in the proposed office and retail areas will include waterless urinals, high efficiency toilets and low flow faucets. • The project will install drought-resistant landscaping and an automated irrigation system. • Hotel linen services will not be provided on-site.	Applicant	At design review and plan check	Department of Public Works

RESOLUTION NO. _____

A RESOLUTION OF THE HEARING OFFICER OF THE CITY OF PASADENA CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE COLORADO AT LAKE PROJECT, AND ADOPTING ENVIRONMENTAL FINDINGS

WHEREAS, the Colorado at Lake project (the "Project") is located on a .95 acre site (85,136 square feet) along E. Colorado Boulevard from S. Mentor to S. Lake Avenues and encompasses eight separate lots. The Project proposes the renovation of the 65,750 square feet former Constance Hotel, including 3,700 square feet of basement, demolition of existing commercial uses and new development of additional hotel rooms, restaurant, office, retail and five residential uses over three phases. The first phase would renovate the existing structure to provide 136 hotel rooms in the initial phase and add 20 new hotel rooms and 5 residential units as an addition to the existing structure. The second and third phases include removal of the remaining structures on site, and construction of an office component (103,410 square feet) and retail/commercial and restaurant space (54,771 square feet). New buildings would vary in height up to seven stories and 90 feet. Total development would be approximately 252,315 gross square feet (including the 65,750 square feet renovated former hotel), resulting in a total Floor Area Ratio (FAR) OF 2.97:1, consistent with allowable FAR of 3:1 for seven of the eight site lots, and 2.75:1 for the remaining lot. The Project would be designed to qualify for a Leadership in Energy and Environmental Design ("LEED") energy efficiency certification and would be developed in compliance with the City

Green Building Ordinance (PMC 14.90). The Project requires approval of a Conditional Use Permit for new construction in a Transit Oriented District and for shared, tandem and valet parking; a Variance for Historic Resources for loading spaces, building setback, and construction of a surface parking lot; a Tree Removal Permit; a Tentative Tract Map to merge existing lots and create condominium airspace lots; Design Review (including approval of height averaging), and other subsequent discretionary approvals, from the City and other regional and State agencies; and

WHEREAS, the City of Pasadena is the lead agency for the Project pursuant to the California Environmental Quality Act ("CEQA," Cal. Pub. Res. Code §21000 *et seq.*), the State CEQA Guidelines (the "Guidelines," 14 Cal. Code Regs. §15000 *et seq.*), and the City's local environmental policy guidelines; and

WHEREAS, pursuant to Section 15063 of the Guidelines, the City prepared an Initial Environmental Study (the "Initial Study") for the Project. The Initial Study concluded that there was substantial evidence that the Project might have a significant environmental impact on several specifically identified resources and governmental services, including: (1) Aesthetics; (2) Air Quality; (3) Geology and Soils; (4) Transportation and Circulation; (5) Noise and Vibration; and (6) Water Service; and

WHEREAS, pursuant to Guidelines Sections 15064 and 15081, and based upon the information in the Initial Study, the City ordered the preparation of an environmental impact report for the Project ("EIR"). On May 13, 2009, the City prepared and sent a Notice of Preparation of the Draft EIR and a copy of the Initial Study to responsible,

trustee, and other interested agencies and persons in accordance with Guidelines Sections 15082(a) and 15375; and

WHEREAS, pursuant to Guidelines Section 15082, the City solicited comments from potential responsible and trustee agencies for a 30-day period, from May 13, 2009 to June 12, 2009, requesting details about the scope and content of the environmental information related to the responsible agency's area of statutory responsibility that should be studied in the EIR, as well as the significant environmental issues, reasonable alternatives and mitigation measures that the responsible agency would have analyzed in the Draft EIR. Two public meetings were held, on Wednesday, May 27, 2009 and Wednesday, June 3, 2009, to determine the scope and content of the environmental information to be included in the Draft EIR; and

WHEREAS, pursuant to Public Resources Code section 21092, the City provided a public Notice of Completion and Availability ("NOA") of the Draft EIR (State Clearinghouse No. 2009051066) on July 29, 2010, through mailing to all property owners within 500 feet of the Project. The NOA also gave notice of a public meeting on September 1, 2010, at which comments on the Draft EIR would be taken. Copies of the Draft EIR were also placed at the City's Planning and Development Department at 175 North Garfield Avenue, at the Central Library at 285 East Walnut, and on the City's website; and

WHEREAS, the Draft EIR was circulated, together with technical appendices, to the public and other interested persons for a 45-day public comment period, from July

29, 2010 to September 12, 2010. During the comment period, the City held two duly noticed public meetings at which the public was given the opportunity to provide comments on the Draft EIR, as follows: Transportation Advisory Commission on August 26, 2010, and Hearing Officer on September 1, 2010; and

WHEREAS, during the public comment period the City received written and oral comments on the Draft EIR, and consulted with all responsible and trustee agencies, and other regulatory agencies pursuant to Guidelines Section 15086; and

WHEREAS, the City subsequently prepared written responses to all written comments received on the Draft EIR and made revisions to the Draft EIR, as appropriate, in response to those comments. The City distributed written responses to comments on the Draft EIR on October 6, 2010, in accordance with the provisions of Public Resources Code Section 21092.5 and Guidelines Section 15088. The written responses to comments were also made available for a 14 day period of public review before the commencement of the public hearing regarding the certification of the Draft EIR. After reviewing the responses to comments and the revisions to the Draft EIR, the City concludes that the information and issues raised by the comments and the responses thereto did not constitute new information requiring further recirculation of the Draft EIR; and

WHEREAS, the Final Environmental Impact Report (the "Final EIR" or "EIR") is comprised of: the Draft EIR; the comments and responses to comments on the Draft EIR set forth in the Final EIR dated October 2010; technical appendices; and

WHEREAS, the Hearing Officer held a duly noticed public hearing on the Final EIR and the Project on October 20, 2010; and

WHEREAS, the findings made in this resolution are based upon the information and evidence set forth in the Final EIR and upon other substantial evidence that has been presented at all public meetings regarding the Project and in the record of the proceedings. The documents, staff reports, technical studies, appendices, plans, specifications, and other materials that constitute the record of proceedings on which this resolution is based are on file and available for public examination during normal business hours in the Planning and Development Department and with the Director of Planning, who serves as the custodian of these records; and

WHEREAS, the Hearing Officer finds that agencies and interested members of the public have been afforded ample notice and opportunity to comment on the Final EIR and that the comment process has fulfilled all requirements of State and local law; and

WHEREAS, the Hearing Officer, as the decision-making body for the lead agency, has independently reviewed and considered the contents of the Final EIR and all documents and testimony in the record of proceedings prior to deciding whether to certify the Final EIR; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE HEARING OFFICER OF THE CITY OF PASADENA RESOLVES AS FOLLOWS:

I. RESOLUTION REGARDING CERTIFICATION OF THE EIR

Pursuant to State CEQA Guidelines Section 15090, the Hearing Officer certifies that: (1) the Hearing Officer has reviewed and considered the Final EIR prior to approving the Project, (2) the Final EIR is an accurate and objective statement that fully complies with CEQA, the State CEQA Guidelines, the City's local environmental guidelines, and (3) the Final EIR reflects the independent judgment of the lead agency. The Hearing Officer certifies the Final EIR based on the findings and conclusions herein.

The Hearing Officer finds that the additional information provided in the staff report, in the comments (and any responses thereto) received after circulation of the Draft EIR, in the evidence presented in written and oral testimony presented at public meetings, and otherwise in the administrative record, does not constitute new information requiring further recirculation of the Final EIR under CEQA. None of the information presented to the Hearing Officer after circulation of the Draft EIR has deprived the public of a meaningful opportunity to comment upon a substantial environmental impact of the Project or a feasible mitigation measure or alternative that the City has declined to implement.

II. RESOLUTION REGARDING ENVIRONMENTAL IMPACTS NOT ANALYZED IN THE EIR

The Hearing Officer hereby finds that the following potential environmental impacts of the Project were found to be less than significant in the Initial Study, did not require the imposition of mitigation measures, and therefore did not require study in the EIR: (1) Agricultural Resources; (2) Biological Resources; (3) Energy; (4) Geology and Soils; (5) Hazards and Hazardous Materials; (6) Hydrology and Water Quality; (7) Land Use and Planning; (8) Mineral Resources; (9) Population/Housing; (10) Public Services; and (11) Recreation (see Initial Study).

III. RESOLUTION REGARDING ENVIRONMENTAL IMPACTS MITIGATED TO BELOW A LEVEL OF SIGNIFICANCE

The Hearing Officer finds that mitigation measures have been identified in the Final EIR which will reduce the following potentially significant environmental impacts to below a level of significance.

a. AESTHETICS

i. Potential Significant Impacts

- The former Constance Hotel is a historic resource and could be considered to have aesthetic value as a scenic resource. (EIR, p. IV.A-12.)
- Changes to the landscaping on the site consists of removal of 29 out of 36 trees. (EIR, p. IV.A-6 and 13.)
- The Project would replace existing one-story retail uses, a Bank of America structure and associated parking with two-story retail and restaurant uses, as well as a larger, taller 6-story office structure built to 90 feet in height, all of which could impact views through and of the site. (EIR, p. IV.A-14.)

- The Project, particularly the 6-story office structure built to 90 feet in height at the corner of Colorado Boulevard and Lake Avenue, could have shade and shadow impacts. (EIR, p. IV.A-23.)
- Implementation of the Project would increase lighting from the site and in the immediate area. (EIR, p. IV.A-31.)

ii. Proposed Mitigation

IV.A-1 All lighting along the perimeter of the site, particularly street lamps, shall be focused on the project site and oriented in a manner that will prevent spillage or glare into surrounding uses. Lighting shall be energy-efficient and shielded so that direct glare and reflections are confined to the maximum extent feasible within the building site, and shall be directed downward and away from adjoining properties and public rights-of-way. All proposed exterior (safety, landscape and signage) lighting shall comply with the outdoor lighting standards in the City of Pasadena Zoning Code.

IV.A-2 The proposed project shall comply with the City's lighting regulations included in the Zoning Code, which limit the reflectivity of architectural materials used to reduce any adverse impacts from window glass glare.

IV.A-3 Construction equipment staging areas shall use and maintain appropriate screening (i.e., temporary fencing with opaque material) to buffer views of construction equipment and material to the adjacent land uses. Any construction-related lighting shall include shielding in order to direct lighting down and away from adjacent residential and commercial areas.

iii. Findings Pursuant to CEQA Guidelines Section 15091

Changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or Project alternatives identified in the Final EIR.

iv. Supporting Explanation

Scenic Vistas and Resources Impacts: The Project would not result in the destruction of any landmark-eligible trees, stand of trees, rock outcropping or natural feature within or adjacent to a State Scenic Highway. (EIR, pp. IV.A-6 to 8, and12.) However, the former Constance Hotel is a historic resource and has aesthetic value as a scenic resource. The renovations to the hotel would result in updating of the exterior and views of the structure in accordance with Section 106 requirements of the National Historic Preservation Act of 1966, and specifically will retain and restore character-defining features of the hotel's exterior, and will remove incompatible alterations. (Id. at pp. IV.A-12 to13.) Accordingly, the Project will not have potentially significant impacts to scenic resources and no mitigation is required.

Visual Character or Quality Impacts: With regard to street trees and landscaping, all but two of the 31 trees internal to the site would be removed with the Project, and a tree removal permit is required to remove three of those trees. New trees (approximately 40) would be planted within and around the site. Given that existing trees within the fully developed site are not a predominant aesthetic feature and constitute a small proportion of site coverage, that the Project would broaden the existing landscape palette, and that the Project would add three new street trees on Mentor Avenue and an additional street tree on Colorado Boulevard, the reduction in existing coverage within the site is not considered to be a significant aesthetic impact nor a significant impact to visual character or quality. (EIR, pp. IV.A-13 to 14.) With

regard to the Project's impacts on views, the massing and heights of the proposed structures would be consistent with the existing structures in the area, and the Project would be in compliance with the height requirements of the Specific Plan. The proposed hotel addition would be compatible in height and scale with the Constance Hotel and with other uses located along and across Mentor Avenue. (Id. at p. IV.A-22.) Lighting associated with the new structures would not be directed towards adjacent uses. (Ibid.) Although the Project would increase massing and scale on the site, it is proximate to other mid -rise office buildings and is compatible with the scale of development in the surrounding area. Therefore, the Project would be aesthetically compatible with surrounding uses with respect to massing and scale. (Id. at pp. IV.A-22 to 23.) Pedestrian level views of both the San Gabriel Mountains and the Verdugo Mountains are partially available from public rights of way within the Project area, but are currently obstructed by mid-rise development that exists in the surrounding area. View lines through the Project site would be reduced with the construction of 6 and 7-story structures. However, since there are no scenic resources that are presently available in view lines from public rights of way through the Project site, no scenic views would be obstructed. Therefore, impacts associated with the obstruction of pedestrian views would be less than significant, and in sum, changes to views from the Project as preliminarily designed would not result in a significant impact to visual character or quality. (Ibid.)

Shade and Shadow Impacts: During the summer solstice the greatest shadows from the Project would be cast on adjacent commercial uses and would decrease in length throughout the day. As no shadows from the Project would be cast over sensitive uses, no significant environmental impacts from shade and shadow are anticipated to occur during the summer solstice. (EIR, p. IV.A-24.) Likewise, shadows from the Project cast during the winter solstice would not reach the four-story multi-family residential building located along Mentor Avenue or any other shadow-sensitive uses. (Ibid.) At no time during the spring/fall equinoxes would the multi-family residential building located next to the parking uses be shaded as a result of the Project. (Ibid.) Therefore, no significant environmental shade/shadow impacts are anticipated to occur.

Lighting and Illumination Impacts: Lighting for the Project would include a continuation of security, landscaping, and street lighting that already exists on site and that is typical of the area. The proposed outdoor restaurant and courtyard areas would also include security, landscape and functional lighting. All such lighting would be of low-scale and directed and/or shielded away from adjacent uses to limit light spillover effects. Implementation of the Project would result in increased lighting from the project site and in the immediate area. However, with implementation of the mitigation measures, the Project would not create a new source of light or glare that would adversely affect day or nighttime views in the area. (EIR, p. IV.A-31.) The Project would not use highly reflective building materials, and glare from the proposed structure

is not anticipated along Mentor Avenue. While the proposed 35-foot atrium at Lake Avenue and Colorado Boulevard would be largely glass enclosed, it would be built with glass of low reflectivity, as would all glass/windows in the Project. (Ibid.) Final Project lighting plans, as well as exterior finish, colors, and materials would be closely evaluated through the City's design review process, which would further ensure that Project lighting would be sensitive to, and compatible with the surrounding community. (Ibid.) In sum, the Project will have less than significant lighting and illumination impacts after the incorporation of mitigation. (EIR, p. IV.A-32.)

Cumulative Impacts

The Project would be located in a highly urbanized area within the City. While many of the related projects and the Project would be visible from public and private properties, the combination of these projects would not greatly obstruct existing public scenic views. Any changes to views and scenic resources that could occur from development of related projects would not be compounded or altered by the inclusion of the Project. The project site is not within the viewshed of the Angeles Crest Highway, and not along any scenic roadway corridors identified in the City of Pasadena General Plan. With respect to quality of the overall Project area, each of the related projects would be required to obtain approval from the City of Pasadena Design Commission prior to the issuance of grading permits. With respect to shade/shadow impacts, shadows cast by the Project would not impact sensitive uses and would not be

compounded by shadows cast by any of the nearby related projects. Consequently, significant cumulative impacts are not anticipated to occur. (EIR, pp. IV.A-32 to 33.)

b. NOISE AND VIBRATION

i. Potential Significant Impacts

- Noise arising from construction would be significant if it exceeded 85 dBA at 100 feet, and/or construction activity took place during the hours of 7 p.m. to 7 a.m. Monday through Friday, 5 p.m. to 8 a.m. on Saturday, or any time on Sunday. (EIR, pp. IV.D-9 to 10.)
- Noise arising from Project operations would be significant if the ambient noise level measured at the property line of affected users increases by 3 dBA CNEL to or within specified noise levels depending on the land use at the affected property, or any 5 dBA increase in noise level. (EIR, pp. IV.D-10 to 11.)
- Vibration impacts would be significant if the Project would expose buildings to vibration levels of 0.5 inches per second, or would expose historic buildings to vibration levels of 0.12 inches per second. (EIR, p. IV.D-10.)

ii. Proposed Mitigation

IV.D-1 All residential units located within one-quarter mile of the construction site shall be sent a notice regarding the construction schedule of the proposed project. A sign, legible at a distance of 50 feet shall also be posted at the construction site. All notices and the signs shall indicate the dates and duration of construction activities, as well as provide a telephone number where residents can inquire about the construction process and register complaints.

IV.D-2 A "noise disturbance coordinator" shall be established. The disturbance coordinator shall be responsible for responding to any local complaints about construction noise. The disturbance coordinator shall determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and shall be required to implement reasonable measures such that the complaint is resolved. All notices that are sent to residential units within one-quarter mile of the construction site and all signs posted at the construction site shall list the telephone number for the disturbance coordinator.

IV.D-3 The construction contractor shall utilize caisson drilling instead of pile driving on the project site.

IV.D-4 Prior to commencement of construction activity, a qualified structural engineer shall survey the existing foundation and other structural aspects of the former Hotel Constance and 45 N. Mentor Avenue (subject to property owner granting access to conduct the survey). The survey shall provide a shoring design to protect the

identified land uses from potential damage. Pot holing or other destructive testing of the below grade conditions may be necessary to establish baseline conditions and prepare the shoring design. The qualified structural engineer shall hold a valid license to practice structural engineering in the State of California and have a minimum of ten years specific experience rehabilitating historic buildings and applying the Secretary's Standards to such projects.

IV.D-5 The qualified structural engineer shall submit a pre-construction survey letter establishing baseline conditions at the former Hotel Constance and the buildings located adjacent and to the south of the project site. These baseline conditions shall be forwarded to the lead agency and to the mitigation monitor prior to issuance of any foundation only or building permit for the proposed project.

IV.D-6 At the conclusion of vibration causing activities, the qualified structural engineer shall issue a follow-on letter describing damage, if any, to the former Hotel Constance and the buildings located adjacent and to the south of the project site. The letter shall include recommendations for any repair, as may be necessary, in conformance with the Secretary of the Interior Standards. Repairs to the former Hotel Constance shall be undertaken and completed in conformance with all applicable codes including the California Historical Building Code (Part 8 of Title 24) prior to issuance of any temporary or permanent certificate of occupancy for the new building.

iii. Findings Pursuant to CEQA Guidelines Section 15091

Changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or Project alternatives identified in the Final EIR.

iv. Supporting Explanation

Construction Impacts: Construction of the Project would result in temporary increases in ambient noise levels in the area on an intermittent basis, and would fluctuate depending on the construction phase, equipment type and duration of use,

distance between the noise source and receptor, and presence or absence of noise attenuation barriers. General construction noise levels are expected to be at their highest during the grading/excavation and finishing phases of construction. (EIR, p. IV.D-12.) Ambient noise levels during construction would range from 56.2 to 86.7 dBA Leq. The highest construction-related noise increase would occur at the multi-family residences directly east of the site, across Mentor Avenue. However, general construction equipment noise levels would not exceed the 85-dBA at 100 feet significance threshold. (Id. at pp. IV.D-12 to 13.) The ambient noise levels during pile driving activity would range from 64.2 and 98.7 dBA Leq at sensitive receptors in the Project vicinity. Noise from potential pile driving activity would potentially occur during the construction process, and although temporary and intermittent, pile driving noise levels would exceed the 85-dBA at 100 feet significance threshold. Pile driving noise would result in a significant noise impact without mitigation. (Id. at pp. IV.D-13 to 14.) Mitigation Measures IV.D-1 and IV.D-2 would assist in controlling construction noise. Mitigation Measure IV.D-3 would eliminate pile driving activity in favor of caisson drilling. Caisson drilling generates a noise level of 71 dBA at 100 feet, which would be less than the 85 dBA significance threshold. Therefore, construction noise would result in a less-than-significant impact with mitigation. (Id. at p. IV.D-19.)

Operational Impacts: The greatest Project-related vehicle noise increase after the completion of Phase 1 would be 0.6 dBA CNEL, after the completion of Phase 2 would be 0.5 dBA CNEL, and after the completion of Phase 3 would be 1.1 dBA CNEL,

all along Mentor Avenue between Colorado Boulevard and East Green Street. (Id. at p. IV.D-15.) Accordingly, vehicle noise generated by the Project would not exceed the City's threshold of significance. With regard to stationary noise, the Project would include various pieces of equipment in the mechanical areas of the site. The majority of these would be located within equipment enclosures and screened from view. Cooling towers would be located on the southern portion of the site. The nearest land use would be a multi-family residence that would experience a 0.6-dBA increase in ambient noise arising from the cooling tower. This incremental increase would not be audible and no mitigation is required. (Id. at pp. IV.D-14 to 15.) The Project would include a rooftop pool on the southeastern portion of the site, which would generate an exterior noise level of 54.5 dBA at the multi-family residences. This incremental increase would not be audible, and no mitigation is required. (Id. at p. IV.D-15.) Outdoor restaurant space would largely be located on the second (terrace) level, and would generate a similar noise level as the pool area. Based on location, the restaurant seating noise levels would be less than the pool area noise levels presented above at sensitive receptors, and does not require mitigation. (Id. at p. IV.D-16.) Noise arising from cars parking at the site (or from valet parking during phases I and II) would result in a significant and unavoidable impact without mitigation. (Ibid.) The Project would include one loading dock for delivery trucks at the rear of the buildings near the south side of the site. Loading activity would not increase ambient noise level by more than 5 dBA at sensitive receptors, and no mitigation is required. (Id. at pp. IV.D-16 to 17.)

Ground-Borne Vibration: Construction activity would occur adjacent to two commercial buildings south of the site. Construction equipment would typically generate a vibration level of 1.0 inches per second at these land uses, and would exceed the 0.5 inches per second significance threshold. (EIR, p. IV.D-17.) General construction equipment would generate a vibration level of 1.0 inches per second at a distance of five feet, and would exceed the 0.12 inches per second significance threshold at the former Hotel Constance. (Ibid.) The Project may require drilled or driven piles. Impact pile driving would generate a vibration level of 7.2 inches per second at both off-site sensitive receptors and the former Hotel Constance, which would exceed the potential fragile building damage thresholds of 0.5 and 0.12 inches per second, respectively. (Ibid.) Operational ground-borne vibration in the vicinity would be generated by vehicular travel on the local roadways, Project-related traffic vibration levels would not be perceptible by sensitive receptors, and is therefore less-than-significant. (Id. at p. IV.D-18.) Mitigation Measure IV.D-3 would require caisson drilling instead of impact pile driving. Caisson drilling would generate a vibration level of 1.0 inches per second at the former Hotel Constance and the buildings located adjacent and to the south of the project site instead of the 7.2 inches per second pile driving vibration level. Mitigation Measures IV.D-4 through IV.D-6 would ensure that vibration-induced building damage is recorded and repaired. As such, construction vibration would result in a less-than-significant impact with mitigation. (Id. at p. IV.D-19.)

Cumulative Impact

Cumulative noise impacts generally arise from cumulative traffic growth. The noise impacts in the EIR are generated directly from the traffic analysis results and therefore the future without project and future with project noise impacts described in the EIR already reflect cumulative impacts. The maximum cumulative roadway noise increase would be 1.7 dBA CNEL and would occur along Mentor Avenue between Colorado Boulevard and East Green Street. Mobile noise generated by the Project would not cause the ambient noise level measured at the property line of the affected uses to increase above the City's thresholds of significance. (EIR, p. IV.D-20.) The predominant vibration source near the Project site is heavy trucks traveling on local roadways. Neither the Project nor related projects would substantially increase heavy-duty vehicle traffic near the site and would not cause a substantial increase in heavy-duty trucks on local roadways. Therefore, the proposed project would not add to a cumulative vibration impact. (Ibid.)

c. UTILITIES – WASTEWATER AND SERVICE SYSTEMS / WATER SUPPLY

i. Potential Significant Impacts

- The Project could impact the City's sewer infrastructure, and ability to process wastewater. (EIR, p. IV.F.1-14.)
- The Project could impact the City's water supply infrastructure, and ability to serve water. (EIR, pp. IV.F.2-8 to 9.)

ii. Proposed Mitigation

IV.F.1-1 At the time of construction design documents and if determined by the Department of Public Works, the applicant shall install one new 6-inch sewer lateral in Mentor Avenue or Lake Avenue, to Department of Public Works specifications. Since the lateral is not allowed to be larger than 6-inches, there is no ability to install a larger lateral in anticipation of future development.

IV.F.1-2 The City of Pasadena Department of Public Works shall approve all plans for the proposed installations prior to issuance of any building permit and all improvements shall be provided to the satisfaction of the City Engineer prior to issuance of Certificates of Occupancy.

IV.F.1-3 If so directed by the City of Pasadena Department of Public Works at the time a connection request is made, sewer loading for the proposed project shall be directed away from the Lake Avenue sewer system, which has relatively less available capacity, to the Colorado Boulevard or Mentor Avenue sewer systems to the satisfaction of the City Engineer.

IV.F.2-1 Consistent with LEED New Construction and Major Renovations, Water Efficiency Credit 3.1, the project shall employ strategies that in aggregate use 20% less water than the water use baseline calculated for the building (not including irrigation) after meeting the Energy Policy Act of 1992 fixture performance requirements. Calculations are based on estimated occupant usage and shall include only the following fixtures (as applicable to the building): water closets, urinals, lavatory faucets, showers and kitchen sinks.

- Implementation of fixtures that meet or exceed those fixtures listed in LEED NC V3.0 Credit Number 3 in the table titled "Commercial and Residential Fixtures".
- Renovation of the existing hotel will include replacement of toilets with high efficiency toilets and replacement of shower heads with low flow shower heads and faucets.
- Restrooms in the proposed residential units will include high efficiency toilets as well as low flow shower heads and faucets.
- Restrooms in the proposed office and retail areas will include waterless urinals, high efficiency toilets and low flow faucets.
- The project will install drought-resistant landscaping and an automated irrigation system.
- Hotel linen services will not be provided on-site.

iii. Findings Pursuant to CEQA Guidelines Section 15091

Changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or Project alternatives identified in the Final EIR.

iv. Supporting Explanation

Wastewater and Sewer Systems: The existing sewer laterals along the Mentor Avenue, Colorado Boulevard and Lake Avenue project frontages would be utilized for new building sewers to the maximum extent possible. However, since sewer loads and points of connection cannot be finalized until the mechanical engineer has designed the plumbing system within the building, Mitigation Measure IV.F.1-1 requires that one new 6-inch sewer lateral may be necessary to connect to the Mentor Avenue sewer and one new 6-inch sewer lateral may be necessary to connect to the Lake Avenue sewer. (EIR, p. IV.F.1-14.) With regard to sewage, the Project's generation rate will be decreased as a result of required implementation of the City's mandated water conservation goals as set forth in Mitigation Measure IV.F.2.1. There are sufficient treatment capacities at the San Jose and Whittier Narrows water reclamation plants. (Ibid.) Further, although implementation of the Project will decrease the capacity of the three sewer systems serving the site, the decrease will not cause them to exceed their

available capacity or be over 75 percent full, which the City defines as a safe loading capacity. Therefore, no improvements to the existing off-site sewer systems are required. (Id. at p. IV.F.1-5.) Sewer loading for the Lake Avenue connection can be partially reduced in the final design phase and shifted to the Colorado Boulevard and/or Mentor Avenue connection(s) in an effort to distribute sewage flows more evenly. Redistributing sewage flows in such a manner, as required by Mitigation Measure IV.F.1.3, would reduce the less significant project impacts even further. (Id. at p. IV.F.1-6.) Finally, Mitigation Measure IV.F.1.2 is a catch-all mitigation measure that allows appropriate coordination between the Project and PWP to ensure that the sewer and water systems for the Project are adequate and accurate through final design. Therefore, there are no remaining significant impacts. (Id. at p. IV.F.1-6.)

Water Supply Systems: New water infrastructure will be required of the Project, including two new fire hydrants. (EIR, p. IV.F.2-9.) After taking into account current water use on the site, the net change of water usage generated during the average daily flow, peak dry daily flow, and peak wet daily flow scenarios is 0.11, 0.22, and 0.29 mgd, respectively. (Id. at p. IV.F.2-10.) There are overall concerns of adequate water supply within the City, and the Project would generate increased demand for water. However, the PWP would be able to supply the projected demand based on existing entitlements provided the Project incorporates conservation. As the City is currently under a Level 1 Water Supply Shortage declaration per PMC 13.10.040, the Project will comply with all requirements of Pasadena Municipal Code (PMC) Title 13 during any water shortage

declaration. (Id. at p. IV.F.2-11.) Specific mitigation is proposed in Mitigation Measure IV.F.2-1 to ensure that City water conservation targets are met or exceeded. Accordingly, no potentially significant impacts remain. (Id. at pp. IV.F.2-11 to 12.)

Cumulative Impacts

With regard to wastewater systems, there is sufficient capacity in the Project-adjacent sewers to accommodate the related projects upstream. The sewer on Mentor Avenue has more capacity, and sewage from the Project might be directed away from the Lake Avenue sewer where possible, per Mitigation Measure IV.F.1-3. Furthermore, although the related projects result in an overall increase in sewage effluent, the other known development projects would be required to employ City mandated water conservation measures, resulting in wastewater reductions similar to the Project. Therefore, cumulative impacts related to wastewater service would be less than significant. (EIR, p. IV.F.1-7.) With regard to water supply, water supplies are considered adequate over a 20-year planning horizon in single dry year, multiple dry year and average years to serve projected development increases at the Project site and the list of projects, particularly when new developments will be required to implement conservation measures and to increase water conservation by 20% by 2020. (Id. at pp. IV.F.2-12 to 13.) Accordingly, there are no potentially significant cumulative impacts in these resource areas.

IV. RESOLUTION REGARDING ENVIRONMENTAL IMPACTS UNABLE TO BE MITIGATED TO BELOW A LEVEL OF SIGNIFICANCE

The Hearing Officer finds that, although mitigation measures have been identified in the Final EIR that reduce the following potentially significant environmental impacts, the impacts cannot be mitigated to below a level of significance.

a. AIR QUALITY

i. Potential Significant Impacts

- Construction of the Project has the potential to create air quality impacts through the use of heavy-duty construction equipment, vehicle trips generated during construction, fugitive dust created during demolition and site preparation activities, and paving operations and the application of architectural coatings. (EIR, p. IV.B-24.)
- Operational impacts of the Project after construction will generate 4,914 daily vehicle trips. (EIR, p. IV.B-29.)

ii. Proposed Mitigation

IV.B-1 The construction area and all accessible areas (public streets, sidewalks, etc.) within 100 feet of the project site shall be swept (preferably with water sweepers) and watered at least twice daily.

IV.B-2 The construction contractor shall utilize at least one of the following measures at each vehicle egress from the project site to a paved public road:

- Install a pad consisting of washed gravel maintained in clean condition to a depth of at least six inches and extending at least 30 feet wide and at least 50 feet long;
- Pave the surface extending at least 100 feet and at least 20 feet wide;
- Utilize a wheel shaker/wheel spreading device consisting of raised dividers at least 24 feet long and 10 feet wide to remove bulk material from tires and vehicle undercarriages; or
- Install a wheel washing system to remove bulk material from tires and vehicle undercarriages.

IV.B-3 Site access points shall be swept/washed within thirty minutes of visible dirt deposition. Street sweepers that comply with SCAQMD Rule 1186 and 1186.1 shall be used to sweep site access points or reclaimed water shall be used to wash site access.

IV.B-4 All haul trucks hauling soil, sand, and other loose materials shall be covered (e.g., with tarps or other enclosures that would reduce fugitive dust emissions).

IV.B-5 Construction activity on unpaved surfaces shall be suspended when winds exceed 25 miles per hour.

IV.B-6 Heavy-duty equipment operations shall be suspended during first and second stage smog alerts.

IV.B-7 Ground cover in disturbed areas shall be replaced as quickly as possible.

IV.B-8 The construction contractor shall utilize super-compliant architectural coatings as defined by the SCAQMD (VOC standard of less than ten grams per liter).

IV.B-9 The construction contractor shall utilize materials that do not require painting, as feasible.

IV.B-10 The construction contractor shall use pre-painted construction materials, as feasible.

IV.B-11 All diesel-powered construction equipment in use shall require control equipment that meets Tier III emissions requirements. In the event Tier III equipment is not available, diesel powered construction equipment in use shall require emissions control equipment with a minimum of Tier II diesel standards.

IV.B-12 The construction contractor shall utilize electricity from power poles rather than temporary gasoline or diesel power generators.

iii. Findings Pursuant to CEQA Guidelines Section 15091

Changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or Project alternatives identified in the Final EIR.

iv. Supporting Explanation

Construction Impacts: Phase I and Phase III daily construction emissions for NOx, CO, SO_2, $PM_{2.5}$ and PM_{10} would not exceed the SCAQMD regional thresholds. However, daily construction emissions for VOC would exceed the SCAQMD regional

thresholds, therefore Phase I and Phase III regional construction emissions would result in a significant impact without mitigation. (EIR, pp. IV.B-24 to 27.) During all three phases, localized construction emissions for NOx and CO would not exceed the SCAQMD regional thresholds. However, daily construction emissions for $PM_{2.5}$ and PM_{10} would exceed SCAQMD localized thresholds (primarily from construction equipment emissions, but also from grading in Phase III), and would result in a significant impact without mitigation. (Id. at p. IV.B-28.) Given the short-term construction schedule of approximately 38 months, the Project would not result in a long-term (i.e., 70 years) source of toxic air contaminant (TAC) emissions, and therefore no residual emissions and corresponding individual cancer risk are anticipated after construction. (Ibid.) Potential sources that may emit odors during construction activities include equipment exhaust and architectural coatings, and odors from these sources would generally confined to the immediate area surrounding the site and be temporary. Since these odors do not constitute a nuisance, construction odors would result in a less-than-significant impact. (Id. at p. IV.B-29.)

Operational Impacts: Operational emissions were estimated for each of the three phases and each phase was compared to the SCAQMD significance thresholds for informational purposes. The final conclusion of significance is based on total development of all three phases. Regional operational emissions for VOC, NOx, CO, SOx, $PM_{2.5}$ and PM_{10} would not exceed significance thresholds, and would result in a less-than-significant impact. (EIR, pp. IV.B-29 to 30.) With regard to localized CO

hotspots, the Lake Avenue/Walnut Street intersection would degrade from LOS E to LOS F in Phase III and a detailed CO hotspot analysis was conducted. The one-hour CO concentration at the Lake Avenue/Walnut Street intersection would be 5 ppm at worst-case sidewalk receptors. The eight-hour CO concentration would be 3.7 ppm. The State one- and eight-hour standards of 20 and 9.0 ppm, respectively, would not be exceeded at the analyzed intersections. Localized CO concentrations would result in a less-than-significant impact. (EIR, p. IV.B-29.) During Project operations, the primary source of potential TACs is diesel particulate from delivery trucks on local streets and on-site truck idling. Since less than five heavy-duty delivery type trucks would access the site on a daily basis, and the trucks that do visit the site would not idle on-site for extended periods of time, the Project does not need a health risk assessment associated with on-site activities, and potential TAC impacts are less than significant. (Id. at pp. IV.B-30 to 31.) The only odors that are expected from the Project could be at restaurant space on the site. While there is a potential for odors to occur, compliance with industry standard odor control practices, SCAQMD Rule 402 (Nuisance), and SCAQMD Best Available Control Technology Guidelines would limit potential restaurant objectionable odor impacts to a less-than-significant level. (Id. at p. IV.B-31.) The SCAQMD has indicated that a project is consistent with the 2007 AQMP if it is consistent with the applicable General Plan's land use zoning. The Project is well within the permitted densities and allowable uses for the site under Zoning Code, and would

not require a general plan amendment, and is therefore consistent with the AQMP. (Ibid.)

Mitigation Measures IV.B-1 through IV.B-7 would ensure compliance with SCAQMD Rule 403 and would ensure that fugitive dust emissions would be reduced by approximately 61 percent. Mitigation Measure IV.B-8 would reduce project-related architectural coating emissions by 96 percent. Mitigation Measures IV.B-9 and IV.B-10 would also reduce VOC emissions. Mitigation Measures IV.B-11 and IV.B-12 would reduce localized particulate matter emissions from fuel combustion. However, particulate matter emissions would remain above the significance thresholds and cannot be mitigated further.

Cumulative Impacts

Since the Project results in localized significant impacts during construction relative to $PM_{2.5}$ and PM_{10}, the Project contributes an incremental effect to a cumulatively considerable significant environmental impact. However, during operations the Project does not contribute to a potentially significant cumulative environmental effect. (EIR, p. IV.B-34.)

Greenhouse Gases and Global Climate Change: Greenhouse gas (GHG) emissions were calculated for on-road mobile vehicle operations, general electricity consumption, electricity consumption associated with the use and transport of water, natural gas consumption, and solid waste decomposition. Estimated GHG emissions would be less than the 10,000 metric tons of CO_2e per year quantitative significance

threshold. (EIR, p. IV.B-34.) The Project would comply with the applicable greenhouse gas reduction plans, including: CAT Greenhouse Gas Reduction Strategies, Attorney General Greenhouse Gas Reduction Measures, and the City's 2009 Green City Action Plan. (EIR, pp. IV.B-35 to 40.) Global climate change would not be expected to have a substantial impact on the Project because the site would not be affected by minor changes in sea level and the Project would not require a substantial volume of water resources, so any changes in available water resources (resulting from climate change) would not have a substantial effect on the viability of the Project. (EIR, p. IV.B-41.)

b. HISTORICAL RESOURCES

i. Potential Significant Impacts

- Without compliance with PMC Section 17.62, rehabilitation and reuse of the historic Constance Hotel could cause the loss of its historic significance and integrity through incompatible alterations and new construction and the demolition of irreplaceable historic structures. (EIR, p. IV.C-26.)
- The 1926 multi-storefront building is a historic resource and its demolition would result in a significant impact. (EIR, p. IV.C-28.)
- Proposed new construction could impact on-site historic resources, and cause impacts associated with the location, scale and massing of new construction. (Ibid.)

ii. Proposed Mitigation

IV.C-1 The Constance Hotel and related buildings shall be photographed according to HABS standards for photography prior to any demolition, abatement or rehabilitation work. Views shall include all exterior elevations for each building, important interior features, key spatial relationships among buildings, and exterior hardscape features. These photos will also serve as graphic documentation for the Historic Structures Report described in mitigation measure IV.D-2. The negatives and archival quality prints will be donated to the Pasadena Public Library.

IV.C-2 A Historic Structures Report (HSR) shall be prepared which will include all the original components of the Constance Hotel property (hotel tower, courtyard, one-

story retail building, and garage). The HSR will provide documentary, graphic, and physical information about both the property's history and its existing condition including a reproduction of the hotel's original drawings. Measured drawings of as-found conditions are not required. The report will also include appropriate methods for treatment of the existing historic fabric, a recommended scope of work, and provide information and recommendations for further treatment. This report will be prepared according to the National Park Services Preservation Brief 43: The Preparation and Use of Historic Structures Reports. A copy of this report will be donated to the Pasadena Public Library.

IV.C-3 The exterior rehabilitation of the Constance Hotel tower will follow the Secretary of the Interior's Standards and have specifications for the treatment of character defining features as identified in the HSR contained in the general specifications for the project. The specifications will include (but are not limited to), sections for treatment of historic fabric; quality control; substitution procedures; demolition; selective removal and storage of historic materials; protection, patching, and cleaning; determination of repair options and potential replacement of severely deteriorated features. Materials conservation plans shall be incorporated into the plans and specifications if necessary.

IV.C-4 Original character-defining features on the exterior of the Constance Hotel tower and certain courtyard features (glazed tile and flagstone paving) will be substantially retained and rehabilitated according to the Secretary of the Interior's Standards in order to ensure that all remaining historic fabric is appropriately treated and returned to its original appearance wherever possible.

IV.C-5 The historic Constance Hotel courtyard will be partially salvaged through the removal of distinctive features that are examples of craftsmanship, reconstructed to substantially replicate the existing form and finish, and the salvaged features shall be reinstalled in their original locations. The features that shall be salvaged intact, using such expertise and care as is necessary for intact removal without loss and damage, are (a) glazed ceramic tiles at the fountain pool and glazed ceramic tile panels on the concrete walls, and (b) flagstone pavers. In addition to the HABS photographs that shall be provided, the courtyard shall be documented by measured drawings of the floor plan and north, east, south, and west elevations to HABS standards prior to demolition. The reconstructed courtyard shall match the demolished courtyard in size, shape, form, material, and finish, as documented by the HABS photographs and measured drawings. The features that shall be replicated accurately include the footprint of the walls, planters, and fountain, and materials such as the board-formed poured-in-place concrete walls. The only aspect that may vary in the replicated courtyard is the finished elevation of the flagstone pavers, which will be raised to accommodated the parking structure below and matching the elevation to the interior first floor level to accommodate wheelchair users without the need to add a ramp and railing at the loggia such as occurred at the existing incompatible addition.

IV.C-6 There are potential construction impacts that are mitigated to a less than significant level by monitoring by a qualified professional. These impacts are demolition of buildings and landscaping, shoring, excavation, new buildings below and above grade near and attached to historic resources on the site. A structural engineer with qualifications in completed historic preservation projects that conform to the Secretary of the Interior's Standards for Rehabilitation will be consulted and provide monitoring and written review of the engineering and construction of work that is on site and contiguous with historic resources that are to remain to ensure that the work being done is consistent with the Standards. If the engineer concludes that the work being done is not consistent with the Standards, the engineer shall give immediate verbal notice to the owner and contractor, followed by written notice of non-conformance. If there is no satisfactory response within one calendar week, then the engineer shall notice the City's mitigation monitor immediately, verbally, followed in writing and the City shall take any action as may be necessary to halt the work until such consistency is re-established.

IV.C-7 A historic preservation professional with qualifications in completed historic preservation project that conform to the Secretary of the Interior's Standards for Rehabilitation will be consulted and provide monitoring and written review of the work that is related to historic preservation to ensure that the work being done is consistent with the Standards. If the historic preservation professional concludes that the work being done is not consistent with the Standards, they shall give immediate verbal notice to the owner and contractor, followed by written notice of non-conformance. If there is no satisfactory response within one calendar week, then the historic preservation professional shall notice the City's mitigation monitor immediately, verbally, followed in writing and the City shall take any action as may be necessary to halt the work until such consistency is re-established. This professional shall meet the Secretary of the Interior's professional qualifications standards for a historic architect.

IV.C-8 Using materials gathered for mitigation measures IV.C-1 and 2, an interpretive program including photographic exhibits and written descriptions shall be developed to chronicle the history of the site, original configurations, architects, technological innovations, and uses. These materials shall be placed in the historic hotel tower building at a location that is reasonably accessible to the general public.

IV.C-9 Archaeological monitoring shall be conducted by a qualified archaeologist in all areas of grading or ground alterations on the project site. The archaeological monitor shall have the authority to halt any activities impacting potentially significant archaeological resources and the monitor/archaeological consultant must be permitted to adequately evaluate the find in accordance with CEQA criteria. In the event potentially significant archaeological materials are encountered, work shall be stopped immediately or redirected until the significance of the find can be evaluated. If materials are found to be significant, measures must be taken to preserve such materials in place or relocate the material off site for further study.

iii. Findings Pursuant to CEQA Guidelines Section 15091

Changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or Project alternatives identified in the Final EIR.

iv. Supporting Explanation

Constance Hotel Rehabilitation: The Project would retain and restore significant character-defining features of the Constance Hotel tower's exterior, remove incompatible alterations, and substantially restore the tower's exterior to its original appearance, including replication of documented but missing exterior features. (EIR, pp. IV.C-26 to 27.) During the first phase of the Project, the courtyard would be retained. In subsequent phases, however, the courtyard would be demolished in order to construct a subterranean parking facility. Selected architectural features of the courtyard would be salvaged, stored, rehabilitated, and reinstalled in a reconstructed courtyard. Despite the efforts to salvage selected character-defining features, the demolition and reconstruction of the courtyard would result in a significant loss of character-defining features. Without mitigation, demolition and reconstruction of the courtyard would result in a substantial adverse effect to the historic hotel tower. (Id. at p. IV.C-27.) The Project would also include substantial alterations to retain and restore the

interior of the historic hotel tower. The demolition of original interior materials, features, and spatial configurations on the upper floors of the building would result in the loss of those character-defining features. The hotel tower, however, would continue to convey its historic significance despite this loss, and the demolition of interior features in the private spaces on the 2nd through 7th floors would not result in a significant adverse effect. (Ibid.)

Demolition of Storefronts: The Project would demolish the historic 1926 multi-storefront building and the parking garage to allow for new construction on the site. Both buildings are related to the Constance Hotel and date from the Hotel's period of significance. The demolition of these buildings would alter the hotel's historic setting. (EIR, p. IV.C-28.) Demolition of the parking garage would also obscure the fact that the original design included accommodation of automobiles. The demolition of the portion of the 1926 storefront building that contains the hotel's original dining room would remove a significant character-defining space that remained in use as the hotel's dining room until its recent adaptive reuse for a retail tenant. The exterior of the 1926 multi-storefront building is substantially intact below later additions, though its interiors other than the original dining room have sustained significant alterations and do not retain historic integrity. (Ibid.) The Constance Hotel tower and courtyard would not continue to be eligible for listing in the National Register of Historic Places and convey their historic associations with the demolition of this related building. Therefore, demolition of

the 1926 multi-storefront building would result in a significant adverse effect to historic resources on the site. (Ibid.)

Proposed New Construction: The design of the addition to the hotel tower and adjacent new construction would have the potential to disrupt or distract from the historic character of the complex. As planned, all new construction would be designed as separate elements that potentially could be removed in the future, with minimal impact to the Constance Hotel tower. (EIR, p. IV.C-28.) Because the Constance Hotel tower has been the tallest building on the block to date, the prominent vertical massing of new construction would alter the hotel tower's historic setting. However, the taller volumes of the new construction would be set back from Colorado Boulevard towards the southwestern corner of the site, leaving substantial space between the original hotel tower and the newly constructed tower. Vistas and view corridors to and from the Constance Hotel tower from along Colorado Boulevard, would be maintained and the hotel tower's Mentor Avenue elevation would remain unchanged. Therefore, the alteration of the hotel tower's setting through construction of a new mixed-use tower, and the location, scale, and massing of new construction would not result in a significant adverse affect to historic resources on the site. (Id. at pp. IV.C-29 to 30.) The Project as proposed would not meet all of the Secretary of the Interiors Standards without mitigation. Without mitigation to protect more of the hotel's historic character, the project would not meet Standard 2. (EIR, pp. IV.C-30 to 31.) Without mitigation to preserve more distinctive examples of craftsmanship, the proposed project would not

conform to Standard 5. (Id. at p. IV.C-31.) Demolition of the multi-storefront retail building does not meet Standard No. 6. (Id. at p. IV.C-32.) The Project would conform to Standard 8 if archaeological resources are protected and preserved in place. If any resources are to be disturbed, mitigation measures must be undertaken. (Id. at p. IV.C-32.) Impacts to adjacent structures will not be significant. (Id. at pp. IV.C-33 to 34.)

With implementation of the mitigation measures listed above, the Project would result in adverse affects to the Constance Hotel property (specifically, the related Colorado Boulevard storefronts) such that it will no longer convey its historic significance. Implementation of the mitigation measures would not reduce impacts to historic resources to a less-than-significant level and the Constance Hotel would likely not continue to remain eligible for the California Register of Historical Resources and the National Register of Historic Places. Consequently, the Project as currently proposed would have a significant and unmitigated impact to historical resources, even with preservation of the former Constance hotel tower and related elements including the hotel courtyard. (Id. at p. IV.C-36.)

Subsequent review by the City of Pasadena Design Commission during the approval process is required. As has always been the case under the Zoning Code (PMC § 17.61.030), certification of the EIR is a finding that the Project as designed to date may have the impacts disclosed in the EIR, and the mitigation measures set forth therein are imposed to reduce those potential impacts. Review by the Design Commission is not a mitigation measure. Rather, review by the Design Commission is

a subsequent discretionary action whose scope is governed by the Zoning Code, and which will require review under CEQA. The Design Commission has the authority to require changes to the future design so that the final design does not give rise to new and different potentially significant impacts that were not analyzed in the EIR.

Cumulative Impacts

No significant impacts to adjacent resources as a result of the Project have been identified. No related projects are located immediately adjacent to the Project which could compound the effects of the Project on on- or off-site resources. Significant cumulative impacts to historical resources would not occur as a result of the Project. (EIR, p. IV.C-36.)

c. TRANSPORTATION AND CIRCULATION

i. Potential Significant Impacts

- The Project has the potential to significantly impact nearby intersections. The impacts vary during different phases of the Project. (EIR, pp. IV.E-15 to 17.)
- If the Project does not provide sufficient parking, a significant impact could occur. (EIR, p. IV.E-16.)
- The increase in traffic from the Project has the potential to significantly impact surrounding street segments. (EIR, p. IV.E-15.)
- Regional impacts of the Project could rise to a level of significance at Congestion Management Program monitoring locations, and thereby impact regional transit systems. (EIR, p. IV.E-16.)

ii. Proposed Mitigation

All phases of the project are subject to the City's Transportation Demand Management (TDM)/Trip Reduction Ordinance (TRO) requirements. A TDM plan shall be completed to address the Project's programs to promote alternative modes of transportation prior to the issuance of the first permit for construction per phase (foundation, demolition, grading, or building) and shall meet the following requirements:

1. Carpool and Vanpool Parking. A minimum of 10% of the employee parking spaces shall be reserved for and designated as preferential parking for carpool and vanpool vehicles. Such parking area shall be in a location more convenient to the place of employment than parking spaces for single occupant vehicles, and shall be located as close as practical to the employees' entrances.
2. Bicycle Parking. Bicycle parking shall be provided on-site in compliance with Section 17.46.320 (Bicycle Parking Standards). In addition, the bicycle parking shall be located near the employee entrance and shall be conveniently accessible from the external circulation system.
3. Transportation Demand Management Program Plan. A Transportation Demand Management Program ("TDM") Plan shall be submitted which complies with Chapter 10.64 of the Municipal Code (Transportation Management Program). The owner/ developer shall place a deposit with the Department of Transportation prior to the issuance of the first permit for construction (foundation, demolition, grading, or building) per phase. This deposit is subject to a partial refund or additional billing in the event that the deposit amount is 'not sufficient to cover the cost of the review. The developer shall pay an annual Transportation Demand Management (TDM) status report review fee in compliance with the requirements of the Trip Reduction Ordinance.

IV.E-1 The proposed project shall contribute funds to the Neighborhood Traffic Management Capital Improvement Program Fund Number 75210. The funds will be used to implement traffic management measures to protect neighborhoods potentially influenced by the project's traffic. This mitigation measure is in line with the objectives of the street segment thresholds to protect residential neighborhoods from intrusion of traffic intended to and from commercial projects. Section 4.1.3.1 of the Mobility Element of the General Plan states: "The Council established, as City policy, that traffic growth would be limited on selected streets in order to protect residential neighborhoods."

IV.E-2 All of the sidewalks, crosswalks and travel lanes along Mentor Avenue and Colorado Boulevard shall be made available such that pedestrian and vehicular access and circulation within and in the vicinity of the project site would be maintained at all times during Phase 1 construction activities.

IV.E-3 The functional adequacy of the valet operations on-site shall be demonstrated to the Pasadena Department of Transportation at the time of final design and permits for the Phase 1 component of the proposed project to ensure there will be no conflicts with on-site services. Continued operational adequacy of the valet operations during Phase 2 construction shall also be demonstrated to Pasadena DOT.

IV.E-4 A formal recorded parking agreement between the applicant and the off-site parking provider shall be submitted to the City's Planning Department and Department of Transportation prior to the issuance of the first permit for construction

(foundation, demolition, grading, or building). The parking agreement shall indicate the number of parking spaces to be leased to the applicant, and any time constraints to access those parking spaces, if any.

IV.E-5 A final construction traffic management plan shall be prepared for each phase of the proposed project. This Plan would address haul routes, dust control, noise control and City regulations. The construction management plan ensures that the construction activities and workers follow the City regulations and provides details of activities planned on-site will be prepared at the time of final design, prior to commencement of construction. The Construction Management Plan will address various issues and details such as number of construction trips, haul routes and delivery management, relocation of the bus stop along Lake Avenue and associated coordination with the local transit operators, appropriate signage, temporary relocation/closing sidewalks along Lake Avenue, Colorado Boulevard and Mentor Avenue and other site-specific changes during construction.

IV.E-6 Construction truck traffic shall be restricted to the hours of 9:00 AM to 3:00 PM, which is outside of the typical peak hour period of traffic, unless as otherwise stipulated by Mitigation Measure IV.E-5.

IV.E-7 Construction staging shall not block any lanes of traffic along the project frontage of Lake Avenue, Colorado Boulevard and Mentor Avenue.

IV.E-8 Construction workers shall be restricted from parking on-street. Construction workers should be transported to the project site using shuttles (bus or van).

IV.E-9 The configuration of the Mentor Avenue driveway shall be coordinated with the City of Pasadena DOT before Final design approval. Specifically, the Mentor Avenue driveway shall be designed to provide unimpeded vehicular access at all times. At a minimum, DOT recommends three unrestricted lanes to serve vehicular traffic to and from Mentor Avenue. Appropriate overhead signage and striping shall be installed to reduce on-site driver confusion and decision-making.

IV.E-10 The functional adequacy of the loading spaces shall be demonstrated to the satisfaction of the Pasadena Department of Transportation at the time of final design and permits for Phase 2 conditions to ensure there will be no conflicts with on-site services.

IV.E-11 Lake Avenue/Walnut Street – The proposed project shall compensate for the acquisition of a shuttle bus as well as for the operations and maintenance (O&M) costs for the new shuttle bus service to be operated along Lake Avenue and/or the Walnut Street travel corridors at minimum for the first three years. The final route selection would be determined by the transit shuttle operator. Additionally, the unsubsidized portion of the O & M costs for this shuttle service for an additional seven years shall be considered. This Project transit improvement will recognize, consider, and build upon the recommendations from Pasadena ARTS Bus or any other bus operator for implementation of this improvement.

IV.E-12 Transit Incentives – The proposed project shall provide subsidized transit passes at specific locations, conveniently located on-site. All eligible employees, residents and hotel guests shall be offered discounted daily or monthly transit passes giving them access to all transit services operating in the area.

IV.E-13 For the bus zone at the southeast corner of the Lake Avenue/ Colorado Boulevard Intersection, the following conditions shall apply:

- The applicant shall provide funds for a new bench, solar trash container, and bus stop signage;
- Bus zone shall be a minimum of 130 feet wide at this very heavily used transit stop location.
- No new trees shall be located within the bus zone to prevent interference with ADA guidelines, boarding/alighting, and other pedestrian accessibility.
- The existing bus shelter shall be retained in the zone at all times.
- Existing transit operations of the transit stop shall be maintained during and after construction at all times.

IV.E-14 The driveway designs, valet service area and operations and loading area functionality shall be coordinated with the City of Pasadena DOT at the time of final design.

IV.E-15 Truck and vehicular turn templates should be laid out on the site plan once design details have been worked out to ensure that on-site congestion is minimized to the satisfaction of Pasadena DOT at the time of final design approval.

iii. Findings Pursuant to CEQA Guidelines Section 15091

Changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR.

Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible mitigation measures or Project alternatives identified in the Final EIR.

iv. Supporting Explanation

The EIR includes an extensive and adequate traffic study, broken down by each of the three phases of the Project, and mitigation measures imposed by phase. The

traffic study also fully and adequately analyzed the impacts of each of the alternatives studied in the EIR.

Intersection Impacts: Phase I of the Project would result in a net total of approximately 1,273 daily trips of which 84 additional trips (49 inbound, 35 outbound) would occur during the morning peak hour and 101 additional trips (53 inbound, 48 outbound) during the evening peak hour. The proposed parking structure will not be available until Phase II is completed, so the hotel will provide valet service to the 2 N. Lake Avenue parking structure. All of the Phase I valet trips, not including pass-by trips, were assigned to and from 2 N. Lake Avenue. Traffic generated by the Phase I of the Project would not cause a significant impact at any of the 15 study intersections. (EIR, pp. IV.E-18 to 24.) Phases I and II of the Project were combined to reflect Phase II conditions. Phase II conditions would have a total net trip generation of 1,354 daily trips of which 98 trips (57 inbound, 41 outbound) would occur during the morning peak hour and 108 trips (56 inbound, 52 outbound) during the evening peak hour. There would be no valet trips in Phase 2 conditions. None of the analyzed intersections would be significantly impacted by the combined traffic effects of Phases II and II. (EIR, pp. IV.E-24 to 28.) The overall Project (Phases I, II and III combined) defined as Project Phase III conditions, would have a total net trip generation of 4,914 daily trips of which 289 trips (210 inbound, 79 outbound) would occur during the morning peak hour and 488 trips (225 inbound, 263 outbound) during the evening peak hour. It was assumed that 75 percent of these trips (755 daily, 75 AM and PM trips) would be valet and the

remaining 25 percent (252 daily, 25 AM and PM trips) would be self-parked trips. The overall resulting on-site Project trip generation would be 4,662 daily trips of which 264 trips would occur during the morning peak hour and 463 trips would occur during the evening peak hour. The Project's trip generation from the valet and self-park trips to 2 N. Lake Avenue would result in 1,007 daily trips of which 100 trips would occur during the morning and evening peak hours. The intersection of Lake Avenue/Walnut Street would be significantly impacted during the evening peak hour by the combined traffic effects of the overall Project at completion. (EIR, pp. IV.E-28 to 33.) With imposition of Mitigation Measures IV.E-11 and IV.E-12, the Project's impacts are reduced to below a level of significance. The addition of a shuttle bus would increase transit capacity along the Lake Avenue and/or Walnut Street travel corridors as well as along other areas in the Project vicinity. This would reduce the number of vehicular trips in the corridor served by the additional bus, and would improve operations at many intersections along the selected route including the impacted intersection of Lake Avenue and Walnut Street. The addition of the bus along the Lake Avenue corridor would also improve transit network connectivity by offering improved/enhanced access to the Metro Gold Line Station at the Lake Avenue/I-210 interchange. (EIR, p. IV.E-62.)

Roadway Segment Impacts: Twelve roadway segment locations were identified for analysis, and the traffic study analyzed segment impacts for each phase of the Project. The City has adopted a local sliding scale of significance for segment impacts. (EIR, p. IV.E-16.) During Phase I, two street segments (Mentor Avenue between Union

Street and Colorado Boulevard, and Mentor Avenue between Green Street and Cordova Street) have an increase in average daily trips greater than the City's highest segment significance threshold of 7.4% where mitigation may not be feasible. This increase is mostly attributable to the valet trips to/from the Project site and the offsite parking structure at 2 N. Lake Avenue. Significant impacts will remain at this location. Mentor Avenue between Walnut and Union is also impacted, but at the City's lowest threshold, where mitigation is feasible. (EIR, pp. IV.E-33 to 35.) During Phase II, the impacts along these segments of Mentor Avenue decrease because there is no off-site valet service during Phase II, but they remain significant and unmitigable along the Mentor segment between Green Street and Cordova Street. The segment of Catalina Avenue between Union Street and Colorado Boulevard is also impacted during Phase II at the City's lowest threshold, where mitigation is feasible. (Id. at pp. IV.E-35 to 36.) Due to the overall Project (Phase III conditions), the following three analyzed street segments are impacted greater than the significance threshold of 7.4%: (1)Mentor Avenue between Walnut Street and Union Street; (2) Mentor Avenue between Union Street and Colorado Boulevard; and (3) Mentor Avenue between Green Street and Cordova Street. The following segments are significantly impacted but mitigable during Phase III: (1) Catalina Avenue between Union Street and Colorado Bouelvard; (2) Mentor Avenue between Cordova Street and Del Mar Boulevard; (3) El Molino Avenue between Walnut Street and Union Street; and (4) El Molino Avenue between Union Street and Colorado Boulevard. (Id. at pp. IV.E-37 to 38.) As required by Mitigation

Measure IV.E-1, the Project will contribute funds to the Neighborhood Traffic Management Capital Improvement Program Fund to implement traffic management measures to protect neighborhoods potentially influenced by the Project's traffic. This mitigation measure is in line with the objectives of the street segment thresholds to protect residential neighborhoods from intrusion of traffic intended to and from commercial projects. However, even with mitigation, significant impacts to these street segments would remain. (EIR, p. IV.E-57.)

Congestion Management Program (Transit) Impacts: The nearest Congestion Management Program (CMP) arterial monitoring intersection to the Project site is the intersection of Arroyo Parkway and California Boulevard. The overall Project is not expected to add 50 or more new trips per hour to this location. Therefore, no further analysis of CMP arterial monitoring intersections is required. The nearest mainline freeway monitoring locations to the Project site are the I-210 Freeway west of SR-134 and I-210 at Rosemead Boulevard. The overall Project will not add 150 or more new trips per hour to these locations in either direction. Therefore, no further analysis of CMP freeway monitoring stations is required. (EIR, pp. IV.E-37 to 38.) With regard to transit, there would be capacity available on a daily basis, both on the existing bus and train lines, serving the study area to accommodate Project transit trips. Further, the existing transit system supply as well as the shuttle bus required by Mitigation Measure IV.E-11 would accommodate the Project's anticipated transit demands. (EIR, pp. Iv.E-38 to 40.)

Site Access and Circulation Impacts: During Phases I and II, there would be no changes to any of the existing driveways along Lake Avenue and Colorado Boulevard. The configuration of the Mentor Avenue driveways will be altered to provide a two lane driveway at the northern driveway on Mentor Avenue, and the southern driveway would continue to provide one outbound lane and three existing ATM drive aisles. An area for valet pick-up and drop-off would be located on-site until Phase II is built. As required by Mitigation Measure IV.E-3, the functional adequacy of the valet operations on-site shall be demonstrated to the Pasadena Department of Transportation at the time of final design and permits for Phase I to ensure there will be no conflicts with on-site services, and continued operational adequacy of the valet operations during Phase II construction shall also be demonstrated to Pasadena DOT. (EIR, p. IV.E-41.) With the completion of Phase II, the northern driveway on Mentor Avenue would be removed, leaving a single driveway on Mentor Avenue, and one existing ATM aisle would be removed. All of the driveways would provide access to the partially completed subterranean parking garage through a single ramp located adjacent to the loading area. Phase II would also provide eight loading spaces that can be accessed from any of the driveways. As required by Mitigation Measure IV.E-10, the functional adequacy of these loading spaces shall be demonstrated to the satisfaction of Pasadena Department of Transportation at the time of final design and permits for Phase 2 conditions to ensure there will be no conflicts with on-site services. Additionally, Mitigation Measure IV.E-9 requires that the driveway design be coordinated with the City of Pasadena DOT at the

time of final design of Phase II. (Ibid.) During the construction of Phase III, the driveways on Lake Avenue and Colorado Boulevard would be available to construction vehicles only (unless otherwise stipulated by the Construction Management Plan per Mitigation Measure IV.E-5). The Mentor Avenue driveway would provide access to the Phase I and II components of the Project. All Phase II cumulative traffic would access the site from the Mentor Avenue driveway only. (Id. at p. IV.E-43.) Upon completion of Phase III, the Project would have two driveways serving the site - one on Mentor Avenue and another on Lake Avenue. The existing driveway on Colorado Boulevard would be removed. Both driveways would provide access to the surface parking lot, subterranean parking garage and all loading spaces. A 28-foot wide two lane east-west drive aisle would provide on-site access and circulation to the surface parking lot driveway and the ramp accessing the subterranean parking garage. Mitigation Measure IV.E-14 requires that the driveway designs, valet service area and operations and loading area functionality shall be coordinated with the City of Pasadena DOT at the time of final design, and Mitigation Measure IV.E-15 ensures truck and vehicular turn templates are laid out after design details have been worked out. With these mitigation measures, impacts are less than significant. (EIR, pp. IV.E-43 to 44.)

Pedestrian Access and Circulation Impacts: The pedestrian elements, cross-walk and sidewalks, under Project are not anticipated to change compared to existing conditions. The Project would maintain the 12-foot to 14-foot sidewalk on Lake Avenue along the project frontage and a 15-foot sidewalk along Colorado Boulevard on the

south side adjacent to the Project. Adequate pedestrian infrastructure would continue to be available in the vicinity of the Project. Numerous pedestrian access and circulation possibilities similar to existing conditions will continue to be available with the Project conditions, particularly with imposition of Mitigation Measure IV.E-2, and therefore impacts are less than significant. (EIR, p. IV.E-44.)

Parking Impacts: The Project is located in a Transit Oriented District as defined by the Pasadena Zoning Code. (EIR, p. IV.E-48.) A shared parking analysis was conducted which concluded that there is adequate parking at 2 N. Lake Avenue to provide for the uses in that building as well as the needs of the Project in each phase and upon completion that cannot be met on-site. Mitigation Measure IV.E-4 requires this arrangement to be recorded through a parking agreement. (EIR, pp. IV.E-50 to 53.) To satisfy Phase I Zoning Code required parking, the parking structure located at 2 N. Lake Avenue would provide the required spaces until Phase II is built and Phase I parking is provided on-site. Up to 162 spaces would be provided for the project off-site at 2 N. Lake Avenue. (Ibid.) A portion of the subterranean parking garage will be completed and the existing parking structure on-site is anticipated to be demolished in Phase II. All of the Phase II required parking can be provided on-site. (EIR, pp. IV.E-48 to 49.) Under Phase III, 550 spaces will be located on-site and 100 spaces will be off-site at the 2 N. Lake Avenue parking structure. (EIR, pp. IV.E-49.) It is anticipated that the construction workers would be transported to the project site using shuttles (bus or

van) and would not park on-street. (EIR, p. IV.E-56.) Therefore, no parking impacts would result due to the overall Project.

Construction Impacts: The peak hour trips generated during the construction of each phase of the Project is less than significant. (EIR, p. IV.E-54, table IV.E-24.) Construction activity would usually occur between the hours of 6:00 AM to 3:00 PM. However, Mitigation Measure IV.E-6 requires that construction truck traffic be restricted to the hours of 9:00 AM to 3:00 PM, outside of the typical PM peak hour, unless through the construction traffic management plan required by Mitigation Measure IV.E-5 the applicant and Pasadena DOT are able to agree to a plan that maintains a less than significant impact during the PM peak hour. In order to maintain key elements of the transportation infrastructure in an operable manner during construction and to minimize the construction impacts, a construction traffic management plan is required by Mitigation Measure IV.E-5 for each of the three phases of construction. During Phase III construction, the plan will require that all the sidewalks, crosswalks and travel lanes along Lake Avenue, Mentor Avenue and Colorado Boulevard would be available and that pedestrian and vehicular access and circulation within and in the vicinity of the Project site would be maintained at all times. Further, Mitigation Measure IV.E-7 prohibits construction traffic from blocking traffic lanes on surrounding streets. With implementation of these mitigation measures, the traffic effects due to construction would be minimized and no adverse construction traffic impacts would occur. (EIR, p. IV.E-53 to 56.)

Comment letter No. 8. The City received a detailed and critical comment letter regarding the traffic impact analysis of the Project. The City finds that the responses to the comments raised in that letter are detailed and accurate; the comment letter inaccurately describes a transit oriented district as codified in the Pasadena Municipal Code and relies on other inaccurate factual assumptions; the traffic study on which the EIR relied is thorough and accurate; the transit credits were applied accurately and consistent with the City's past practices; and the City may rely on the expert traffic report and analysis set forth in the EIR. (See EIR, pp. IX.A-37 to 41.)

Cumulative Impacts

As is standard in the industry, cumulative projects were included in the Project traffic study and were accounted for when drafting the mitigation measures listed above. The Cumulative (Future Year 2015) Plus Phase III Project conditions indicate that the overall Project will cause significant traffic impact at the intersection of Lake Avenue/Walnut Street during the weekday evening peak hour. No significant impact would occur at any of the other analyzed intersections. In order to mitigate the significant traffic impact, the Project would provide funding for the acquisition and operation of one shuttle bus to serve the project area (Mitigation Measure IV.E-11). The Project will have significant, unmitigable segment impacts, and therefore a significant cumulative impact remains. All other traffic, parking, and access impacts are not cumulatively significant. (EIR, p. IV.E-61.)

V. RESOLUTION REGARDING ALTERNATIVES

The Hearing Officer declares that the City has considered and rejected as infeasible the alternatives identified in the Final EIR as set forth herein. CEQA requires that an EIR evaluate a reasonable range of alternatives to a project, or to the location of a project, which: (1) offer substantial environmental advantages to the proposed project, and (2) may be feasibly accomplished in a successful manner within a reasonable period of time considering the economic, environmental, social and technological factors involved. An EIR must only evaluate reasonable alternatives to a project which could feasibly attain most of the basic project objectives, and evaluate the comparative merits of the alternatives. In all cases, the consideration of alternatives is to be judged against a rule of reason.

The lead agency is not required to choose the environmentally superior alternative if the alternative does not provide substantial advantages over the project, and (1) through the imposition of mitigation measures the environmental effects of a project can be reduced to an acceptable level, or (2) there are social, economic, technological or other considerations which make the alternative infeasible.

The Final EIR identified the objectives for the Project as follows (see EIR, p. II-26):

- Renovate and preserve the existing historic landmark to Secretary of the Interior Standards by returning the Constance Hotel to its original use.
- Develop an underutilized site that will attract and retain businesses while promoting local job growth east of Lake Avenue.
- Provide a compatible mixture of commercial and service uses at the site.

- Support the existing major office corridor on S. Lake Avenue and reinforce the importance of N. Lake Avenue and Colorado Boulevard as a key employment node by providing a commercial development housing a Class A office building.
- Improve the streetscape and create active sidewalks along Lake Avenue, Colorado Boulevard, and Mentor Avenue by providing pedestrian-oriented ground floor uses, linkages to newly created open space, and street-wall connectivity with pedestrian friendly character.
- Provide a hotel land use on the site that will bring visitors to the area to support nearby amenities such as the neighborhood playhouse, art and entertainment districts, and commercial district.
- Create mobility option for residents, employees and visitors (bikes, transit, walking) by developing a Class A office building in a Transit Oriented District which will provide the minimal amount of required parking stalls, optimize use of the existing transit infrastructure, and encourage the "park once" strategy.
- Promote building forms that respect the local context and interface with adjacent properties.
- Create informal gatherings spaces that can be utilized year-round by providing the community with additional open space.
- Develop a LEED project (Silver anticipated) in support of the City's Green City plan.

The alternatives analyzed in the EIR represent a reasonable range of alternatives based on the applicable provisions of the CEQA Guidelines.

a. NO PROJECT/RETAIN EXISTING CONDITIONS (ALTERNATIVE 1)

Pursuant to Guidelines Section 15126.6, the EIR discussed a No Project Alternative. The No Project Alternative assumes that the Project is not developed on the site and that the site, including the existing bank, existing retail/commercial uses, and the vacant hotel structure are retained for ongoing/future use and occupancy. Rehabilitation/re-occupancy of the former hotel is considered a possible scenario that could occur under No Project conditions as well, occupied as of right under the Zoning

Code with no discretionary approvals necessary as senior housing (154 units are assumed for this scenario), or reoccupied with a hotel use. Future longer-term development opportunities would also remain open for the property. (EIR, pp. VI-4 to 5.) This alternative would reduce or avoid most (if not all, in the case of existing conditions remaining as is and the former hotel structure continuing to be vacant) of the significant, less than significant, and significant but mitigated environmental impacts of the Project. (Id. at pp. VI-5 to 10.) Should the former Constance Hotel structure be re-occupied with either a senior housing or hotel use, the alternative could still result in unmitigated street segment impacts at two street segments (i.e., Mentor Avenue between Union Street and Colorado Boulevard and Mentor Avenue between Green Street and Cordova Street) and significant air quality impacts during renovation from exceedances of $PM_{2.5}$ and PM_{10}. These impacts could possibly be reduced further if the former Constance Hotel was reoccupied with senior housing. (Id. at pp. VI-9 to 10.) Unlike the Project, the existing hotel courtyard would remain and not require re-construction, however conditions would continue to deteriorate. Similarly, no new construction adjacent to existing historic resources or demolition of any other structures on the property (including historic 1926 storefronts) would occur with the alternative and the less than significant impacts of the Project (with mitigation) would be further reduced. (Id. at p. VI-7.) In either instance (whether or not the existing former hotel is re-occupied), no new construction would occur and all associated impacts with those uses would be eliminated.

Assuming the site remains in its current state, the No Project/Retain Existing Conditions Alternative would not meet any of the Project objectives. These include renovating and preserving an existing historic landmark, developing an underutilized site that will retain and attract businesses and promote job growth, providing a hotel use to bring visitors to the area, providing an office building in a Transit Oriented District that creates new mobility options for employees and visitors, providing a key employment node and improving new streetscape and creating active sidewalks. (EIR, p. VI-11.) In the event the former Constance Hotel is re-occupied for as senior housing or for uses comparable to those proposed for Phase I of the Project, then some, but not all, of the key Project objectives would be met. Specifically, the alternative would renovate and preserve an existing historic landmark, and with the hotel reuse would renovate and provide a new hotel use to bring visitors to the area. However, it would not meet other objectives of developing an underutilized site to attract business and promote job growth, providing a new office building in a TOD that creates new mobility options, or supporting the existing major office corridor on S. Lake Avenue. (Ibid.)

The No Project/Retain Existing Conditions Alternative is considered to be the environmentally superior alternative in comparison to the Project. (EIR, p. VI-80.) However, for CEQA purposes this alternative is rejected because it does not meet any of the Project objectives.

b. PROPOSED PROJECT WITHOUT HEIGHT AVERAGING (ALTERNATIVE 2)

While the Project conforms to the existing CD-5-Central District Zone, and all requested uses and density are similarly permitted, approval of Height Averaging for the new office building as part of the City of Pasadena Design Commission Concept and Final Design is required for the current design. This alternative evaluates how the current design could differ, if Height Averaging was not applied. The alternative would shift massing of the office building to conform to a maximum 75-foot height. (EIR, p. VI-12.) The EIR includes three options under this alternative, as well as informative multiple perspectives and exhibits of each of these three options. (EIR, pp. VI-12 to 16; see also Appendix L.)

As the alternative assumes the same program as the Project, population/use driven impacts would be the same. (EIR, pp. VI-17 to 23.) The only impacts that would change would be physical impacts associated with the massing reconfiguration within the Project. Proposed phasing and construction schedule would not change with this alternative, nor would provision of total (650 spaces) and off-site parking (100 spaces at 2 N. Lake). Consequently, the alternative would not reduce any of the environmental impacts of the Project, but in limited instances could increase Project impacts. Specifically, the alternative could increase the significant unmitigated impact to historical resources by obstructing/encroaching upon the available view of the former Constance Hotel structure (a designated historic resource) and associated open space including

the hotel courtyard, in addition to demolition of the existing 1926 storefronts. (EIR, pp. 18 to 20.)

This alternative would meet many Project objectives with respect to preserving an existing historic landmark, providing a new hotel use to bring visitors to the area, developing an underutilized site to attract business and promote job growth, providing a new office building in a TOD that creates new mobility options, and supporting the existing major office corridor on S. Lake Avenue. However, objectives relating to promoting building forms that respect the local context and interface with adjacent properties and creating informal gatherings spaces by providing the community with additional open space, may be compromised or sacrificed by moving massing around the site to maintain a 75-foot height limit. (EIR, p. VI-23.)

For CEQA purposes this alternative is rejected because it does not reduce any of the unmitigable significant effects of the Project and could exacerbate some of the significant effects.

c. REDUCE NEW DEVELOPMENT – HOTEL AND RESIDENTIAL OPTIONS (ALTERNATIVE 3)

This alternative would reduce total development (converted and new) to approximately 90% of that proposed by the Project while still converting the former Constance Hotel structure to the proposed hotel use (156 rooms converted and new) or with 81 multi-family residential units (converted and new). Existing retail space along Colorado Boulevard would also be retained and renovated, with ground floor retail also

provided in the former Constance Hotel if converted to residential uses. The proposed office building, restaurant and retail space of approximately 196,000 square feet would be reduced to approximately 154,000 square feet. Total site development and reuse of approximately 261,000 square feet would be reduced to approximately 235,000 square feet (residential) or 242,000 square feet (hotel). A new parking structure would be built but unlike the Project, it would include above grade parking in addition to on grade and subterranean parking, as well as provision of limited shared parking with 2 N. Lake. A secondary option to reduce Project density could be accomplished by converting the former Constance Hotel structure to 136 hotel rooms as proposed by Phase I of the current program, but similarly reducing other uses within the site as proposed by the alternative. Both options would achieve programs that are approximately 90 percent of the density of the Project. Under both options, the retention of existing retail uses along Colorado Boulevard and the reduction in new development would also allow for the existing hotel courtyard to remain with a new internal paseo that links to the street. The office building would be built to the same height as the office building proposed in the Project with the same number of occupied floors. (EIR, pp. VI-24 to 31.)

The alternative reduces both occupancy driven (e.g., traffic, utilities) and physical (e.g., aesthetics, historic resources) impacts of the Project. The retention and rehabilitation of existing retail storefronts along Colorado Boulevard that would be replaced with new development with the Project would remain with the alternative, and the overall street presence and visibility of the project would be commensurately

reduced. (EIR, pp. VI-31 to 33.) Significant air quality impacts that would occur with construction would be reduced both in peak day emissions and in overall duration, but would still remain significant and unmitigated with this alternative. (Id. at pp. VI-36 to 39.) The remnant historic fabric present in the 1926 Colorado Boulevard storefronts that would be removed with the Project would be retained and integrated into the alternative. Consequently, the alternative (with either the hotel or residential option) would reduce a significant unmitigated impact of the project to historical resources, to a less than significant level. Mitigation measure IV.C-5 would be deleted. (Id. at pp. VI-39 to 41.) Alternative 3 was analyzed to the same level of detail as the Project in the traffic study. The alternative would modestly reduce traffic impacts, but significant impacts would still occur at three street segments with the hotel option (Mentor Avenue between Walnut Street and Union Avenue, Mentor Avenue between Union Street and Colorado Boulevard, and Mentor Avenue between Green Street and Cordova Street), and at two street segments with the residential option (i.e. Mentor Avenue between Walnut Street and Union Street and Mentor Avenue between Union Street and Colorado Boulevard) would still occur (under the residential option). Mitigation measures IV.E-11 and IV.E-12 would not be required. (Id. at pp. VI-42 to 56.) While overall utility consumption/generation would also be slightly reduced with the alternative, similar improvements and mitigation would be expected to service the mix of uses and overall density on the site. (Id. at p. VI-57.) In most other instances, the impacts of the Project analyzed in this EIR would not appreciably change.

This alternative would meet most of the Project objectives, especially those with respect to preserving an existing historic landmark, providing a new hotel use to bring visitors to the area (but not with the residential option), developing an underutilized site to attract business and promote job growth, providing a new office building in a TOD that creates new mobility options, and supporting the existing major office corridor on S. Lake Avenue (although fewer office jobs would be created). The alternative would further preserve existing historical resources (e.g., 1926 storefronts along Colorado Boulevard) that would otherwise be removed with the Project, and thus, would further meet preservation objectives. Additionally, the objective to improve streetscape and create active sidewalks would be further enhanced by the retention of more existing uses, and mixed newer uses along Colorado Boulevard. Similarly, objectives relating to promoting building forms that respect the local context and interface with adjacent properties can all be met. However, the residential option under this alternative would not meet the objective to provide a hotel land use to attract more visitors to the area, but the hotel option would. Consequently, the alternative, at a minimum, would meet most of the same objectives as the Project, and in several instances would exceed the objectives established by the Project. (EIR, pp. VI-57 to 58.) Alternative 3 would be considered environmentally superior to the Project, and would meet or exceed many Project objectives. (Id. at p. VI-58.)

For CEQA purposes this alternative cannot be rejected. It is less impactful across every resource area than the Project, although potentially significant effects still remain. Further, it would meet or exceed many of the Project objectives.

d. ELIMINATE TRAFFIC IMPACTS/REDUCED PROJECT (ALTERNATIVE 4)

This alternative would reduce trip generation to a level where significantly impacted street segments would be eliminated (1,712 daily trips or less). As with Alternative 3, this alternative would have residential and hotel options for re-use of the former Constance Hotel structure in an initial phase, but would reduce new development in subsequent phasing. Existing historical storefronts on Colorado Boulevard could also be retained with this alternative. New office, restaurant and retail space would be substantially reduced compared to the Project to achieve trip reductions sufficient to eliminate traffic impacts to intersections and street segments. As with the Project, it is presumed that some portion of parking for the alternative could be provided at 2 N. Lake and that on-site parking could be provided by a parking structure with some subterranean levels. Trip generation reductions would be achieved by adjusting land uses across the site. Total site development and reuse of approximately 255,000 square feet would be reduced to approximately 154,000 square feet with the hotel option and 174,000 square feet with the residential option. (EIR, pp. VI-58 to 61.)

The alternative reduces both occupancy driven (e.g., traffic, utilities) and physical (e.g., aesthetics, historic resources) impacts of the Project. In particular, the historic

fabric present in the 1926 Colorado Boulevard storefronts that would be removed with the Project would be retained and integrated into the alternative. Consequently, the alternative (with either the hotel or residential option) would reduce a significant unmitigated impact of the Project to historical resources, to a less than significant level. (EIR, pp. VI-69 to 71.) Similarly, significant air quality impacts that would occur with construction would be reduced both in peak day emissions and in overall duration, but would still remain significant and unmitigated with this alternative. (Id. at p. 67 to 69.) Alternative 4 would also reduce traffic impacts, including eliminating significant street segment impacts at Mentor Avenue between Walnut Street and Union Street, Mentor Avenue between Union Street and Colorado Boulevard and Mentor Avenue between Green Street and Cordova Street that would otherwise require mitigation. (Id. at pp. VI-72 to 79.) Overall utility consumption/generation would also be reduced with the alternative, although similar improvements and mitigation would be expected to service the mix of uses and overall density on the site. (Id. at p. VI-79.) Unlike the Project, Alternative 4 would not require approval of height averaging, however, most major entitlements would likely still be required. Given that significant unmitigated impacts to historic resources (1926 storefronts) and traffic (street segments) would be reduced less than significant under the alternative, Alternative 4 would be considered environmentally superior to the Project.

This alternative would meet most of the Project objectives, especially those with respect to preserving an existing historic landmark, providing a new hotel use to bring

visitors to the area (but not with the residential option), developing an underutilized site to attract business and promote job growth. The alternative would further preserve existing historical resources (e.g., 1926 storefronts along Colorado Boulevard) that would otherwise be removed with the Project, and thus, would further meet preservation objectives. The objective to improve streetscape and create active sidewalks would be further enhanced by the retention of more existing uses mixed newer uses along Colorado Boulevard. Similarly, objectives relating to promoting building forms that respect the local context and interface with adjacent properties can all be met. However, given the substantial reduction in office space in comparison to the Project, neither the hotel or residential options under this alternative would meet objectives relative to promoting job growth and establishing Lake Avenue as a major office corridor and employment node. Consequently, the alternative would meet some, but not all of the same objectives as the Project. (EIR, p. VI-80.)

CEQA Guidelines Section 15126.6(c) requires identification of the environmentally superior alternative, and if the environmentally superior alternative is the No Project Alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives. The No Project Alternative is the environmentally superior alternative in this case. (EIR, p. VI-80.) Among the other alternatives, Alternative 4 (Eliminate Traffic Impacts/Reduced Project–Hotel and Residential Options Alternative) would reduce the most significant impacts of the

Project and therefore would be the environmentally superior alternative. However, Alternative 4 would only meet some, but not all, project objectives due to the substantial reduction in Project density, the decrease in office space and associated employment benefits. Associated objectives relative to promoting job growth and establishing Lake Avenue as a major office corridor and employment node would not be met with this Alternative. (Id. at p. VI-81.)

For CEQA purposes this alternative cannot be rejected. It is less impactful across every resource area than the Project, although potentially significant effects still remain. Further, it would meet most of the basic Project objectives.

VI. RESOLUTION REGARDING SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES

State CEQA Guidelines Section 15126.2(c) requires an EIR to discuss the significant irreversible environmental changes which would be caused by the proposed project. An impact would occur under this category if, for example: (1) the Project involved a large commitment of nonrenewable resources: (2) the primary and secondary impacts of the Project would generally commit future generations to similar uses; (3) the Project involves uses in which irreversible damage could result from any potential environmental incidents associated with the Project; and (4) the proposed consumption of resources are not justified (for example, results in wasteful use of resources).

Construction of the Project would result in a commitment of limited, slowly renewable, and nonrenewable resources. Such resources would include certain types

of lumber and other forest products; metals such as steel, copper, and lead; aggregate materials used in concrete and asphalt (e.g., stone, gravel, and sand); and other construction materials such as plastic. In addition, fossil fuels used in construction vehicles would also be consumed during construction of the Project. Operation of the Project would involve the continued consumption of limited, nonrenewable, and slowly renewable resources similar to other projects. These resources would include natural gas and electricity, petroleum-based fuels, fossil fuels, and water. Energy resources would be used for heating and cooling of buildings, transporting people and goods to and from the site, heating and refrigeration for food storage and preparation, heating and cooling of water, and lighting. Operation of the Project would occur in accordance with Title 24, Part 6 of the California Code of Regulation, which sets forth conservation practices that would limit the amount of energy consumed by the Project, and the Project would meet City of Pasadena's Green Building Program requirements to comply with Leadership in Energy and Environmental Design (LEED) standards under the US Green Building Council (USGBC). Nonetheless, the use of such resources would still continue to represent a long-term, irreversible commitment of these resources. In addition, the limited use of common hazardous materials on the site, including cleaning agents and pesticides for landscaping, would be used, handles, stored, and disposed of in accordance with applicable regulations and standards. Thus, the Project would not result in a significant and irreversible environmental change associated with the accidental release of hazardous materials. (EIR, pp. V-2 to 3.)

VII. RESOLUTION REGARDING GROWTH-INDUCING IMPACTS

State CEQA Guidelines Section 15126.2(d) requires an EIR to discuss the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Growth inducement, however, is not considered necessarily detrimental, beneficial, or significant to the environment.

As the Project would include a residential component, it will directly result in a permanent, (but small) full-time population growth in the area. The Project, however, would not significantly impact existing schools or other community services in the area. In addition, while the Project would increase the daytime population in the area due to the addition of hotel guests, residents and employees, the Project is not expected to induce people to move to the area (other than the small residential component already discussed). Thus, the Project would not induce population growth, and while it could foster a degree of economic growth due to the increase in employees, and visitors to the area, such growth-inducement would not be significant. Furthermore, the Project would not induce growth in an area that is not already developed with infrastructure to accommodate such growth. The Project site is located within an urbanized area on one of the City of Pasadena's main commercial streets and is currently developed. Additionally, it would be located in close proximity to various public transportation opportunities. The Project would incorporate new improvements, including some minor localized street improvements to accommodate access to the site, as well as water

sewer connection improvements. These infrastructure improvements would serve the proposed uses and any excess capacity that may be provided by such improvements would not be to such a degree so as to induce or introduce additional growth in the area. Overall, the Project would not result in an increase in the population that may tax existing community service facilities, or encourage or facilitate other activities that could significantly affect the environment or the area, either individually or cumulative. Thus, the Project would not result in significant growth-inducing impacts. (EIR, p. V-3.)

VIII. RESOLUTION REGARDING CUSTODIAN OF RECORDS

The documents and materials that constitute the record of proceedings on which these findings have been based are located at the City of Pasadena, City's Planning and Development Department at 175 North Garfield Avenue, Pasadena, California 91101.

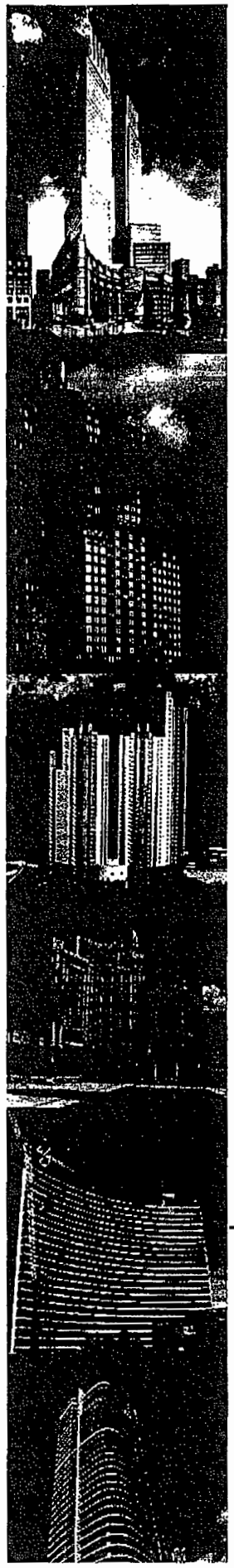
Adopted by the Hearing Officer for the City of Pasadena on the 20th day of October, 2010.

Hearing Officer

APPROVED AS TO FORM:

Theresa E. Fuentes
Assistant City Attorney

ENVIRONMENTAL SITE ASSESSMENT



PHASE I
ENVIRONMENTAL SITE ASSESSMENT

Pasadena Manor
908 - 940 E. Colorado Boulevard
Pasadena, California 91106

Prepared for:
Champion Realty Ltd.
Los Angeles, California

Prepared by:

IVI Due Diligence Services, Inc.
White Plains, New York

IVI Project No.: 60619542
June 22, 2006

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PROPERTY CONDITION & ENVIRONMENTAL
DUE-DILIGENCE

IVI DUE DILIGENCE SERVICES, INC.
105 Corporate Park Drive, Suite 115
White Plains, New York 10604
914.694.9600 (tel)
914.694.1335 (fax)
www.ivi-intl.com

June 22, 2006

Ms. Tish Glaser
Champion Realty Ltd.
11601 Wilshire Blvd. Suite 1650
Los Angeles, California 90025
(310) 694-3192 (tel)
(310) 312-8030 (fax)
tglaser@championdev.com

Sent-by-email

Re: IVI Project No.: 60619542
Pasadena Manor
908 - 940 E. Colorado Boulevard
Pasadena, California 91106

Dear Ms. Glaser:

IVI Due Diligence Services, Inc. ("IVI") is pleased to submit this copy of our Phase I Environmental Site Assessment on the above-referenced property. This report outlines the findings of IVI's site reconnaissance, historical land use research, review of governmental records, and interviews.

Please call the undersigned at **301.907.0163 (x-15)** should you have any questions.

Sincerely,

IVI Due Diligence Services, Inc.

An H. Ly
Senior Project Manager

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1.0 EXECUTIVE SUMMARY

This report documents IVI's findings from our Phase I Environmental Site Assessment on the Pasadena Manor (the "Subject"), located at 908 - 940 E. Colorado Boulevard, Pasadena, California. The property, which is situated in an urban area characterized by commercial office and retail; and residential development, consists of a 0.91-acre parcel improved with an 80-year-old mixed-used complex consisting of a 145-room retirement home, a restaurant, nail salon, package store, a copy store, and a two-story parking structure. Prior to the construction of the existing improvements, the site was improved with three single-family residences.

The purpose of this Phase I Environmental Site Assessment was to assess existing site conditions and render an opinion as to the identified or potential presence of recognized environmental conditions in connection with the property within the scope and limitations of the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process E 1527-00 and the limitations identified herein. Exceptions to or deletions from the scope of work are described in Section 2.0.

This assessment has revealed no evidence of recognized environmental conditions in connection with the Subject; however, the following items of environmental concern were identified which warrant mention:

Asbestos-Containing Material (ACM)

The friable acoustical ceiling tile and pipe insulation; and non-friable resilient floor finishes, wallboard assemblies, and built-up roofing system may contain asbestos. Since these materials are in good condition and the potential for fiber release is low, no further action is recommended at this time, other than maintaining the materials in good condition under an Asbestos Operations and Maintenance (O&M) Program. However, in the event that building maintenance, renovation, or demolition activities require the removal or disturbance of the suspect ACM, IVI recommends that they be characterized for asbestos by a material specific reliable method for detecting asbestos. All activities involving ACM should be conducted in accordance with governmental regulations.

Lead-Based Paint (LBP)

Lead-based paint was identified on select interior window sills. Overall, the condition of the paint ranged from good to poor and exhibits isolated areas of peeling and flaking. IVI recommends that the areas of damaged lead based paint be abated and all remaining post-abatement LBP surfaces be maintained in good condition under an Operations and Maintenance (O&M) Program. The estimated cost to accomplish the abatement is $300 and $500 to prepare an O&M plan. All activities involving LBP should be conducted in accordance with HUD guidelines, as well as the OSHA Lead in Construction regulations (CFR Part 1926.62) and RCRA guidelines. Moreover, IVI recommends that clearance testing be conducted prior to re-occupancy of the abated areas.

2.0 INTRODUCTION

2.1 General

IVI was retained by Champion Realty Ltd. to prepare a Phase I Environmental Site Assessment, in conformance with the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process E1527-00 on the Subject in accordance with our Agreement dated June 2, 2006.

2.2 Purpose and Scope

2.2.1 Purpose

The purpose of this report is to identify Recognized Environmental Conditions in connection with the property, using the methodology recommended by the American Society for Testing and Materials (ASTM) in order to qualify for the innocent landowner defense to CERCLA liability and/or to help understand potential environmental conditions that could materially impact the operation of the business associated with the Subject. Specifically, this methodology is referred to as *Standard Practice for Environmental Site Assessments: Phase l Environmental Site Assessment Process* Designation: E 1527-00.

Recognized Environmental Conditions are defined by the American Society for Testing and Materials (ASTM) Standard E 1527-00 as "...the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies."

A data failure as defined under Section 7.3.2.3 of ASTM Standard Practice E1527-00 occurred: Although IVI reviewed historical information back to 1903; our review was not conducted back to a time when the Subject was vacant land.

2.2.2 Scope

In general, the scope of this assessment consisted of reviewing readily available information and environmental data relating to the property;

interviewing readily available persons knowledgeable about the site; reviewing readily available maps, aerial photographs and records maintained by federal, state, and local regulatory agencies; and conducting a site visit.

The specific scope of this assignment included the following:

2.2.2.1 Performing a site reconnaissance to characterize on-site conditions and assess the site's location with respect to surrounding property uses and natural surface features. In addition, IVI conducted a reconnaissance of the surrounding roads and readily accessible adjacent properties to identify obvious potential environmental conditions on neighboring properties. Photographs taken as part of the site reconnaissance are provided in Appendix A.

The site visit was conducted on June 9, 2006, by Scott Pritchard representing IVI. The site was represented by Ms. Weneal Towns, Building Manager. It was sunny and the temperature was approximately 75° F at the time of our site survey. IVI conducted the site reconnaissance in a systematic manner focusing initially on the exterior, which was surveyed in a grid pattern. IVI also surveyed a representative sampling of the interior spaces in a systematic manner.

2.2.2.2 Interviewing persons familiar with the property to obtain information on present and previous on-site activities potentially resulting in the environmental degradation of the site or adjoining properties. A Pre-survey Questionnaire to be filled out and returned to IVI by someone knowledgeable about the site was provided to Ms. Tish Glaser. A blank copy of the Pre-survey Questionnaire is provided in Appendix B.

The following table presents a summary of the individuals contacted or to whom requests for documentation were made as part of this assessment:

Name	Affiliation	Telephone No.
Representative	LA County Department Public Works	(626) 458-3517
Representative	Pasadena Water and Power	(626) 744-4435
Steve Parr	City of Pasadena Fire Department	(626) 744-7179
Ms. Weneal Towns	Subject Property	(626) 796-8123

2.2.2.3 If provided, reviewing of information such as previously prepared appraisals, building plans and specifications, and environmental reports.

2.2.2.4 Reviewing readily available historical documents, such as topographic maps, aerial photographs, city directories, Sanborn Fire Insurance Maps and atlases, to identify previous activities on and in the vicinity of the Subject. Copies of these documents are included in Appendix C.

2.2.2.5 Reviewing readily available environmental databases maintained by federal, state, and local agencies within the approximate minimum search distances as described within the Regulatory Review Section 5.0 of this report. A copy of the Computerized Environmental Report, provided by Environmental Data Resources, Inc. can be referenced in Appendix D.

2.2.2.6 Conducting a visual survey of readily accessible common areas to identify suspect asbestos containing materials (ACM).

THIS LIMITED SURVEY IS NOT TO BE CONSTRUED AS A COMPREHENSIVE ASBESTOS SURVEY, WHICH OFTEN ENTAILS DESTRUCTIVE TESTING OR THE SURVEY OF AREAS BEHIND WALLS, ABOVE CEILINGS, IN TENANT SPACES AND IN OTHER TYPICALLY INACCESSIBLE AREAS. MOREOVER, IVI DOES NOT WARRANT THAT ALL ACM AT THE SUBJECT HAVE BEEN IDENTIFIED.

2.2.2.7 Reviewing published radon occurrence maps to determine whether the site is located in an area with a propensity for elevated radon concentrations.

2.2.2.8 An analysis of mold and/or mold issues were beyond the scope of this report.

2.2.2.9 Assessing the age of the Subject to determine whether it is predisposed to contain lead-based paint. During our walkthrough survey, IVI noted the condition of the paint observed. In addition, limited testing for lead-based paint was conducted. This testing was conducted using chemical reaction swabs.

THIS LIMITED SURVEY IS NOT TO BE CONSTRUED AS A COMPREHENSIVE LEAD-BASED PAINT SURVEY OR LEAD-BASED PAINT COMPLIANCE AUDIT, WHICH OFTEN ENTAILS EXTENSIVE AND DESTRUCTIVE

TESTING OR THE SURVEY OF AREAS BEHIND WALLS, ABOVE CEILINGS, IN TENANT SPACES AND IN OTHER INACCESSIBLE AREAS. MOREOVER, IVI DOES NOT WARRANT THAT ALL LEAD-BASED PAINT AT THE SUBJECT HAVE BEEN IDENTIFIED.

3.0 SALIENT ASSIGNMENT INFORMATION

IVI Project No.:	60619542
Project Name:	Pasadena Manor
Street Address:	908 - 940 E. Colorado Boulevard
City, State and Zip:	Pasadena, California 91106
Primary Use:	Mixed use (retirement home, restaurant, nail salon, copy store, and package store)
Year Built and Age of Improvements:	1926; 80 years old
Site Area:	0.91 Acre
Building Size:	Not provided.
Reported Number of Units:	145 rooms in the retirement home and 4 retail/restaurant tenants
Number of Buildings:	3 (excluding the two-story parking structure)

4.0 SITE DESCRIPTION

4.1 Property Location

The site is located at 908 - 940 E. Colorado Boulevard in Pasadena, Los Angeles County, California and is identified on local tax maps as Parcel No. 5735-006-032. Refer to the Site Plan provided within Appendix C.

4.2 Surrounding Land Use

The property is located in an urban setting characterized by commercial office and retail; and residential development. The following is a tabulation of surrounding property usage:

Direction	Adjacent Properties	Surrounding Properties
North	Across Colorado Boulevard are the Pasadena Star News office buildings, two restaurants and a mattress store (911, 921, 925 and 937 E. Colorado Boulevard, respectively).	A mid-office building is located to the northwest of the Subject while a low-rise office building (913 E. Colorado Boulevard) is located to the northeast. Office and retail development is located further to the north.
South	A bank drive through and a mid-rise office building.	A bar (45 Mentor Avenue) with office development just beyond.
East	Across Mentor Avenue are two-story retail and office structure (950 E. Colorado Boulevard) and a pick-up/drop-off dry cleaners (10 S. Mentor Avenue), which is located on the first level of a two-story parking structure.	Low-rise commercial office buildings.
West	A bank (880 E. Colorado Boulevard).	Lake Avenue with retail and low-rise office development just beyond.

The adjacent dry cleaner at 10 S. Mentor Avenue was identified in the CER as a RCRA-Generator Site with no reported violations. Please refer to Section 6.1 for further details on this facility.

4.3 Physical Site Setting

4.3.1 Size and Shape of Parcel

The property is rectangular in shape and 0.91 acre in size.

4.3.2 Topography

The site slopes gently from the northwest to southeast at an average gradient of approximately five percent. The topography of the area is best described as gently sloping; properties to the northwest are at a higher

topographic elevation. According to the United States Geological Survey (USGS) *Pasadena, CA* 7.5 Minute Series topographic map, the Subject's topographic elevation is approximately 810' above mean sea level (msl).

4.3.3 Surface Waters and Wetlands

Surface Waters

There are no surface water bodies or streams on or adjacent to the Subject. The closest open surface water to the Subject is the Alhambra Wash, which is located approximately three miles to the southeast.

Wetlands

IVI did not observe any areas suspected to be wetlands on-site.

4.3.4 Soils, Geology and Groundwater

Soils

According to the *Soil Survey of Los Angeles County, California,* dated December 1969, issued by the United States Department of Agriculture, Soil Conservation Service, the soils at the site are classified as Ramona Placentia association, 5 to 9 percent slopes. These soils occur on gently sloping terraces and are well drained with slow subsoil permeability. The soils are characterized by brown to reddish brown, heavy loam, loam, or sandy loam surface layers approximately 18 inches thick. Subsoils are brown to reddish brown, dense clay loam or clay approximately 30 inches thick. The substratum is brown to reddish brown loam or light clay loam.

Geology

There are no predominant geological surface features such as rock outcroppings on the Subject. The subject property is located in the San Gabriel Valley. The San Gabriel Mountains rise very abruptly from the valley. The mountains are composed of igneous and metamorphic rocks that range in age from Precambrian through Cretaceous. Streams draining from the San Gabriel Mountains have deposited alluvial fans in the valley.

The San Gabriel Mountains in the northern part of the quadrangle are comprised of a complex assemblage of plutonic and metamorphic rocks that are being thrust southward over the adjacent valleys along range-front faults. Bedrock geology in the crystalline bedrock of the San Gabriel Mountains is simplified to just one unit called Mesozoic crystalline rocks. Major crystalline bedrock units include gneissic rocks, mapped as

undifferentiated biotite and hornblende gneiss, calcsilicate marble and amphibolite, mixed biotite and hornblende gneiss, cataclastic rock, biotite gneiss, mixed gneissic quartz diorite and gneiss, hornblende gneiss, and a mixture of intensely fractured gneiss and quartz diorite. These highly metamorphosed rocks have been intruded by igneous rocks mapped as granodiorite, quartz monzonite, quartz diorite, gabbro, and leucogranitic rocks. Dikes of basaltic rocks and leucocratic rock cut the older plutonic and metamorphic rocks. Overlying the metamorphic and intrusive rocks are volcanic and sedimentary rocks of Miocene age. These include basalts and dikes of the Glendora Volcanics and bedded marine sandstone and siltstone of the Topanga Formation. Conglomerate of possible Pliocene age crops out in the Bradbury area. Surficial units in the mountainous areas include colluvium, talus, and stream deposits in the canyons. Stream deposits are typically sand and gravel in the active channel and raised terrace deposits of young alluvium and older alluvium above modern channel levels.

The valley areas are covered by alluvial fans of various ages, including remnants of very old fans along the front of the San Gabriel Mountains, older alluvial surfaces, younger alluvium, and younger fans, including the major San Gabriel River fan.

Groundwater

The San Gabriel Groundwater Basin lies within the San Gabriel Valley, a sediment filled down-dropped block which constitutes the groundwater reservoir. The water-bearing formations within the basin are principally unconsolidated non-marine sediments of Recent and Pleistocene age. These formations consist mainly of gravel, boulders, and coarse-grained sediments ranging in thickness throughout the basin.

Groundwater movement in the San Gabriel Basin is generally from the perimeter of the basin toward the Whittier Narrows located to the southeast. The Whittier Narrows is the principal location of subsurface outflow of groundwater from the basin. At the major pumping centers located near West Covina and San Gabriel, water levels are artificially lowered, creating cones of depression which result in changes in the natural groundwater flow direction

According to previous interviews with representatives at the Los Angeles County Department of Public Works, the depth to groundwater in the downtown Pasadena area is approximately 340 feet below ground surface (bgs).

Under natural, undisturbed conditions, shallow groundwater flow generally follows the topography of the land surface and on this basis, the topography suggests that groundwater flow across the site is in a southeasterly direction.

4.4 Site Improvements

4.4.1 Utilities

The Subject is served with the following utilities:

Water:	Pasadena Department of Water and Power
Sanitary Sewer:	Pasadena Department of Water and Power
Storm Sewer:	Pasadena Department of Water and Power
Electric:	Pasadena Department of Water and Power
Natural Gas:	The Gas Company

According to the Pasadena Water and Power 2005 Water Quality Report, the water supplied to the Subject meets federal and state water quality standards.

Stormwater runoff collected by catch basins is discharged into the municipal stormwater management system.

4.4.2 Building Description

The Subject is improved with an 80-year-old mixed-use complex consisting of a 145-room, 7-story free-standing retirement home; two single-story retail buildings; and a 2-story parking structure. Site improvements include three (3) separate buildings, a parking structure, and ancillary site work. The retail buildings are of slab-on-grade construction while the retirement building has a basement featuring concrete masonry unit (CMU) walls with a superstructure of concrete-encased structural steel. Exterior walls of the buildings feature painted brick and concrete masonry units. The sloping roof portions of the retirement building are covered with Spanish clay tiles while the flat portions feature a built-up roofing system. The flat roofs of the retail buildings feature built-up roofing systems.

Interior finishes include floor coverings of carpet, resilient floor tile, and sheet vinyl; walls of painted and papered gypsumboard; and ceilings typically consist of painted drywall and a suspended system with inlaid acoustical ceiling tiles.

Heating is provided by gas-fired boilers. Air conditioning is provided to the retail buildings by electric rooftop package units. Vertical transportation is provided by two traction passenger elevators.

4.5 Current Property Use

The subject property is developed with a mixed-use complex. The following table summarizes the site's tenants and their activities:

Tenant	Description of Operation
Pasadena Manor	Retirement Home
A Taste Of Bangkok	Restaurant
UPS Store	Office Supplies Store
Nail Salon	Nail Salon
Copy Store	Copy Store

Based on the operations currently conducted at the Subject, significant quantities of hazardous waste are not generated. The current on-site activities are not suspected to have degraded the environmental quality of the subject site.

4.6 Environmental Permits

Based on our research, no environmental permits such as wastewater discharge, National Pollutant Discharge Elimination System (NPDES), air emissions, or petroleum bulk storage (PBS) tank registrations are required at the Subject. However, the on-site restaurant, A Taste of Bangkok, is identified as an EMI (air emissions) facility. Please refer to Section 6.2 for further details on this facility.

4.7 Plans and Specifications

Neither building drawings nor specifications were provided for our review.

5.0 HISTORICAL USE

5.1 Historical Summary

Prior to the construction of the existing improvements, the site was improved with three single-family residences.

5.2 Topographic Maps

IVI reviewed the USGS *Pasadena, CA* 7.5 Minute Series topographic map of the Subject area, which is based on aerial photography taken in 1965, and was last revised in 1995.

The topographic map does not identify individual buildings or development on the subject property due to the concentration of structures in the highly urbanized Pasadena, but rather shows the area to be shaded denoting urbanized land use, and identifies only landmarks as distinct structures. Nevertheless, the topographic map does not identify any industrial complexes, landfills or wetlands on or adjacent to the subject site.

5.3 Historical Maps

Sanborn Fire Insurance Maps (Sanborn Maps)

Sanborn Maps constitute a source of prior site uses of real property for many cities and towns in the United States. The maps were originally created to assist insurance underwriters in understanding the potential fire risk of structures requiring insurance; however, they are also useful in determining the previous uses of a property. Sanborn Maps often contain information relating to uses of individual structures, location of certain petroleum and chemical storage tanks, and the storage of other potentially toxic substances. Sanborn Maps begin their coverage in 1867 and continue through the 1990s.

IVI had a search conducted for Sanborn Maps, which reference the property. The findings of this review are summarized below:

Year	Subject	Surrounding Properties
1903	The Subject is improved with three single-family dwellings, two associated auto garages and an outhouse.	Properties to the south area shown as small residential dwellings. Properties to the west and east are shown as vacant lots. Properties to the north are not shown.
1907	The subject property appears unchanged from the 1903 Sanborn map.	Properties to the south and east of the Subject are shown as residential dwellings with the property to the west being shown as a church with associated parking lot.

1910	The subject property appears unchanged from the 1907 Sanborn map.	The adjacent and surrounding properties appear unchanged from the 1907 Sanborn map, except that the parking located adjacent to the west of the Subject is now depicted as a nursery. Of note, properties to the north and east are not shown on this map.
1930	The Subject features the current improvements. The main building is labeled as the Hotel Constance with a shop and office located on the ground floor facing Colorado Boulevard and two shops and an office facing Mentor Avenue. The remaining two buildings are labeled as having four shops and two restaurants.	Adjacent properties to west are labeled as a used car market with the current bank and associated parking lot just beyond. Properties to the south are still residential in nature. Of note, properties to the north and east are not shown on this map.
1931	The subject property appears unchanged from the 1930 Sanborn map. Of note, the parking structure is now labeled as "Garage and Repairing".	The adjacent and surrounding properties appear unchanged from the 1930 Sanborn map, except the used car market to the west of the Subject is now a vacant lot. Of note, properties to the north and east are not shown on this map.
1950	The subject property appears unchanged from the 1931 Sanborn map, except that the parking structure is now labeled "private garage".	The adjacent and surrounding properties appear unchanged from the 1931 Sanborn map, except the adjacent southern property is now labeled as a shop. Of note, properties to the north and east are not shown on this map.
1970	The subject property appears unchanged from the 1950 Sanborn map, except that the parking structure is now labeled "auto parking" and the main Subject building is now labeled "Fifield Pasadena".	The adjacent and surrounding properties appear unchanged from the 1950 Sanborn map. Of note, properties to the north and east are not shown on this map.

5.4 Aerial Photographs

Aerial photographs frequently provide visual documentation of site conditions at the time of the photographs. Activities such as dumping or industrial use of a site can often be discerned through the examination of aerial photographs.

IVI reviewed historic aerial photographs provided by Terraserver USA (online). The following is a synopsis of the aerial photographs reviewed:

Year	Subject	Surrounding Properties
2002	The Subject features the current improvements.	All surrounding properties appears as low-rise retail and office buildings.
2004	The Subject appears unchanged from the 2002 aerial photograph.	The adjacent and surrounding properties appear unchanged from the 2002 aerial photograph.

5.5 Chain-of-Ownership

A copy of the Subject's Chain-of-Title has not been provided to IVI for review.

5.6 Previous Reports

Although requested, no previously prepared environmental reports such as Phase I or II Environmental Site Assessments, lead-based paint surveys, lead-in-water surveys, asbestos surveys or geotechnical reports were provided for our review.

5.7 Interviews

According to Weneal Towns, the Buildings Manager, who has been involved with the property for the past 10 years, the main Subject building was a hotel prior to the current retirement use.

5.8 City Directories

Historical Polk Pasadena City Directories obtained at the Pasadena Department of Design & Historic Preservation and Pasadena Main Public Library were reviewed. These directories provide site occupant listings by address. This review yielded the following information:

Year	Address (E. Colorado Blvd)	Listings
1929	908 – 938	Grocery store, retail and restaurant tenants (no environmentally significant tenants were noted)
	940	Hotel Constance
1932 & 1935	908 – 938	Similar tenants (no environmentally significant tenants were noted)
	940	Hotel Constance
1938	908 – 938	Similar tenants (no environmentally significant tenants were noted); **however, 926 E. Colorado Boulevard – Henry Erlandsen - Clothes Cleaner, shoe repair and shoe shine**
	940	Hotel Constance

5.0 HISTORICAL USE

1941	908 – 938	Similar tenants (no environmentally significant tenants were noted); **however, 926 E. Colorado Boulevard –Kandemshian Ellia - Clothes Cleaner**
	940	Hotel Constance
1943	908 – 938	Similar tenants (no environmentally significant tenants were noted); **926 E. Colorado Boulevard – Escrow Service**
	940	Hotel Constance
1947 & 1951	908 – 938	Similar tenants (no environmentally significant tenants were noted)
	940	Hotel Constance
1957	908 – 938	Similar tenants (no environmentally significant tenants were noted); **910 E. Colorado Boulevard – Household Finance Co.**
	940	Hotel Constance
1963 & 1968	908 – 938	Similar tenants (no environmentally significant tenants were noted)
	940	Fifield Manor Pasadena Guest House
1970 to 1976	908 – 938	Similar tenants (no environmentally significant tenants were noted)
	940	Pasadena Manor Retirement Home

From review of available city directories, it appears that a "clothes cleaner" was a tenant at the Subject during the late 1930s and early 1940s. This tenant space was later utilized as an office and is now a restaurant. This former facility was not listed as a dry cleaner but just as a clothes cleaner which could have been a small laundromat; which also had shoe repair and shoe shining on-site. Of note, this former facility was not listed on any regulatory databases reviewed which report releases or spills. As such, this former tenant is not suspected to be of a significant environmental concern to the Subject.

Another former tenant in the mid-1950, Auto Polish (formerly Micro Polish – Mirror Bright Polish Co.), would have likely stored various auto polishing chemicals on-site. This tenant space was later utilized as an office and is now a nail salon. Of note, this former facility was not listed on any regulatory databases reviewed which report releases or spills. As such, this former tenant is not suspected to be of a significant environmental concern to the Subject.

6.0 REGULATORY REVIEW

A copy of regulatory database information contained within a Computerized Environmental Report (CER) provided by Environmental Data Resources, Inc. (EDR) appears in Appendix D. The CER is a listing of sites identified on select federal and state standard source environmental databases within the approximate minimum search distance specified by ASTM Standard Practice for Environmental Site Assessments E 1527-00 and/or Champion Realty Ltd. 's Scope of Work. IVI reviewed each environmental database to determine if certain sites identified in the CER are suspected to represent a material negative environmental impact to the Subject. The following table lists the number of sites by regulatory database within the prescribed minimum search distance appearing in the CER.

Databases Reviewed	Approximate Minimum Search Distance (AMSD)	Number of Sites Within AMSD
Federal National Priorities List (NPL)	One-Mile	0
Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)	One-Half Mile	0
CERCLIS No Further Remedial Action Planned (NFRAP) Sites	On-Site and Adjoining Properties	0
Federal Resource Conservation and Recovery Information System (RCRIS) Treatment, Storage, and Disposal (TSD) List	One-Half Mile	0
Federal RCRIS Generators List	On-Site and Adjoining Properties	1
Corrective Action Tracking System (CORRACTS)	One-Mile	0
Federal Emergency Response Notification System (ERNS) List	On-Site	0
California Hazardous Waste Sites	One-Mile	0
California Landfills or Solid Waste Facilities List	One-Half Mile	0
California Registered Underground Storage Tank (RUST) Facility List	On-Site and Adjoining Properties	0
California Leaking UST/Spill List	One-Half Mile	3
California Hazardous Materials Incidents Report System (CHMIRS)	One-Mile	12
HAZNET	On-Site	1
Emissions Inventory Data (EMI)	On-Site	1

The CER identified 21 "Orphan Sites". "Orphan Sites" are those sites that could not be mapped or "geocoded" due to inadequate address information. Refer to the CER for a list of these "Orphan Sites". IVI attempted to locate these sites via a review of street maps, vehicular reconnaissance and/or interviews with people familiar with the area. "Orphan

Sites" that were identified in this manner were analyzed in their respective regulatory database below.

A description of the databases reviewed by IVI and an analysis of sites identified within the prescribed search area are presented below.

6.1 Federal Databases

NPL

The NPL database is a listing of the most serious uncontrolled or abandoned hazardous waste sites identified for possible long-term remedial action under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or "Superfund"). A site must be on the NPL to receive money from the Trust Fund for Remedial Action.

Analysis/Comment: The CER did not identify NPL sites within a one-mile radius of the Subject.

CERCLIS

CERCLIS is the USEPA's system for tracking potential hazardous-waste sites within the Superfund program. A site's presence on CERCLIS does not imply a level of federal activity or progress at a site, nor does it indicate that hazardous conditions necessarily exist at the location. Within one year of being entered into CERCLIS, the USEPA performs a preliminary assessment of a site. Based upon the results of the preliminary assessment, the USEPA may conduct additional investigation, which could lead to a site being listed on the NPL.

Analysis/Comment: The CER did not identify CERCLA sites within the prescribed radius.

CERCLIS No Further Remedial Action Planned (NFRAP) Sites

As of February 1995, CERCLIS sites designated "No Further Remedial Action Planned" (NFRAP) have been removed from the CERCLIS list. NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to warrant Federal Superfund Action or NPL consideration.

Analysis/Comment: The CER did not identify CERCLA NFRAP sites within the prescribed radius.

RCRIS TSD

The RCRIS TSD contains information pertaining to those facilities that treat, store, or dispose of hazardous waste. While these facilities represent some form of hazardous waste activity, they are most significant if determined to be out of compliance or to have violations.

Analysis/Comment: The CER did not identify RCRIS TSD facilities within the prescribed search radius.

RCRIS Generators

IVI reviewed the list of sites, which have filed notification with the USEPA in accordance with RCRA requirements. These sites include generators of hazardous waste regulated under RCRA. Under RCRA, hazardous waste generators are classified by the quantity of hazardous waste generated in a calendar month into the following categories: Large Quantity Generator, greater than 1,000 kilograms (kg); Small Quantity Generator, 100 to 1,000 kg; and Conditionally-Exempt Small Quantity Generator, less than 100 kg. RCRA Generators, while they represent some form of hazardous waste activity, are most significant if they are determined to have Class I Violations or to be non-compliant.

Analysis/Comment: The CER identified the following RCRA Generator located within the prescribed search radius:

Property Name/ Address	Distance/ Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Jim Dandy Cleaner 10 S. Mentor Avenue	Adjacent / East	Crossgradient	Compliant/ No Violations

The above listed facility is currently located 100 feet to the east of the Subject. Inclusion of a site on the RCRA Generator list does not necessarily constitute environmental contamination, but instead merely indicates that a hazardous waste stream was or is generated. However, from on-site observations and an interview with a store employee it was found that this dry cleaner is a pick-up/drop-off location only; no dry cleaning takes place onsite. Nevertheless, this facility was not identified on any regulatory databases that report releases or spills. In any event, inasmuch as no violations or compliance infractions were identified in connection with the above-referenced RCRA site it is not suspected that this facility has had a negative environmental impact on the Subject.

Corrective Action Tracking System (CORRACTS)

CORRACTS is a list of facilities that are found to have had hazardous waste releases and require RCRA corrective action activity, which can range from site investigations to remediation.

Analysis/Comment: The CER did not identify CORRACTS sites within a one-mile radius of the Subject.

ERNS

The ERNS is a database of notifications of oil discharges and hazardous substance releases made to the Federal government. These notifications are used by "On-Scene Coordinators" to determine an emergency response and release prevention. When a call is made to the National Response Center or one of the 10 USEPA Regions, a report is created containing all of the release information that the caller provided. This report is transferred to an appropriate agency to evaluate the need for a response and the records are electronically transferred to the ERNS database. As such, if a reported release of oil or a hazardous substance is deemed to require a response, it should also be listed in the appropriate federal or state environmental database such as CERCLIS, state equivalent CERCLIS, or state leaking underground storage tank or spills lists.

Analysis/Comment: The CER did not identify the Subject on the ERNS database.

6.2 California Environmental Protection Agency (Cal/EPA) Databases

Cal-Sites Annual Work Plan (AWP) and Cal-Sites Department of Toxic Substance Control (DTSC) Board, Abandoned Sites Program Information System (ASPIS)

The AWP is a list of facilities subject to investigation concerning likely or threatened releases of hazardous substances. These sites are either being actively remediated, or are currently under evaluation for further action, if necessary. The AWP list is the Cal/EPA's equivalent to the USEPA's CERCLIS List.

The Department of Toxic Substances Control (DTSC) maintains an automated database which contains information on properties in California where hazardous substances have been released, or where the potential for such a release exists. Sites were compiled by incorporating data from several older databases, principally, the Bond Expenditure Plan and the Abandoned Site Program Information System (ASPIS). Cal-Sites is used primarily by DTSC's staff as an informational tool to evaluate and track activities at sites that may have been affected by the release of hazardous substances.

Analysis/Comment: The CER did not identify AWP/ASPIS sites within a one-mile radius of the Subject.

Solid Waste Facilities (SWF) List

The SWF list is an inventory of landfills, incinerators, transfer stations, and other sites that manage solid wastes.

Analysis/Comment: The CER did not identify SWF sites within a one-half mile radius of the Subject.

California Registered Storage Tanks (RST) Facility List

The RST facility list is an inventory of registered liquid bulk storage tanks. Inclusion of a site on the RST list does not necessarily constitute environmental contamination, but instead merely indicates the presence of registered bulk storage tanks.

Analysis/Comment: The CER did not identify Registered Storage Tank sites within the specified search radius.

California Leaking Underground Storage Tanks (LUST) List and SLIC Records

The LUST list is an inventory of reported spills and leaks, both active and inactive. It includes stationary and non-stationary source spills reported to state and federal agencies, including remediated and contaminated leaking UST sites. SLIC records, which are maintained by the various Regional Water Quality Control Boards, document unregulated sites that have or possess the potential to impact groundwater.

Analysis/Comment: The CER identified the following three LUST/SLIC sites within the prescribed search radius:

Property Name/ Address	Distance (Miles)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Crown Oldsmobile 1253 E. Colorado Boulevard	0.37	East	Downgradient	Case Closed

As tabulated above, a leaking underground storage tank site with a Case Closed status was identified within the prescribed search radius. A Case Closed status is granted to those sites that do not exhibit levels of contamination requiring clean-up, have been remediated to the satisfaction of the lead regulatory agency, or are not suspected to represent a significant threat to human health or the environment.

As such, based on distance and regulatory status, it is unlikely that contamination originating at this site has had a significant negative environmental impact on the Subject.

Property Name/ Address	Distance (Miles)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Pasadena Corporate Center 225 S. Lake Avenue	0.28	South-southwest	Downgradient	Active/ Soils Only
Desert Petroleum Inc. 720 Walnut Street E.	0.37	Northwest	Upgradient	Active/ Soils Only

The above-tabulated LUST sites are located a sufficient distance from the Subject so as not to be reasonably suspected of having impacted same.

California Hazardous Material Incident (CHMIRS)

The CHMIRS list is an inventory of dumps, landfills, and other toxic sites listed by California State Environmental and Health Authorities. These sites are either being actively remediated, or are currently under evaluation for further action, if necessary.

Analysis/Comment: The Report identified 12CHMIRS sites within a one-mile radius of the Subject. All 12 sites are located over 1,000 feet from the Subject, and based on distance are not suspected to have adversely impacted the environmental integrity of the Subject.

HAZNET

The HAZNET database summarizes information obtained from hazardous waste manifests received each year by the Department of Toxic Substance Control. Data from the manifests are submitted without correction and therefore may contain invalid values for data elements such as Generator Identification Number TSD Identification Number, Waste Category, and Disposal Method.

Analysis/Comment: The CER identified the subject property on the HAZNET database:

Property Name	Distance (Miles)	Direction	Waste Category
Hertz Corporation 908 Colorado Boulevard	On-site	On-site	waste oil and mixed oil

Information in the HAZNET database indicated that Hertz Corporation at 908 Colorado Boulevard had waste oil and mixed oil removed from their site. This tenant space is currently a copy store; no waste oil or mixed oil was observed

during the assessment. A Hertz Rent A Car and The Hertz Corporation were also identified in the CER at 980 E. Colorado Boulevard. This Hertz location is located approximately 500 feet to the east of the Subject. This Hertz facility was identified on the RCRA-Generator, Underground Storage Tank (UST), Historic UST, FINDS and Los Angeles County HMS databases. From online review and interviews with Hertz personnel in their Burbank office, it was found that a Hertz Rent A Car facility was located at 980 E. Colorado Boulevard, but closed in May 2004. Hertz personnel interviewed did not know of another Hertz facility located at 908 Colorado Boulevard. A review of city directories (to 1976) did not identify a Hertz rental car company at 908 E. Colorado Boulevard. In addition, according to a Copy Right Pasadena employee, Copy Right Pasadena has occupied this tenant space (908 Colorado Boulevard) for over 18 years. Furthermore, no files were located at the Los Angeles County Department of Public Works for this address. Based on the above, it can assume that the address of 908 Colorado Boulevard was input into the HAZNET system incorrectly and was intended to be 980 E. Colorado Boulevard. Based on this information, this listing is not suspected to be of a significant environmental concern to the Subject.

Emissions Inventory Data (EMI)

Emissions Inventory Data: Toxics and criteria pollutant emissions data collected by the ARB and local air pollution agencies.

Analysis/Comment: The CER identified a tenant at the Subject property on the EMI database:

Property Name	Distance (Miles)	Direction	Facility ID
A Taste of Bangkok, Philip Bal 924 E. Colorado Boulevard	On-site	On-site	68302

The Subject's restaurant tenant, A Taste of Bangkok at 924 & 926 E. Colorado Boulevard, was identified in the CER on the EMI database. This listing does not constitute an environmental contamination, but instead merely indicates that this tenant registered with the South Coast Air Quality Management District (SCAQMD) in 1990. This facility was not listed on any databases that report releases or spills. Inasmuch as no violations or compliance infractions were identified in connection with this facility, it is not suspected that this listing is of a significant environmental concern to the Subject.

6.3 Local Regulatory Agency Interviews and/or File Reviews

Fire Department

IVI has sent a request to the City of Pasadena Fire Department for environmental information such as underground storage tank registration pertaining to the subject property. As of this writing, the Fire Department has not responded to our request. Should receipt of a response from the Fire Department change the conclusions of this report, Champion will be notified in writing by IVI.

Health Department

IVI attempted to review environmental health information at the LA County Department of Public Works (DPW). Based on this review, no files were located at the LA County DPW for the Subject addresses.

7.0 SITE RECONNAISSANCE

7.1 Chemical Storage and Usage

With the exception of chemicals customarily used for routine building maintenance and cleaning, IVI did not observe any hazardous chemicals stored on-site. For the most part, the maintenance chemicals are stored in the maintenance closets and the maintenance area. Of note, floor drains were not observed in the vicinity of the chemical storage areas. In addition, housekeeping was generally considered satisfactory. The chemicals, which are stored in their original containers, do not appear to represent an impact to the environmental quality of the site provided that they are used as intended, properly handled, and the regulations pertaining to their usage are followed.

7.2 Bulk Storage Tanks

Underground Storage Tanks (USTs)

No USTs were identified on the subject property and no common indicators of USTs such as vent pipes, fill ports, manways, pavement cuts, fuel gauges or dispensers were observed. In addition, according to Weneal Towns, there are no USTs on-site. Furthermore, the subject site was not identified on the California list of registered UST facilities.

No underground storage tanks were reportedly removed, closed-in-place or abandoned at the site and no common indicators of closed tanks were observed.

Aboveground Storage Tanks (ASTs)

A 55-gallon diesel AST, which is associated with the sites portable emergency generator, was observed on the south side of the Subject property. From observations made while on-site, it appears that this AST is empty. No evidence of leakage or staining was observed on or around the tank.

IVI did not observe evidence of former on-site ASTs such as secondary containment structures, cradles, or concrete support pedestals. In addition, according to the site contact, there are no other ASTs on-site.

7.3 Site Waste and Wastewater

Solid Waste

Non-hazardous solid waste is disposed of in dumpsters and is removed from the Subject on a regular basis by a private carting firm. Potential sources of contamination, such as waste oil or automobile batteries, were not observed in the vicinity of the dumpsters.

Sanitary Sewage

Sanitary sewage disposal is provided by the municipality. IVI did not observe any sources of wastewater or liquid discharge into the sewer other than sanitary sewage.

Hazardous Waste

No hazardous waste was observed or reported to be generated on the Subject. Furthermore, IVI's review of the USEPA's database of sites regulated under RCRA did not identify the Subject as a generator of hazardous waste.

Medical wastes in the form of sharps utilized by contracted nurses to administer medications to tenants are stored in approved plastic containers and removed from the site by the same contracted nurses. The presence of these sharps is not a significant environmental concern to the Subject.

7.4 Stained Soil, Stained Pavement, or Stressed Vegetation

There was no evidence of significant soil staining, stained pavement, or stressed vegetation observed on-site.

7.5 Liquid Discharges

No visible evidence of liquid discharges, suspected to represent an environmental concern were observed during our survey.

7.6 Pools of Liquid

IVI did not observe significant standing surface water or pools containing liquids likely to be hazardous substances or petroleum products.

7.7 Pits, Ponds, or Lagoons

IVI did not observe any pits, ponds, or lagoons on the Subject.

7.8 Wells

IVI did not identify on-site dry wells, irrigation wells, injection wells, observation wells, monitoring wells, potable water wells, recovery wells or abandoned wells.

7.9 On-Site Fill

Based on our observations, it does not appear that fill has been imported onto the subject property.

7.10 Drums and Containers for Storing Waste

A single 55-gallon waste grease drum was located behind the Taste of Bangkok tenant space. This drum is reported to be removed from the Subject on an as needed basis. The presence of this grease drum is not suspected to be of a significant environmental concern to the Subject.

With the exception of non-hazardous solid and liquid waste containers, IVI did not identify containers suspected of storing waste. With respect to the non-hazardous solid and liquid waste containers, no significant environmental concerns were noted.

7.11 Floor Drains and Sumps

IVI did not identify any floor drains or sumps that were stained, emitting foul odors, or connected to an on-site sewage disposal system, or located adjacent to chemical storage areas.

7.12 Odors

IVI did not identify strong, pungent, or noxious odors suspected to represent an environmental concern.

7.13 Air Emissions

IVI did not identify processes or equipment that emit noticeable vapors or fumes.

However, as previously discussed, the Subject's restaurant tenant, A Taste of Bangkok at 924 & 926 E. Colorado Boulevard was identified in the CER on the EMI database. This listing does not constitute an environmental contamination, but instead merely indicates that this tenant registered with the South Coast Air Quality Management District (SCAQMD) in 1990. This facility was not listed on any databases that report releases or spills. Inasmuch as no violations or compliance infractions were identified in connection with this facility, it is not suspected that this listing is of a significant environmental concern to the Subject.

7.14 Polychlorinated Biphenyls (PCBs)

IVI observed a utility-owned vaulted transformer on-site. According to previous interviews with personnel at the Pasadena Department of Water and Power (PWP), all PWP transformers have been tested for PCBs and have had the cooling fluid replaced when found to be PCB containing.

In any event, in accordance with *Title 40—Protection of Environment, Chapter 1—Environmental Protection Agency, Subchapter R—Toxic Substance Control Act (TSCA), Part 761—Polychlorinated Biphenyls (PCBs), Manufacturing, Processing, Distribution in Commerce, and Use Prohibitions*, the owner of the transformers, PWP, is responsible for the transformer's maintenance and remediation in the event of a leak.

7.15 Asbestos-Containing Material (ACM)

The use of most sprayed applied surfacing asbestos containing materials were banned by the National Emission Standards for Hazardous Air Pollutants (NESHAPS) during the 1970's. Specifically, asbestos containing spray-on fireproofing and insulation were banned under NESHAPS in 1973 followed by the banning of decorative spray-on applications in 1978. In 1975 NESHAPS also banned the installation of wet-applied and pre-formed asbestos containing pipe insulation and pre-formed boiler and hot water tank insulation. Although revised in 1990, NESHAPS still prohibits spray-on applications of asbestos containing materials to buildings, structures, pipes, and conduits unless such material is encapsulated in a bituminous or resinous binder that is not friable after drying.

Under the Toxic Substance Control Act (TSCA) the use of asbestos containing corrugated paper, roll-board, commercial paper, specialty paper, flooring felt and new uses of asbestos were banned in 1989. Notwithstanding the forgoing, most U.S. firms voluntarily ceased production of asbestos containing building materials not covered by the aforementioned Federal bans by the mid-1980s.

Based on the age of the site improvements, the potential on-site use of friable asbestos containing materials exists. Based upon our visual survey of the readily accessible building areas, IVI noted suspect ACM in the following areas:

Material	Location	Condition	Potential For Disturbance	Friable (Y/N)	Asbestos Containing?
Resilient Floor Finishes	Throughout the Buildings	Good	Low	No	Suspect
Wallboard Assemblies	Throughout the Buildings	Good	Low	No	Suspect
Acoustical Ceiling Tile	Hallways throughout the buildings	Good	Low	Yes	Suspect
Built-up Roofing System	Two retail buildings	Good	Low	No	Suspect
Pipe Insulation	Select room in the retirement building	Good	Low	Yes	Suspect

The wallboard assemblies, suspended acoustical ceiling tile assemblies, resilient floor tile assemblies, pipe insulation observed in select tenant rooms and built-up roofing systems may contain asbestos. Since these materials were observed to be

in good condition, no further action is recommended at this time other than maintaining these suspect materials in good condition under an Asbestos Operations and Maintenance (O&M) Program. However, in the event that building maintenance, renovation, or demolition activities require the removal or disturbance of the suspect ACM, IVI recommends that they be characterized for asbestos by a material-specific reliable method for detecting asbestos. All activities involving ACM should be conducted in accordance with governmental regulations.

7.16 Lead-in-Drinking Water

Based on our conversations with utility personnel, the water at the Subject is not expected to contain elevated levels of lead.

7.17 Radon

Based on statistical information maintained within the U.S. Department of the Interior and U.S. Geological Survey's *Geologic Radon Potential,* dated 1993, radon concentrations in Los Angeles County average 0.7 picocuries per liter (pCi/L), which is below the 4.0 pCi/L action level established by the USEPA. Based solely on this data, it is unlikely that radon represents an environmental concern at this time.

7.18 Lead-Based Paint (LBP)

Since the Subject was constructed prior to the Consumer Product Safety Commission's 1978 ban on the sale of LBP to consumers and the use of LBP in residences, there is a potential that LBP may have been applied at the Subject.

Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. The Residential Lead-Based Paint Hazard Act of 1992, also called Title X, required the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Housing and Urban Development (HUD) to develop regulations for disclosing LBP hazards in homes built before 1978 that are offered for sale or lease. On March 6, 1996, these new regulations went into effect. They are known as 24 CFR Part 35 and 40 CFR Part 745, "Lead; Requirements for Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards in Housing; Final Rule". The law put in place by these regulations went into effect on September 6, 1996, for owners of buildings with more than four units, and on December 6, 1996, for owners of buildings with four or fewer units (including single family homes).

Before renting pre-1978 housing, landlords must disclose the presence of known LBP hazards in the dwelling. Tenants must also receive a federally approved

pamphlet on lead poisoning prevention. Of note, landlords and owners are not required to inspect the property for lead before selling or renting a home, nor are they required to remove any lead hazards that exist there.

In accordance with the Scope of Work, IVI conducted limited qualitative testing for lead-based paint using Lead Check® Chemical Reaction Swabs. The results of this limited testing are summarized below:

Location	Surface Checked	Paint Condition	Test Result
Unit 724	Window sill	Poor-Peeling & Flaking	**Positive**
Unit 724	Wall	Good	Negative
Unit 724	Interior door	Good	Negative
Unit 724	Exterior door trim	Good	Negative
Unit 724	Exterior door	Good	Negative
Unit 620	Window sill	Good	Negative
Unit 620	Wall	Good	Negative
Unit 620	Interior door	Good	Negative
Unit 620	Exterior door trim	Good	Negative
Unit 620	Exterior door	Good	Negative
Unit 509	Window sill	Good	Negative
Unit 509	Wall	Good	Negative
Unit 509	Interior door	Good	Negative
Unit 509	Exterior door trim	Good	Negative
Unit 509	Exterior door	Good	Negative
Unit 417	Window sill	Good	Negative
Unit 417	Wall	Good	Negative
Unit 417	Interior door	Good	Negative
Unit 417	Exterior door trim	Good	Negative
Unit 417	Exterior door	Good	Negative
Unit 403	Window sill	Good	Negative
Unit 403	Wall	Good	Negative
Unit 403	Interior door	Good	Negative
Unit 403	Exterior door trim	Good	Negative
Unit 403	Exterior door	Good	Negative
Floor 7	Hallway wall	Good	Negative
Floor 6	Hallway wall	Good	Negative
Handrail between floors 7 and 6	Handrail	Good	Negative
Handrail between floors 6 and 5	Handrail	Good	Negative
Lobby	trim	Good	Negative

7.0 SITE RECONNAISSANCE

Lead-based paint was identified on the window sill in Unit 724. Lead-based paint surfaces were observed to be in poor condition and exhibit flaking and peeling. The remainder of the observed painted surfaces appeared to be in good condition. Of note, most painted surfaces contain multiple layers.

8.0 FINDINGS AND CONCLUSIONS

IVI has performed a *Phase I Environmental Site Assessment* in conformance with the scope and limitations of ASTM Standard Practice E1527-00 of the Pasadena Manor, located at 908 - 940 E. Colorado Boulevard, Pasadena, California. Any exceptions to, or deletions from, the standard practice are described within Section 2.0 of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the Subject; however, the following items of environmental concern were identified which warrant mention:

Asbestos-Containing Material (ACM)

The friable acoustical ceiling tile and pipe insulation; and non-friable resilient floor finishes, wallboard assemblies, and built-up roofing system may contain asbestos. Since these materials are in good condition and the potential for fiber release is low, no further action is recommended at this time, other than maintaining the materials in good condition under an Asbestos Operations and Maintenance (O&M) Program. However, in the event that building maintenance, renovation, or demolition activities require the removal or disturbance of the suspect ACM, IVI recommends that they be characterized for asbestos by a material specific reliable method for detecting asbestos. All activities involving ACM should be conducted in accordance with governmental regulations.

Lead-Based Paint (LBP)

Lead-based paint was identified on select interior window sills. Overall, the condition of the paint ranged from good to poor and exhibits isolated areas of peeling and flaking. IVI recommends that the areas of damaged lead based paint be abated and all remaining post-abatement LBP surfaces be maintained in good condition under an Operations and Maintenance (O&M) Program. The estimated cost to accomplish the abatement is $300 and $500 to prepare an O&M plan. All activities involving LBP should be conducted in accordance with HUD guidelines, as well as the OSHA Lead in Construction regulations (CFR Part 1926.62) and RCRA guidelines. Moreover, IVI recommends that clearance testing be conducted prior to re-occupancy of the abated areas.

9.0 LIMITING CONDITIONS

9.1 This report has been prepared in compliance with the ASTM standard entitled "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process."

9.2 The observations described in this report were made under the conditions stated herein. The conclusions presented in the report were based solely upon the services described therein, and not on scientific tasks or procedures beyond the scope of described services within the constraints imposed by the client. The work described in this report was carried out in accordance with the Terms and Conditions of the contract.

9.3 In preparing this report, IVI has relied on certain information provided by federal, state, and local officials and other parties referenced therein, and on information contained in the files of governmental agencies, that were readily available to IVI at the time of this assessment. Although there may have been some degree of overlap in the information provided by these various sources, IVI did not attempt to independently verify the accuracy or completeness of all information reviewed or received during the course of this site assessment. Observations were made of the site and of the structures on the site as indicated in this report. Where access to portions of the site or to structures on the site was unavailable or limited, IVI renders no opinion as to the presence of direct or indirect evidence relating to petroleum substances, hazardous substances, or both, in that portion of the site and structure. In addition, IVI renders no opinion as to the presence of indirect evidence relating to hazardous material or oil, where direct observation of the ground surface, interior walls, floors, ceiling or a structure is obstructed by objects or materials, including snow, covering on or over these surfaces.

9.4 As part of this assessment, IVI submitted requests for information via the Freedom of Information Act (FOIA) to various governmental agencies. As of the preparation of this report these requests may not have been fulfilled. The conclusions of this report are subject to change upon receipt of a response from these FOIA requests.

9.5 IVI does not represent that the site referred to herein contains no petroleum or hazardous or toxic substances or other conditions beyond those observed by IVI during the site walkthrough.

9.6 IVI has produced this document under an agreement between IVI and Champion Realty Ltd. All terms and conditions of that agreement are included within this document by reference. Any reliance upon this document, or upon IVI's performance of services in preparing this document, is conditioned upon the relying party's acceptance and acknowledgement of the limitations, qualifications, terms, conditions and indemnities set forth in that agreement, and property ownership/management disclosure limitations, if any. It is not to be relied upon by any party other than Champion Realty Ltd. nor used for any purpose other than that specifically stated in our Agreement or within this Report's Introduction section without IVI's advance and express written consent.

9.7 Mold and indoor air quality issues are excluded from the scope of this report.

9.8 **TIME LIMITATION TO ENACT CLAIM AGAINST IVI** If in the opinion of the client, or any third party claiming reliance on IVI's report or services, that IVI was negligent or in breach of contract, such aforementioned parties shall have one year from the date of IVI's site visit to make a claim.

HOTEL MANAGEMENT AGREEMENT
(under final negotiation)

PASADENA HOTEL
V.090714CL

HOTEL MANAGEMENT AGREEMENT
[TO BE NAMED HOTEL]
940 EAST COLORADO BOULEVARD
PASADENA, CA 91106

BY AND BETWEEN

JOIE DE VIVRE HOSPITALITY, INC.,
a California corporation

AND

SINGPOLI ENTITY,
a _____ _____

_____, 2010

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HOTEL MANAGEMENT AGREEMENT

This Hotel Management Agreement ("**Agreement**") is made as of the [_____] day of _____, 2010 (the "**Effective Date**") by and between [(Singpoli entity), a _____] ("**Owner**"), and JOIE DE VIVRE HOSPITALITY, INC., a California corporation ("**Operator**").

RECITALS

A. Whereas, Owner owns fee title to and is the exclusive owner of the real property consisting of the land and beneficial easements and other legal appurtenances thereto legally described on **Exhibit A** attached hereto located thereon at 940 East Colorado Boulevard in the City of Pasadena, the County of Los Angeles, State of California [APN _____] (the "**Property**").

B. Whereas, Owner desires to develop commercial-use buildings on the Property by demolishing current structures and constructing new buildings and/or renovating buildings currently on the Property; and Owner intends to include a hotel business (the "**Hotel**") in those improvements within the development designated for such purpose (the "**Hotel Facilities**"), which as of the date herein, are planned to consist of ____ guest rooms, lobby, ____ sq. ft. of meeting space and a restaurant and bar ("**F&B Operation**").

C. Whereas, pursuant to a separate Concept Development and Technical Services Agreement dated _____, 2010 by and between Owner and Operator (the "**TSA**") Owner desires to hire Operator to provide various concept development and design management services in connection with the development of the Hotel in order to create an image, concept, aesthetic, theme and interior design for the Hotel and the Hotel Facilities intended to help create a world-class boutique hotel (the "**Hotel Development**"), as well as pre-opening technical services to create the Hotel's operating systems.

D. Whereas, Owner desires to turn over to Operator control and discretion in the operation, direction, management, and supervision of the Hotel all upon the terms and conditions hereafter set forth, and Operator desires to accept such appointment effective upon the date the Hotel opens to the public (the "**Commencement Date**").

E. The defined terms used in this Agreement but not defined in the body of this Agreement shall have the meaning assigned to them on **Exhibit D** attached hereto.

IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS SET FORTH BELOW, Owner and Operator agree as follows:

1. MANAGEMENT.

(a) Effective upon the Commencement Date, (i) Owner appoints Operator sole and exclusive operator and manager of the Hotel and the Hotel Facilities and grants to Operator, the sole and exclusive right to supervise and direct the management and operation of the Hotel and F&B Operation during the Term (as defined at Section 5, below), and, (ii) provided Owner has complied with Section 7(a), Operator agrees to supervise and direct management of the Hotel, and become the employer of some or all of the personnel required for such operation, all on the terms and subject to the conditions hereinafter set forth. Operator shall provide such services as are customarily provided by operators of hotels or resorts of comparable class and standing, consistent with the Management Standard (as defined in Exhibit D), the facilities actually provided by Owner, the constraints of the Annual Plan (as described in Section 6(b)(i) of this Agreement), and to the extent of any working capital, capital improvements and replacements reserves provided by Owner. Operator shall at all times keep Owner advised as to all major policy matters affecting the Hotel.

(b) All services to be provided by or at the direction of Operator under this Agreement shall be performed, and the Hotel Facilities, the F&B Operation and all associated facilities and furniture, fixtures and equipment (the "FF&E") to be provided by Owner shall be designed, maintained, repaired, replaced, installed, constructed, monitored and operated, in a high quality manner, consistent with the Management Standard.

(c) Notwithstanding the foregoing,

(i) Owner acknowledges that Operator cannot and does not guarantee or warrant that the future construction or design of the Property, shall achieve the Management Standard, and the services to be provided by Operator do not include construction management, construction or renovation accounting, technical inspection, materials testing or supervision, architectural design, engineering or health, safety, fire, ADA, OSHA or building code compliance review or monitoring services. As part of the construction of the Hotel Facilities, Owner shall hire an ADA expert, which may be an employee of the architecture firm designing the Hotel Facilities, to provide direction on ADA code compliance, and further Owner acknowledges that any design default or architectural component that is not ADA compliant shall be Owner's sole responsibility to remedy and Operator shall not be liable for such ADA non-compliance.

(ii) Operator's obligation with respect to operating and managing the Hotel in accordance with the Mortgage, CC&Rs and other title matters shall be limited to the extent that: (A) true and complete copies thereof have been made available to Operator by Owner reasonably sufficient in advance to allow Operator to manage the Hotel in compliance with such documents; and (B) the provisions thereof and/or compliance with such provisions by Operator: are applicable to the day-to-day management, maintenance and routine repair and replacement of the Hotel Facilities, the FF&E or any portion thereof, do not require contribution of funds from Operator, do not materially increase Operator's obligations hereunder or materially decrease Operator's rights or benefits hereunder, do not limit or restrict, or attempt to limit or restrict any corporate activity or transaction with respect to Operator or any Affiliate of Operator or any other activity, transfer, transaction, property or other matter involving Operator or the Affiliate of

Operator other than at the Hotel; and are otherwise within the scope of Operator's duties under this Agreement:

(d) Owner acknowledges and agrees, without limiting the foregoing, that the following shall not be deemed a breach by Operator of its obligations under this Agreement.

(i) Any failure of Owner to comply with the provisions of any Mortgage, CC&Rs or Applicable Law; or

(ii) Any failure of Operator to comply with the provisions of any CC&Rs, the Mortgage or Applicable Law arising out of:

(A) the condition of the Hotel Facilities or the Property, and/or the failure of the Hotel Facilities or the Property to comply with the provisions of the Mortgage and CC&Rs, prior to the Commencement Date,

(B) construction or any other activities at the Hotel occurring prior to the Commencement Date,

(C) inherent limitations in the design and/or construction of the Hotel Facilities,

(D) the failure of Owner to provide funds, from operations or otherwise, sufficient to allow timely compliance with the provisions of this Agreement, the Management Standard, the Mortgage or the CC&Rs through reasonable and customary business practices, and/or

(E) Owner's failure to approve any matter reasonably requested by Operator in Operator's good faith business judgment as necessary or appropriate to achieve compliance with such items.

(e) Operator and Owner agree that Operator may, from time to time, and in compliance with Applicable Law, provide collateral marketing materials in the rooms of the Hotel which advertise other hotels or programs of Operator or its Affiliates (including, through a dedicated television channel in the rooms of the Hotel), at the sole cost and expense of Operator, provided such other hotels or programs being marketed by Operator are not competing directly in the same market with the Hotel.

2. PROVISION OF FACILITIES BY OWNER.

(a) On the Commencement Date, Owner shall provide the Property and the Hotel Facilities, FF&E Inventories, working capital and reserve for replacements funds, third party consents, permits, licenses, authorizations and approvals necessary for the initial and planned operation of the Hotel in the manner required by this Agreement, any Mortgage, all applicable federal, state and local laws, regulations, standards, rules and ordinances in effect on the date of

this Agreement and concerning any aspect of the Property and consistent with the Management Standard (the "Applicable Laws") and all insurers. Owner warrants that all facilities, improvements, fixtures, equipment, furniture and inventory to be supplied by Owner, shall be delivered to Operator in such condition and manner as to comply in all material respects with all Applicable Laws and the Management Standard. Owner covenants to spend not less than [_____] Dollars [($_____)] in hard construction costs on the Construction of the Hotel Facilities and to complete such Hotel Development on or before _____, 20__. Owner further covenants that, subject to (i) the terms of this Agreement, (ii) the rights of Lender under the Mortgage, and (iii) the CC&Rs and other applicable title encumbrances described in the copy of the Owner's current Title Policy attached hereto as Addendum 2, Operator shall be entitled, peacefully and quietly, to manage and operate the Hotel.

(b) If required by the applicable loan agreement, Owner shall obtain the consent of Lender before entering into this Agreement and Owner shall cause Lender to provide a non-disturbance agreement for the benefit of Operator.

(c) Owner represents and warrants that: (i) the persons signing this Agreement on behalf of Owner have all requisite authority to bind the Owner; (ii) Owner is or on the Commencement Date will be the exclusive Owner of the fee interests in the real estate (including but not limited to land, improvements fixtures, and appurtenances) comprising the Property and all appurtenant easements and is, or will be on the Commencement Date, the exclusive owner of all personal property comprising the Hotel except as set forth in any equipment leases or other personal property financing documents delivered to Operator by Owner prior to the Effective Date as part of the Property Information and from time to time hereinafter; (iii) Owner has provided all available Property Information to Operator and shall continue to update such information through the Commencement Date; and (iv) Owner has and will during the term of this Agreement obtained all necessary consents of any third parties, including but not limited to Ground Lessors and Mortgagees, as applicable.

3. RELATIONSHIP OF THE PARTIES.

Except as otherwise provided herein, Operator shall act solely on behalf of and as agent for Owner and all costs, expenses and liabilities incurred by Operator to third parties in performance of its duties hereunder shall be incurred on behalf of and shall be costs, expenses and liabilities of Owner. Nothing in this Agreement shall be deemed to constitute or create a partnership, joint venture, or any other similar type of association between Owner and Operator. This Agreement cannot be changed or modified except by another agreement in writing, signed by the party sought to be charged therewith or by its duly authorized agent.

4. CONCEPT DEVELOPMENT AND DESIGN MANAGEMENT.

Pursuant to the TSA, Operator has agreed to assist Owner in creating a concept for the Hotel and to provide design suggestions and oversight for the Hotel Facilities in connection with the Hotel Development.

5. TERM.

(a) This Agreement shall be in effect upon Commencement Date and shall remain in effect for a period of Ten (10) years from the Commencement Date, subject to extension pursuant to Section 5(b) below (the "**Term**") or until earlier termination of this Agreement. The date on which this Agreement terminates either by contractual expiration or earlier termination shall be the "**Termination Date**". Termination of this Agreement within such term may result in a Termination Fee due to Operator, in those circumstances identified in Section 11.

(b) The initial Term described in Section 5(a) may be renewed by Operator on the same terms and conditions contained herein, for one (1) successive period of five (5) years (the "**Renewal Term**") provided that at the time of exercise of any such option to renew an event of default by Operator does not exist beyond any grace period. If at the time of the exercise of any renewal period, Operator is then in default under this Agreement, then the exercise of the renewal option will be conditional on timely cure of such default, and if such default is not timely cured, then Owner may terminate this Agreement regardless of the exercise of such renewal period and without the payment of any fee or liquidated damages. If Operator desires to exercise any such option to renew, it shall give Notice of exercise of such option to Owner not less than ninety (90) days prior to the expiration of the then current Term.

(c) Notwithstanding the expiration or earlier termination of the Term, Owner and Operator agree that the obligations of Owner to pay or remit expenses and fees paid by Operator pursuant to the provisions of this Agreement prior to the Termination Date (or actually incurred by Operator after the Termination Date) shall survive, provided such expenses and fees have been incurred consistent with the then current terms of this Agreement and the applicable Annual Operating Budget, including, without limitation but only to the extent so consistent, all costs, expenses and liabilities arising from termination of the Hotel's employees, such as accrued vacation and sick leave, severance pay and other accrued benefits, employer liabilities pursuant to the Consolidated Omnibus Budge Reconciliation Act ("**COBRA**") and employer liabilities pursuant to the Worker Adjustment and Retraining Notification Act (the "**WARN Act**"). In addition, upon the Termination Date, Owner and Operator shall have no further obligations to one another pursuant to this Agreement, except (i) Owner's obligations to make payments to Operator under Section 6(d)(vii), 6(k)(iii), or Section 7, and (ii) obligations to make payments to employees or of indemnity under Section 10 or to pay a Termination Fee and other monetary and non-monetary obligations of Owner as set forth in Sections 11 and Section 25, all of which shall survive termination or expiration of this Agreement.

(d) Owner agrees that Hotel reservations and any and all contracts made in connection with Hotel convention, banquet or other group services made by Operator in the ordinary and normal course of business consistent with this Agreement, for dates subsequent to the Termination Date and at rates prevailing for such reservations at the time they were made, shall be honored by Owner and remain in effect after termination or expiration of this Agreement.

6. RESPONSIBILITIES OF OPERATOR.

(a) Property Management.

From and after the Commencement Date, Operator shall provide management services for the Hotel that are consistent with the Management Standard and the scope of services related to Operator's proprietary sales and marketing standards listed on Addendum 1 attached hereto (the "Brand Sales and Marketing Standards"). Operator shall provide the services required under this Agreement in a timely and professional manner and in accordance with the Management Standard, subject to the limitations set forth in Section 1(c) and (d) and Owner's provision of the Property in the manner and condition required by this Agreement. Operator represents and warrants that: (i) Operator has the experience and expertise to provide the services specified in this Agreement; (ii) the Persons signing this Agreement on behalf of Operator have all requisite authority to bind Operator; and (iii) it is duly organized, validly existing, in good standing under the laws of the state of its incorporation or formation, qualified to do business in the state in which the Hotel is located, and has all requisite power and authority to enter into and perform its obligations under this Agreement. Operator shall specifically provide the following services (the "Standard Services") for payment of the Base Management:

(i) SUPERVISION OF OPERATIONS BY ON-SITE STAFF AND ON-SITE MANAGER, including: (A) Operations Review and Management Training of On-Site and On-Site Manager by Operator, including introduction of Operator's Peak Operating Procedures; (B) Basic Skills Training for On-Site Staff and On-Site Manager; (C) Regular Property Inspections by Operator; (D) Concierge Training and Access to Insiders Guide; (E) Housekeeper Review and Training of On-Site Staff; (F) Development of Operating Systems of On-Site manager; and (G) Introduction of On-Site Manager to Property Management Systems.

(ii) EMPLOYEE DEVELOPMENT, including: (A) All personnel functions (reviews, coordinating, 401(k), insurance, etc.) for employees of Operator; (B) Organization of Job Fairs and Other Recruitment (the Hotel's portion of any direct costs of recruiting or job fairs shall be an Operating Cost of the Hotel); (C) Development of Orientation Program; (D) Access to Front Desk Employees; and (E) Access to Operator's Specialized Employee Benefits (free dinners, hotel rooms).

(iii) FINANCIAL SERVICES (FOR MONTHLY FEES IN ADDITION TO BASE MANAGEMENT FEE), including: (A) Financial Analysis and Feasibility Studies; (B) Monthly P&L Summary & Review; (C) Cash Management & Controls; and (D) Night Audit Review & Training for the accounting fees further set forth in Section 6(k)(iv).

(iv) SUPERVISION OF HOTEL FACILITIES' MAINTENANCE, including: (A) Basic Maintenance Supervision & Training for on-site staff; and (B) Bulk Purchasing Discounts.

(v) COORDINATION OF SALES, MARKETING & REVENUE MANAGEMENT, including the following: (A) Revenue Management Support; (B) Corporate Sales Support; (C) Access to Operator Negotiated Consortia Programs; (D) Company-Sponsored

Sales & Marketing Training; (E) General Marketing Support; (F) Online Presence; and (G) Reservations Connectivity (the direct costs of online marketing and reservations connectivity shall be an Operating Cost of the Hotel).

To the extent any of the services described in clauses (i)-(v) above involve direct costs to the Hotel, they shall be included in the Annual Budget.

Operator shall have the authority, discretion and control, subject to budget constraints hereinafter set forth and Annual Plan procedures and approval rights of Owner, in all matters relating to the operation, direction, management and supervision of the Hotel including, without limitation, to establish prices and rate schedules for guest rooms, meeting rooms, commercial space, food and beverage items, spa services, and other salable or rentable items making up the Hotel the determination of credit policies (including entering into agreements with credit card organizations), food and beverage service and policies, employment policies, procurement of inventories, supplies and services, promotion, advertising, publicity and marketing, and, generally, all activities necessary for the operation of the Hotel. Operator shall also be responsible for the receipt, holding and disbursement of funds and maintenance of bank accounts in compliance with any applicable Cash Management Agreements. As between Operator and Owner, Owner shall be solely responsible for the design and configuration of the Hotel, its facilities, building systems, furniture, fixtures, equipment and improvements or alterations thereto or renovations or replacements thereof, except to the extent altered or installed by Operator without Owner's consent. Operator shall have the right at Owner's expense to make such changes to the Hotel (i) contemplated in the Annual Plan or (ii) to implement any project which in Operator's reasonable opinion is required to cause the Property to comply with Applicable Law. Operator shall not incur any debt or engage in any transaction outside of the ordinary course of business unless such action is specifically contemplated by this Agreement or the approved Annual Plan or otherwise approved by Owner.

(b) Annual Plan.

(i) Ninety (90) days prior to the Commencement Date, Operator will submit to Owner an Annual Operating Budget, a Marketing Plan, a Staffing Plan, and a Capital Improvement Plan (collectively, the "**Annual Plan**") for the operation of the Hotel for the balance of the calendar year beginning with the Commencement Date. The Annual Plan shall include Operator's projection of operating revenues and operating expenses for the Hotel (the "**Annual Operating Budget**") and Operator's projection of expenditures for FF&E and other capital expenditures (the "**Annual Capital Budget**"). Operator shall expend funds for the purposes set forth in the Annual Plan. In subsequent years, Operator shall provide proposed Annual Plans to Owner on or before November 15th of each successive year throughout the Term. Each proposed Annual Plan shall contain reasonably detailed revenue and expense projections, including capital expenditures and Operator's recommended facilities compliance project expenses.

(ii) Owner shall have the right to approve all proposed Annual Plans, which approval shall not be unreasonably withheld. If (A) Owner's representative fails to approve or disapprove a proposed Annual Plan within fifteen (15) days after having received the same and

after the date of the aforesaid budget review meeting, (B) Operator delivers a notice of Owner's failure to have given its approval or disapproval, and (C) Owner fails to respond with its approval or disapproval within a further five (5) business days from the date of receipt of such notice, such Annual Plan shall be deemed to have been approved by Owner. If Owner shall disapprove any element of a proposed Annual Plan, Owner shall identify the basis for its objection or disapproval in writing within the fifteen (15) day period; and Operator shall within fifteen (15) days thereafter meet with Owner to review Owner's objections in a good faith effort to reach a mutually acceptable resolution of the differences. Operator shall within fifteen (15) days after receipt of any such notice from Owner to submit a revised Annual Plan that contains Operator's response to Owner's objection or disapproval on any Annual Plan elements.

(iii) If Owner and Operator cannot reach agreement with respect to any Annual Plan subsequent to the initial Annual Plan, then Operator shall continue to operate the Hotel based upon the last Approved Annual Plan, modified to reflect those elements of the proposed Annual Plan that have been approved or deemed approved, and the expense categories for items such as utilities, insurance and taxes that are not subject to negotiation or control shall be deemed increased to the actual cost levels incurred. If Owner and Operator are unable to arrive at an approved Annual Plan by February 1st of any calendar year, then either party may submit the elements that have not been agreed upon for determination by an Expert in accordance with the provisions of Section 22 hereof, and the costs thereof shall be shared equally by the parties (subject to the Expert's discretion to assess such costs if the Expert determines that a party has not acted reasonably).

(iv) The Annual Plans are each intended as an estimate of the projected revenue and expenditures of operation, as well as the intended marketing initiatives/goals and intended staffing for the Hotel. Although Operator will use commercially reasonable efforts to achieve the goals, no Annual Plan can be relied upon as an assurance of actual results for such Operating Year. Operator is not responsible for the costs or expenses attributable to any operating losses, capital improvements, facilities compliance costs including, but not limited to, fire and life-safety systems, disabled access requirements applicable to members of the public, asbestos operations and maintenance costs, and licensing costs, (except to the extent such costs are caused by the gross negligence or willful misconduct of Operator), or other expenses associated with operating the Hotel under the terms of this Agreement and shall be reimbursed for any funds provided by Operator to pay such costs.

(v) If, in Operator's reasonable judgment, a deviation from the Annual Operating Budget is necessary for the efficient operation of the Hotel consistent with the Management Standard, Operator may deviate from the Annual Operating Budget without the advance approval of the Owner; however, deviations from the Annual Operating Budget that would (A) decrease the Net Operating Income by more than ten percent (10%), or (B) increase the expenditures to be made in any major expense category of the Annual Operating Budget (such as "**Sales & Promotion**") as opposed to minor line items (such as "**Local Advertising**") by more than ten percent (10%) shall require the advance approval of the Owner. The Annual Capital Budget shall include specific breakdowns of expenditures for each capital project (to the extent known to Operator), and Operator shall not be authorized to make expenditures for any specified projects, nor to make contractual commitments to incur such expenditures, in excess of

the amounts set forth in the Annual Capital Budget without the advance approval of Owner. If Owner does not approve or disapprove such Operator-proposed changes within five (5) business days of a second notice delivered by Operator to Owner, such changes shall be deemed approved.

(c) Service Contracts & Equipment Leases, Repairs & Maintenance, and Capital Improvements.

(i) Subject to the limitations of the Annual Plan and this Agreement, Operator is hereby authorized, in the name and on behalf of the Owner, to negotiate, enter and execute service contracts and equipment leases necessary in the ordinary course of operation of the Hotel, including contracts for utilities, telephone, cleaning, vermin extermination, elevator, boiler, maintenance and other services, provided that any service agreement or equipment lease that represents an annual cost equal to or greater than Twenty-five Thousand Dollars ($25,000) or that has a term greater than twelve (12) months shall require Owner's approval. Operator shall have the right, on the behalf of and at the expense of Owner, to terminate any service, supply or other vendor agreements that the Operator deems unfavorable to the operation of the Hotel. Operator is not authorized to expend funds, or make contractual commitments to expend funds, for FF&E beyond the amounts available for such purpose under the Annual Capital Budget without the approval of Owner, except to the extent necessary for Owner to cause the Property or the Hotel or the Hotel Facilities to comply with the Management Standard and all Applicable Laws.

(ii) Subject to the limitations of the Annual Plan and this Agreement, Operator shall make or cause to be made, at Owner's expense and in the name of Owner, all necessary or desirable repairs and replacements to maintain the Property and the Hotel Facilities in good operating condition and repair. Operator shall use reasonable efforts to enforce any warranties and/or guaranties for the benefit of Owner and Operator, but shall not bring legal action against any guarantor or warrantor without Owner's approval. Provided Owner has made available funds for such purposes, Operator shall purchase or arrange for the purchase of all inventories, provisions, supplies, and operating equipment, which in the normal course of business are necessary to maintain and operate the Hotel and the Hotel Facilities in compliance with all Applicable Laws or to provide Operator with the funds necessary to pay for the improvements or corrective action needed to achieve same. Owner and Operator shall meet periodically at the Hotel (or other location if agreed to by Owner and Operator), at a time or times reasonably designated by Owner, for the purpose of reviewing Hotel operations, including profit and loss statements, Operator's performance, capital expenditures, forecasts of revenues and operating expenditures for the balance of the current Fiscal Year, and making any revisions to the Annual Plan required by Owner in order to maintain or improve the departmental profit margins as originally budgeted.

(iii) Owner shall be credited with the full amount of any discounts, rebates, refunds or commissions obtained by Operator on or relating to any of such purchases. Subject to the limitations of the Annual Plan and this Agreement, Operator shall make or cause to be made all necessary or desirable capital improvements; provided, however, in emergency situations or in those instances in which Operator in good faith erroneously determines that an item is a repair or replacement which the Owner, the Property accountants or a governmental agency

subsequently classifies as a capital improvement, Operator shall be deemed to have made such capital improvement with the consent of the Owner.

(iv) Emergency situations shall include, without limitation, any set of circumstances requiring immediate action in Operator's good faith judgment to prevent, address, remedy or mitigate personal injury, damage to the property of third parties, damage to the Property, loss or diminution of any licenses or right to operate the Property and related facilities for intended purposes, civil or criminal sanctions, or liability of either Operator or the Owner that may arise out of or in connection with any of the foregoing.

(d) Personnel.

(i) Subject to the limitations of the Annual Plan and this Agreement, and at the expense of Owner, from and after the Commencement Date, Operator or its payroll Affiliate shall have the exclusive right to hire, promote, discharge, direct and supervise the work of the executive staff of the Hotel and to supervise through the executive staff the hiring, promotion, discharge and work of all other operating and service employees working at or performing services in or about the Hotel (the "Employees of the Hotel"). All Employees of the Hotel from and after the Commencement Date shall be employees of Operator or its payroll Affiliate. Operator may reimburse itself from the Working Capital Reserve for the total aggregate compensation including without limitation, fringe benefits, payroll taxes, workers compensation, and performance bonuses paid or payable to overtime exempt and nonexempt employees working at the Hotel. Operator or its payroll Affiliate shall not be liable to such employees for their compensation and shall not be required to advance its own funds to meet such obligations. "Employees of the Hotel" shall not include any persons who are properly the personnel of Operator's central office or any other personnel of Operator who do not work full time at the Hotel, except for (i) such personnel who are assigned to the Hotel for Additional Services to perform a job that is budgeted in the Annual Operating Budget and is in accordance with Section 6(k)(ii) hereof, or (ii) additional part-time personnel from other properties Operator is managing, or may in the future manage, as deemed necessary by Operator, provided that the Hotel shall bear an allocable share of the compensation cost of any such part-time personnel (without mark-up or administrative charges), based on the proportion of time such personnel spend at the Hotel, relative to other hotels for which such personnel provide services.

(ii) After consultation with Owner, Operator shall have the authority to negotiate with any labor union lawfully entitled to represent such employees, with respect to collective bargaining agreements or labor contracts provided, however, final approval of such agreements are subject to the advance approval of the Owner. Operator shall conduct such negotiations within parameters agreed to by Owner, and Operator shall keep the Owner fully informed as to the progress of the negotiations of any such agreements. Operator shall endeavor to settle and compromise all controversies and disputes arising under any labor union contracts or employment agreements affecting the employees of the Hotel upon such terms and conditions as Operator deems to be in Owner's best interests, provided that no settlement or compromise shall be binding upon Owner unless and until Owner shall have approved the same in writing. Operator shall not engage in any lock-out without the prior, written consent of Owner.

(iii) Owner shall not interfere with the operation of, or give orders or instructions to personnel employed at the Hotel. Owner shall, except in emergency situations, communicate only with the General Manager or Senior Controller of the Hotel or authorized corporate representatives of Operator who are not employees working at the Hotel.

(iv) Operator shall have the authority to make decisions regarding the wages and benefits of employees working at the Hotel, in accordance with the approved Annual Plan and consistent with the wages and benefits offered to employees of Operator's other comparable managed properties, adjusted for the fact that the Property is located in a different locale than the other hotels managed by Operator, provided that the cost of such wages and benefits is within the approved Annual Plan. Operator shall fix the employees' terms of compensation and establish and maintain all policies relating to employment, so long as they are reasonable and in accordance with the Management Standard and the Annual Operating Budget. Without limiting the foregoing, Operator may, consistent with the applicable budgets, enroll the employees of the Hotel in pension, 401k, medical and health, life insurance, and similar employee benefit plans ("Benefit Plans") substantially similar to plans reasonably necessary to attract and retain employees and generally remain competitive. The Benefit Plans may be joint plans for the benefit of employees at more than one hotel owned, leased or managed by Operator or Affiliate of Operator. Employer contributions to such plans (including any withdrawal liability incurred upon Termination of this Agreement) and reasonable administrative fees (but without further markup by Operator), which Operator may expend in connection therewith, shall be the responsibility of Owner. The administrative expenses of any joint plans will be equitably apportioned by Operator among properties covered by such plan.

(v) Operator may change or replace personnel, including the General Manager and Controller of the Hotel, at any time after the Commencement Date, provided that Operator shall use commercially reasonable efforts to avoid numerous changes of General Manager and Controller, and further provided that Owner reserves the right to approve the hiring of any particular individual as General Manager or Controller and the terms of their engagement. Operator shall notify Owner in the event of any resignation, termination, or other departure of the General Manager or Controller as soon as reasonably possible under the circumstances. Operator shall propose any candidates that Operator is considering for the General Manager or Controller position to Owner and shall have obtained the approval of Owner prior to engaging any person in such position. Unless mutually agreed to by Owner and Operator, the General Manager shall receive a minimum salary of not less than [_____ Thousand Dollars ($__,000)] per year plus standard benefits. Owner is responsible for the direct costs of all employee recruitment, including any headhunting executive search fees, should such a service be used in recruiting a General Manager.

(vi) All employees working in the Hotel, including the General Manager and Controller, shall be employees of the Operator or its Affiliate and supervised by Operator, though compensation for such work will be considered an Operating Expense of the Hotel. Owner agrees that if the General Manager of the Hotel leaves the employ of Operator for any reason other than as a result of a termination of this Agreement due to an Operator default, Owner shall not hire the General Manager in any capacity for at least one (1) year following such termination. In the case of any other termination of this Agreement (including upon expiration

of the Term or any Renewal Term), Owner or a successor manager of the Hotel shall be entitled to seek to retain the General Manager (or any other Hotel personnel) to continue their employment at the Hotel following such termination.

(vii) Owner acknowledges and agrees that Operator, as the employer of all of the Hotel's employees, shall be entitled to all federal, state and/or local tax credits or benefits allowed to employers relating to the Hotel employees including, without limitation, the Work Opportunity Tax Credit, the Targeted Jobs Tax Credit, and similar tax credits. Operator, in accordance with the Annual Operating Budget, may draw down from Gross Revenues all costs and expenses, of whatever nature, incurred in connection with such employees, including, but not limited to, wages, salaries, on-site staff, bonuses, commissions, fringe benefits, employee benefits, recruitment costs, workmen's compensation and unemployment insurance premiums, payroll taxes, vacation and sick leave (collectively, "**Employee Costs and Expenses**").

(viii) Upon any termination of this Agreement, Owner shall reimburse Operator for the following costs and expenses incurred by Operator which arise out of: (A) the transfer or termination of Operator's employees at the Hotel, such as reasonable transfer costs and all severance and termination obligations incurred due to Owner's sale of the Hotel; (B) compensation in lieu of vacation and sick leave; (C) severance pay for Executive Employees of the Hotel, provided that the amount of such severance payments shall not exceed an amount equal to Operator's then current severance benefits for such terminated Executive Employees, unless Owner otherwise approves, and no severance shall be paid to any Executive Employee who is offered employment at the Hotel; and (D) unemployment compensation, employer liability pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA liability) and WARN Act and other employment liability costs arising out of the termination of the employment of the Operator's employees at the Hotel. (Collectively, (A)-(D) are the "**Employee Related Termination Costs**".) This reimbursement obligation shall not apply to any corporate personnel of Operator assigned to the Hotel for special projects or who perform functions for Operator at the corporate level. In order to be reimbursable hereunder, any Employee Related Termination Costs must be pursuant to policies of Operator or consistent with those of other operators managing similar hotels in similar markets and geographical locations.

(ix) Operator shall use commercially reasonable efforts to select qualified, competent and trustworthy employees and personnel, in accordance with the Management Standard, in sufficient numbers to enable it to manage, operate and maintain the Hotel in accordance with the Management Standard and the provisions of this Agreement. From and after the Commencement Date, Operator shall comply in all respects with all Applicable Laws governing Operator's employees, including workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions and other employer-employee subjects. Operator shall not knowingly and intentionally hire, any individuals for employment at the Hotel who are related to the officers, directors, or shareholders of Operator or Owner or any Affiliate of Operator or Owner, without Owner's prior written approval after being advised of such relationship.

(x) Operator shall prepare and be responsible for the execution and filing of all forms, reports and returns required by all Applicable Laws in connection with unemployment

insurance, workers' compensation, disability benefits, job safety, Immigration and Naturalization Service compliance and reporting, tax withholding, pension, profit-sharing and other employee benefit plans, and Social Security. Without limiting the foregoing, Operator shall report, as payor using its own Tax Identification Number ("**TIN**"), on appropriate Internal Revenue Service ("**IRS**") Forms, all payments, regardless of the source thereof, which Operator shall make in connection with the Hotel to employees, providers of services and other third parties which the IRS, state and local tax authorities may require to be reported. Operator shall make such reports to the payees and taxing authorities in the manner and within the time required. Operator shall also withhold any portion of payments required under the backup withholding provisions of Internal Revenue Code Section 3406, as it may be amended, and shall be responsible for accepting and acting upon all notices received from the IRS pursuant to said Section 3406 relating to payee backup withholding and erroneous TINs. Upon Owner's request, Operator shall furnish to Owner all necessary copies and proof of its compliance with the foregoing reporting requirements.

(e) Licenses & Permits; Operational Compliance with Laws; Filings and Taxes.

(i) Owner warrants that it has or shall have obtained all licenses and permits necessary for operation of the Hotel prior to the Commencement Date, all of which are listed on Schedule 6(e)(i) and shall have performed and completed any necessary corrective action to maintain same or to cure any deficiencies or violations of any permit conditions. Operator has not represented or warranted to Owner that any and all approvals, permits or consents which Owner may deem necessary or desirable for the operation of the Hotel may be obtained or are available, including any permit to operate the Hotel. Operator, at Owner's cost and expense and as reflected in the Annual Plan, shall apply for, obtain and maintain in the name and on behalf of Owner any additional permits which may be required in the future due to Operator's change in operation of the Hotel. Owner shall assist and cooperate with Operator in applying for, obtaining and maintaining said permits.

(ii) Notwithstanding the foregoing, Owner acknowledges that under California law, the party deriving the economic benefit of the Liquor License is required to apply for, hold and be the owner of the Liquor License. Owner covenants that the Owner's License Holder, which is a qualified party, shall hold such license(s) and will continue to do so during the Term of this Agreement. All costs related to the transferring and maintaining the Liquor License(s), are to be borne by Owner.

(iii) Operator shall operate and maintain the Hotel in full compliance with all Applicable Laws, including but not limited to all laws, rules, and regulations pertaining to the environment, health and safety, subject to Owner's delivery of the Hotel in compliance with all such laws or the provision of funds necessary to accomplish such result within a time frame acceptable to Operator. In the event conditions are found by Operator on the Property which do not comply with such laws, rules, regulations and ordinances Operator shall promptly provide notice thereof to Owner, and Operator shall, after consultation with and approval of Owner, and subject to Owner's right to contest such asserted failure to comply with legal requirements, remediate such conditions to the extent required by any public agency or judicial order or as alleged in any private enforcement action under statutes allowing for enforcement by private

parties of statutes enacted for public health and welfare (e.g., state, local and federal laws relating accessibility of disabled persons to public accommodations, and California's Proposition 65), provided Owner has approved the costs of such remedial work and supplied Operator with the funds to perform such work. Notwithstanding the foregoing, Owner's approval shall not be required for remediation of matters relating to the operation of the Hotel that do not require capital expenditures or material changes to the approved Annual Plan.

(iv) Operator shall prepare and, at Owner's request, be responsible for the execution and filing of all sales and use tax returns, subject to Owner providing such information that is not otherwise reasonably available to Operator as may be necessary to enable Operator to prepare such returns. Operator shall not be obligated to prepare or file any partnership income tax returns or other returns or forms relating to internal, organizational matters of Owner. Operator shall prepare for review, approval and, where appropriate, certification by Owner's independent accounting firm, all financial statements as they relate to the operation of the Hotel and information related to the operation of the Hotel for inclusion in Owner's federal and state income tax returns and other governmental filings.

(v) Operator shall, except as provided immediately below and provided that sufficient funds are available for such purpose, pay when due (as an Operating Expense) all taxes, assessments and governmental charges or levies (hereinafter collectively referred to as "Governmental Impositions") imposed upon the Hotel or upon the operations conducted thereat or upon any of Owner's property at the Hotel, real, personal or mixed, or upon any part thereof under the Operator's management and control, including all interest and penalties thereon. As used herein, Governmental Impositions shall include all social security taxes, unemployment insurance taxes, withholding taxes and similar charges imposed on Operator in connection with any employees or personnel of Operator. Operator shall review the appropriateness of all bills for Governmental Impositions applicable to the Hotel and shall advise Owner of the amount of any Governmental Impositions that Operator believes should be challenged and, if so, the course of action recommended to obtain a reduction of such Governmental Impositions. If Operator is notified by Owner that Owner intends to contest any Governmental Imposition or Lien upon the Hotel, Operator shall not pay such Governmental Imposition or Lien, but, upon request of Owner, shall set aside the amount necessary to pay such Governmental Imposition or Lien, plus interest and penalties, in an interest bearing reserve account or shall deposit such amount with a third party if so directed by Owner. If requested by Owner, Operator shall, at Owner's expense, institute appropriate protests or challenges to any Governmental Imposition or Lien (other than those arising out if the initial construction of the Hotel) that Owner desires to contest, and all expenses incurred by Operator in contesting or seeking a reduction thereof, including legal, appraisal and accounting fees, if required, shall be considered Operating Expenses to be borne by Owner to the extent such costs are within the applicable line items in the Annual Operating Budget or are otherwise approved in writing by Owner.

(f) Banking.

(i) Operating Account. From and after the Commencement Date, Operator shall deposit in a convenient branch of Wells Fargo designated by Owner or such other bank as Owner may select, in an account in the name of Operator as agent for Owner (the "Operating

Account"), consistent with any Cash Management Agreement provided to Operator prior to the Effective Date all monies provided by Owner as working capital and all monies received by Operator for or on behalf of Owner in connection with the operation of the Hotel. With the approval of Owner, Operator may create sub-accounts for payroll, reserves and other appropriate purposes related to the efficient operation of the Hotel. The Operating Account shall be interest bearing when possible. Subject to the limitation of Operator's authority set forth herein, both Operator and Owner shall be authorized to withdraw funds from said Operating Account, except that Owner may withdraw funds from said account only if an Event of Default by Operator has occurred under this Agreement or an event has occurred that with the passage of time might be an Event of Default by Operator. Prior to any such withdrawal by Owner, Owner shall provide Notice of same to Operator, and Operator shall not be liable to Owner for any checks written by Operator for operating expenses which are returned due to insufficient funds caused by such Owner withdrawal. From time to time both Operator and Owner shall designate signatory parties on such account and shall provide written notice of such designation or change in designation to the other party, and the signatures of such persons shall be formally and expressly recognized by the bank in which such account or accounts are maintained. All monies received, including but not limited to Gross Revenue, shall be deposited in, and expenses shall be paid from, such bank checking account(s) except that Operator shall have the right, to maintain payroll and petty cash funds and to make payments therefrom as the same are customary and utilized in the lodging business. Such funds shall not be commingled with Operator's funds. Owner shall have the right, at its own cost, to audit said account or accounts at any reasonable time.

Operator will disburse such funds as required in connection with the operation of the Hotel including, but not limited to: (A) payments for operating expenses, including taxes, and other costs and expenses of maintaining, operating and supervising the operation of the Hotel and Restaurant; (B) compensation for Operator as provided in this Agreement; (C) as allocations to the Working Capital Reserve as provided in the approved Annual Plan; and (D) monthly distributions to Owner of any funds in excess of such amounts.

Owner shall be entitled to grant a security interest to any Mortgagee in such Operating Account. Owner shall be entitled to electronic access to such Operating Account to monitor the deposits and disbursements made to and from the Operating Account. Operator shall establish commercially reasonable controls to assure accurate reporting, safety and security of all transactions involving the Operating Account. Designated representatives of Operator shall be the sole authorized signatories for purposes of writing checks and drawing and disbursing funds from the Operating and Payroll Accounts. Funds in the Operating Account shall be applied in the following order of priority:

(1) To the remittance of tax and other withholding mandated by law, and to the Payroll Account for payment or reimbursement of the wages, salaries, and benefits of Hotel personnel, including Executive Employees;

(2) to payment of insurance premiums then due;

(3) to payment of real estate taxes and other Governmental Impositions to avoid the accrual of penalties and liens;

(4) to payments under any Mortgage;

(5) to other Operating Expenses, Management Fees, and other fees and charges of Operator hereunder that are accrued and payable;

(6) to other obligations and liabilities authorized to be paid hereunder; and

(7) distributions to Owner.

Nothing in this Section 6(f)(i) shall be deemed or construed to obligate Operator to continue to perform services or carry out its obligations under this Agreement, or otherwise to continue to act as operator and manager of the Hotel, in the event that the application of funds in the order set out above results in Operator not receiving any of the Management Fees payable to Operator hereunder and Owner fails to timely provide to Operator the necessary funds to pay such Management Fees.

(ii) Payroll Account. Operator may establish one or more separate bank accounts for handling payroll costs in the name of Owner, (collectively, the "**Payroll Account**"). Such accounts shall be handled exclusively by the individuals designated by Operator and approved in writing by Owner. Funds shall be deposited in the Payroll Account or accounts from the Operating Account, as needed, in order to meet payroll requirements.

(iii) Management of Operating Account. Until otherwise prescribed by Owner in writing, the Operating Account shall be under the control of Operator, without prejudice, however, to Operator's obligation to account to Owner as and when provided herein. All receipts and income, including without limitation, Gross Revenues shall be promptly deposited in the Operating Account. Checks or other documents of withdrawal shall be signed only by the individual representatives of Operator approved by Owner and duly recognized for such purpose by the bank or banks in which the referenced accounts are maintained. Operator shall not be responsible for any losses occasioned by the failure or insolvency of the bank or banks in which the referenced accounts are maintained. Upon expiration or termination of this Agreement and the payment to Operator of all amounts due Operator hereunder upon such expiration or termination, as provided in this Agreement, all remaining amounts in the referenced accounts shall be transferred forthwith to Owner, or made freely available to Owner.

(iv) Advance of Funds. Operator shall not be required to advance funds, and Operator shall not be obligated to incur any liability or obligation for Owner's account, without assurance that necessary funds for the discharge thereof will be provided by Owner.

(v) Reserve Accounts. All reserve accounts established pursuant to this Agreement shall be placed in segregated interest-bearing accounts in the name of Owner which interest shall be added to such reserve and serve to reduce the amount required to be placed in such reserve account.

(vi) Distributions to Owner. Operator shall make monthly disbursements to Owner, by bank wire transfer or intrabank transfer to a bank account designated in writing by Owner's, of all net operating income of the Hotel from the preceding month, after application to the expenditures authorized under this Agreement and retention of any funds for the Working Capital Reserve as may be required hereunder, within twenty (20) days following the end of each

month. Operator shall also mail to Owner, forthwith upon Operator's receipt of same, a copy of the bank wire transfer confirmation.

(g) Financial Statements.

(i) Within twenty (20) days after the end of each calendar month, Operator shall deliver to Owner the following (herein referred to as the "**Monthly Reports**"): (A) a balance sheet for the Hotel as of the end of the preceding calendar month; (B) a statement of income and expenses (including all supporting departmental schedules of revenue and expenses) on an accrual basis and showing the results of the operation of the Hotel for the preceding calendar month and for the calendar year to date, together with a computation of the Management Fee and the Incentive Management Fee and all other fees or reimbursements due Operator hereunder (as hereinafter defined) for such calendar month; (C) a report comparing the operating results reflected in such financial statements to the budgets in the approved Annual Plan to the same time period of the previous Fiscal Year; and (D) a monthly cash summary detailing all cash activity, reconciling beginning and ending cash balances, and forecasting the Hotel's cash flow relative to the Working Capital Reserve (as hereinafter defined) for the following ninety (90) days;

(ii) Within sixty (60) days after the end of each year, Operator shall deliver to Owner a balance sheet, a statement of income, a statement of cash flow, including all supporting departmental schedules of revenues and expenses, and specifically showing the results of operations of the Hotel during such Fiscal Year, variances to the Annual Budget and prior Fiscal Year, the Gross Revenue of the Hotel during such Fiscal Year, a computation of the Management Fees and all other fees paid to Operator hereunder for such Fiscal Year. All costs and expenses incurred in connection with the preparation of statements, budgets, and computations, including the salary of any on-site accounting staff, shall be borne by the Owner. Operator shall be reimbursed for a pro-rated share of the employment cost of a Property Controller that may not be officed at the Hotel and may also be doing accounting work for Operator's other managed properties, provided that such costs are approved by owner in the Annual Plan. The provisions of this Section 6(g)(ii) shall survive any Termination of this Agreement.

(iii) All Financial Statements shall be provided in a format and shall include the information called for in **Exhibit B** attached hereto. Operator shall meet monthly with Owner to review Hotel operations and performance under the approved Annual Plan.

(h) Advertising.

Subject to the limitations of and in accordance with the Annual Plan, Operator shall arrange and contract for all advertising and promotion which Operator may deem reasonably necessary for the marketing and operation of the Hotel in accordance with the Management Standard.

(i) Books and Records.

Operator shall keep on behalf of Owner full and accurate books and records including books of account, tax records, guest records, front office records, payroll records, contracts, leases, warranties, maintenance records, plans and specifications, inventories, correspondence, tenant records, insurance policies, notices of violation, bid documentation, all necessary or appropriate receipts, and other records customarily maintained in accordance with the Management Standard and the requirements of this Agreement pertaining to the Hotel and its operation (collectively, the "**Books and Records**"). All Books and Records pertaining to financial matters shall be maintained in accordance with GAAP and the Uniform System, with such exceptions as may be required by the provisions of this Agreement or approved by Owner. In the event of any conflict between the Uniform System and GAAP, the latter shall control. The Books and Records shall be kept at the Hotel or such other place as the parties agree. The Books and Records, wherever they are kept, are the property of the Owner, and Owner has full right of access, inspection and review. Upon termination of this Agreement, Operator shall deliver the Books and Records to Owner. The Books and Records (other than any employment records) shall be the sole property of Owner and shall be maintained on the Hotel's systems, and copies thereof shall be provided to Owner at any time upon Owner's request.

(j) Affiliate Agreements.

Subject to written disclosure in full by Operator to Owner of any affiliation to or interest in such transaction and the approval of the Owner for contracts involving payment of more than One Hundred Fifty Thousand Dollars ($150,000) per year, Operator may enter into bona fide market terms agreements or arrange for the provision upon bona fide market terms of goods or services with a party which is controlled by, or under common control with, or in privity with or an Affiliate of Operator, for purposes of achieving economies of scale for the Hotel and other operations which Operator may be managing, including services which may be provided by internal departments of Operator, but are not included as Standard Services.

(k) Additional Services.

In addition to paying the base monthly Management Fee for the Standard Services, Owner shall also pay the following amounts for the following services (the "**Additional Services**") provided in connection with the on-going operation of the Hotel. Operator's out of pocket expenses actually incurred in rendering such Additional Services are not included within the Base Management Fees to be paid hereunder and shall be reimbursed to Operator by Owner. Such Additional Services for the ongoing operation of the Hotel may include, but are not limited to:

(i) Sales & Marketing Services: There shall be a Brand Sales and Marketing Fee of one percent (1.00%) of Gross Revenues to cover the costs of including the Hotel in Operator's proprietary Brand Sales and Marketing Standards, the scope of services of which are listed on ***Addendum 1***. For property-specific marketing work provided to the Hotel by Operator but not included in the scope of services for the Brand Sales and Marketing Fee, Owner shall pay to Operator a use-based service fee of One Hundred Dollars ($100.00) per hour, subject to annual CPI increases, and the Hotel will also be responsible for payment of the direct costs of any such property-specific marketing work, including but not necessarily limited to: (A) graphic design

services, (B) printing costs, (C) public relations services, (D) costs of maintaining Hotel's home database, (E) associated fees for participation in select consortia programs, and (F) direct fees associated with the website's online booking engine.

(ii) Operations Services: The Hotel shall pay its share of the cost of purchasing and procuring the following or such other services as may be added or changed by agreement of the parties over time, which may be Group Services, and supplies, as well as development of operational procedures and control services with respect to such non-standard or group services, and the cost of the following or such other services as may be added or changed by agreement of the parties over time: (A) Guest Satisfaction Surveys, (B) Design & Project Management Services, (C) Mystery Shopper Reports, and (D) separate accounting services for construction or renovation or for F&B operations.

(iii) Human Resources/People Services: The Owner shall pay the Hotel's share of the cost of inclusion in Human Resources programs which are used by Operator at its other managed properties, such as Work Climate Surveys, employee events, staff retreats and special training functions, and employee recruitment (for which Owner shall pay Hotel's direct costs attributable to the Hotel). The Hotel will also be charged for: (A) direct costs for employee recruitment, (B) special management retreat/training functions, (C) hourly cost for temporary front desk staff, and (D) companywide events based upon participation of employees. A fee of Twenty-five Dollars ($25.00) per employee per month will be charged for attendance at JdV University programs and other specialized training programs.

(iv) Financial and Accounting Services: Operator may have a multi-property Property Controller from its central or regional office supervise banking, financial reporting, billing, payroll, accounts payable and credit support services, for which Owner shall pay the prorated employment cost of the multi-property Property Controller. In addition, Operator shall receive a monthly Accounting Fee of Three Thousand Dollars ($3,000.00) per month subject to fee increases in subsequent years, provided such increases are included in the Annual Operating Budget to cover the costs of any basic accounting clerk functions. Any specialized tax or audit services will be paid by Owner.

(v) IT Support Services: The Owner shall pay the Hotel's share of the cost of general IT technical support, including maintenance and technical support of standardized hardware and software at the Hotel (excluding vendor supported systems generally including, but not limited to, a Property Management System ("**PMS**"), a Point of Sales ("**POS**") device, and Telecom/PBX, Voicemail, Call Accounting and Guest HSIA programs), management and maintenance of the WAN (giving the Property access to the internet and business applications), and intranet, for a monthly flat fee of One Hundred Dollars ($100.00) per month plus Sixty-Five Dollars ($65.00) per computer, server, and POS device per month (the "**Monthly IT Support Fee**"), subject to fee increases in subsequent years, provided such increases are included in the Annual Operating Budget. In addition to the Monthly IT Support Fee, the Owner shall pay Datacenter Fees as outlined in Operator's Managed IT Services document, attached hereto as Addendum 4, as well as costs of hardware procurement and maintenance/repair, software licensing, internet and WAN bandwidth, guest HSIA maintenance and support, software maintenance and support contracts, telecommunications hardware maintenance costs,

telecommunication connectivity, PMS and POS hardware and software licensing, and any specific Owner-approved IT project management services.

Compensation for any Additional Services provided by Operator to the Hotel shall be paid by Owner to Operator provided the costs of such services are within the approved Annual Plan. Payment of such compensation is in addition to and not included within the Management Fees provided hereunder. All contracts for Additional Services shall be entered into on an arm's length basis and Operator shall be entitled to charge to Owner the Hotel's pro rata share of the expenses of such services on the same basis as other properties in the Operator's group are charged for such services, or in those cases when the services are specifically for the Hotel (such as graphics services developing a logo), and Operator is able to provide such services, as long as they are of comparable quality to an outside vendor, at a cost not to exceed what an outside vendor would charge.

(l) Group Services.

Operator and its Affiliates may furnish to the Hotel certain services ("**Group Services**") which are furnished generally on a central or regional basis to other hotel or other properties managed by Operator or any Affiliate of Operator and which benefit each hotel managed by Operator including, by way of example and not by way of limitation: (A) centralized accounting payroll processing, HRMS management, management and administration of accounts payable, accounts receivable and cash management accounting and MIS support services; (B) the preparation and maintenance of the general ledger and journal entries, internal audit, budgeting and financial statement preparation; (C) recruiting, training, career development and relocation in accordance with Operator's or any Affiliate of Operator's relocation plan; (D) employee benefits administration; (E) engineering and risk management; (F) information technology; (G) legal support (such as license and permit coordination, filing and completion, standardized contracts, negotiation and preparation, and similar legal services benefiting the Hotel); (H) purchasing arising out of ordinary hotel operations not otherwise contemplated in the Annual Operating Budget; (I) internal audit services; (J) reservation systems; (K) premiums for policies providing employment practices liability insurance coverage; and (L) such other additional services as are or may be, from time to time, furnished for the benefit of Operator's or any Affiliate of Operator's hotel or other properties managed by Operator or in substitution for services now performed at Operator's individual hotel which may be more efficiently performed on a group basis.

(i) Operator shall assure that the costs and expenses incurred in providing Group Services to the Hotel shall have been allocated to the Hotel on a pro-rata basis consistent with the method of allocation to all of Operator's (and any Affiliate of Operator's) hotel or other properties receiving the same services, shall be incurred at a cost consistent with the Annual Operating Budget.

(ii) All Group Services provided by Operator shall be at the actual costs (without mark up for fee or profit to Operator or any Affiliate of Operator, but including salary and employee benefit costs and costs of equipment used in performing such services and overhead costs, and taking into account any rebate, give-up or participation in any reciprocal

business arrangement with Operator or any Affiliate of Operator) of Group Services for the benefit of all of Operator's hotel receiving the same services, and shall be of a quality comparable to which Operator could obtain from other providers for similar services. The Hotel's share of the expenses of such services in each Operating Year shall be a pro rata share calculated either by considering the annualized revenue for the Hotel divided by the total annualized revenue for all of the Operator's hotel properties (including the Hotel) which are using such service or, in the case of employee development services, by considering the total number of employees working at the Hotel (including part time employees) divided by the total number of employees of the Operator's other hotel properties (including part time employees) that are taking part in the specific service. In no event will the fees charged by an Affiliate of Operator be greater than either those charged to unaffiliated third parties for comparable services or those charged by other third parties offering comparable goods and services, said standard to be applied on an overall and not "**item-by-item**" basis. Provided Owner maintains in the strictest confidence and makes no disclosure to any third party of the information provided to it other than to appropriate advisors and then only of purposes of verifying Operators compliance with this provision of this Agreement, Owner shall have the right to verify that fees charged or proposed to be charged by any Affiliate of Operator are not greater than those charged by such Affiliate to third parties through (A) examination of the invoices and records of account of such Affiliate with the third party covering the relevant time period during which the goods and services were provided or (B) examination of contracts with third parties specifying the fees for such goods or services to be charged in the future. Any and all rebates, discounts, refunds, credits or other concessions received by the Operator relating to the operation of the Hotel shall be passed on to the account of the Owner.

(m) Design and Renovation of Facilities.

(i) Design. During any renovation of the Hotel that is planned to be completed within the Term of this Agreement, Operator shall, for an additional fee to be determined at the time of the renovation, provide assistance to Owner's designer in developing renovation plans and shall provide consulting, oversight and on-site inspections during and at the completion of the Hotel's renovation. Operator and Owner shall mutually agree on the selection of the interior designer who in the Operator's opinion has a portfolio or design statement for the Hotel which complements the marketing and repositioning plan developed by Owner and Operator as part of the Hotel programming. Operator shall not unreasonably withhold or delay its approval of a proposed designer and if it objects to a designer shall identify at least two (2) available alternatives including a description of their style of work and identifying examples of other comparable hotel properties for which they were the designer. Even in the event Operator has input to or provides the initial conceptual design for any alteration, improvements or replacements, Operator shall not be liable to Owner or any third party for any design defects in the Hotel, including but not limited to the failure of any alteration, improvements or replacements designed by Owner's designer to comply with any applicable laws, rules or regulations, and Owner shall indemnify, defend and hold Operator harmless from and against all losses, costs, expenses, claims, suits, actions, injuries or damages incurred or threatened due to any design or construction defects alleged by a third party to exist in the Hotel.

(ii) Operation during Construction or Rehabilitation. Operator shall not be in default of any provisions of this Agreement for failure to operate and maintain the Hotel in accordance with the Management Standard or any other physical or operational standards required by this Agreement, to the extent the ability of Operator to perform its obligations or conform to the Management Standard is impaired or impeded as a result of any such rehabilitation, development or construction program and until the expiration of all notice periods respecting any failure by Operator to perform its obligations.

(n) Tenants and Guests.

(i) Operator shall maintain business-like relations with guests, tenants, licensees and concessionaires of the Hotel and report complaints of a serious nature to Owner with appropriate recommendations.

(ii) If requested by Owner in writing, Operator shall negotiate leases, subleases, licenses and concession or other agreements for commercial space at the Hotel, for which Owner shall pay to Operator a to-be-determined fee for such Additional Service. If requested by Owner in writing in the particular instance, such leases, subleases, licenses or concessions may be executed by Operator as agent for Owner. Prior to execution, Operator shall submit to Owner for Owner's review and approval, the final form or each lease, sublease, license or concession agreement affecting the Hotel.

(iii) Operator shall bill and collect with due diligence the rents (including base, percentage and additional rents), charges and other income due from guests, tenants, concessionaires and other users of the Hotel, and enforce compliance with all terms of all leases, subleases, licenses and other agreements by all appropriate means, provided that (i) Owner has copied Operator on all necessary documents, information and correspondence in order for Operator to accurately enforce such agreements with third parties, (ii) the rental proceeds from any lease, sublease or concession agreement are included in Gross Revenue total from which the Base Management Fee is calculated, and (iii) all related costs of such enforcement shall be costs of the Hotel. Such services may include: (i) dispossessing guests, tenants or other persons in possession after appropriate legal proceedings if required, (ii) canceling or terminating any lease, sublease, license or concession agreement for breach or default thereof by a tenant, licensee or concessionaire, (iii) engaging collection agencies and/or legal counsel to file and prosecute actions to recover any rent or other income and/or to recover possession of any leased space, and (iv) when appropriate, settling, compromising or releasing such actions; provided, however, that Owner shall be entitled to approve (A) the cancellation of any lease, sublease, license or concession agreement having an unexpired term of six months or more, (B) the engagement of legal counsel or institution of any legal proceedings, (C) the selection of collection agencies and/or other consultants, and (D) the settlement, compromise and release of any legal proceedings, in each case prior to any such action being taken by Operator, and provided further that any necessary legal fees or costs incurred in legal proceedings approved by Owner shall be borne by Owner, subject to Section 10 hereof. Operator shall not write off, forgive, or otherwise defer any receivable or rent that exceeds the bad debt allowance provided for in the Annual Plan, without the prior written approval of Owner. Operator shall notify Owner in writing of any

tenant, licensee or concessionaire more than thirty (30) days in arrears in the payment of rent or other charges or otherwise in default under the terms of its lease, license or concession, as the case may be, and shall recommend such action as Operator deems necessary or advisable to cause the defaulting party to cure the default.

(iv) Unless otherwise required by law or directed by Owner, all security deposits collected from tenants shall be deposited in an interest bearing account (separate from the Operating Account) in Owner's name, designating Operator and Owner each as authorized signatories, in such local bank as shall be selected by Owner.

(o) Additional Responsibilities of Operator.

Operator, on behalf of Owner and at Owner's sole cost and expense, shall:

(i) Do or cause to be done, all such acts and things in and about the Hotel as shall be reasonably necessary to comply with all requirements contained herein; and Operator may with Owner's consent and subject to Owner's right to contest, discharge any lien, encumbrance or charge on or with respect to the Property and the operation thereof, and pay all taxes with respect to the Property and the operation thereof when due to the extent Operator has knowledge thereof;

(ii) Subject to Owner's approval, retain legal counsel for claims involving the Hotel or its operation, and institute any and all actions or proceedings as shall be reasonably necessary, in Operator's judgment, to collect charges, rent or other income of the Hotel or to dispossess guests, tenants or other persons in possession, or to cancel or terminate any lease, license or concession agreement for default there under by a tenant, licensee or concessionaire; provided however that, without the prior approval of Owner, Operator may retain counsel with respect to, or make a settlement of, any matter in which the amount of money or value of property in dispute is reasonably anticipated to be less than Ten Thousand Dollars ($10,000.00);

(iii) Appear in and defend against, at Owner's sole cost and expense with counsel approved by Owner (subject to the express indemnity provisions contained in this Agreement), all legal actions or proceedings brought against Operator or Owner or both in connection with the operation of the Hotel, (except actions or proceedings brought against the Owner by Operator) provided that any settlement of any such proceedings shall require Owner's approval;

(iv) Promptly notify Owner of the following:

(1) in the event that Operator determines that the condition of the Hotel or any part thereof fails to comply with any Applicable Laws or the provisions any other agreement relating to the Hotel (including this Agreement and any Mortgage);

(2) upon receipt by Operator of any notice, demand or similar communication with respect to any obligation of Owner under Applicable Laws, any Mortgage,

or any lease, sublease, license, concession agreement or any other agreement relating to the Hotel or any portion thereof;

(3) upon receipt by Operator of any summons, notice, demand or similar communication regarding any action or threatened action at law or in equity or before any regulatory body relating to Owner or to the Hotel or any portion thereof;

(4) upon receipt by Operator of any notice or communication from an insurance carrier regarding non-compliance, change, or termination of any insurance coverage, or the insurability of the Hotel, or any Claim that is the subject of any such insurance coverage;

(5) in the event Operator makes an emergency expenditure pursuant to Section 6(c)(iv); or

(6) upon receipt by Operator of any notice of any threatened or pending condemnation, rezoning or other governmental order, proceeding or lawsuit involving the Hotel.

(7) in the event Operator determines that there has occurred any possible contamination, damage or liability arising from the use, presence, disposal or release of any hazardous or toxic substance or waste at, from or nearby the Hotel.

(v) Operator shall implement, administer, and comply with any life safety plan presently or hereafter applicable to the Hotel, in accordance with all Applicable Laws, to be used in the event of fire or other casualty to the Hotel. Without limiting the foregoing, Operator shall give appropriate notice of such plan to all tenants, guests and concessionaires of the Hotel.

7. RESPONSIBILITIES OF OWNER.

(a) Working Capital Reserve. Upon the Commencement Date and thereafter, Owner shall make available to Operator sufficient Working Capital and Inventory for the operation and maintenance of the Hotel in compliance with all Applicable Laws, and, if applicable, the Mortgage, and CC&Rs, and the implementation of the Annual Plan (the "**Working Capital Reserve**"). In the event that the cash available in the Working Capital Reserve is insufficient to meet the current and foreseeable Operating Expenses of the Hotel, Owner shall within ten (10) day's written notice contribute such additional funds as are necessary to meet the reasonably foreseeable deficits with respect to the operation of the Hotel as projected by the approved Annual Plan and cash flow forecasts as updated monthly by Operator or required by any Mortgagee. If, at any time, the Working Capital Reserve is not timely funded and, as a result, Operator elects after written notice to Owner, to advance funds to pay the Operating Expenses of the Property, or Operator is not paid its Management Fee (as hereinafter defined) on a timely basis, Owner shall reimburse to Operator the full cost of such expenses and fees plus interest at ten percent (10%) per annum within thirty (30) days. Failure by Owner to maintain the agreed upon minimum Working Capital Reserve balance constitutes an Event of Default by Owner and may result in Operator's notifying the Mortgagee of the Default and/or termination of this

Agreement by Operator as provided in Section 11. The initial Working Capital Reserve shall be [_____ Thousand Dollars ($_____,000.00)] and shall be funded by the Commencement Date. In subsequent years during the Term, the amount of the Working Capital Reserve may increase, in which case the new amount shall be established in that year's Annual Plan.

(b) Taxes. All real estate and ad valorem property taxes, assessments and similar charges on or relating to the Hotel during the Term of this Agreement shall be paid by Owner.

(c) Debt Service Payments. Upon direction of Owner, Operator shall establish an account (the "**Property Service Account**") to pay Debt Service Payments in such periodic payments as required by any applicable Mortgagee. In the event sufficient funds are unavailable for the payment of Debt Service Payments from the Property Service Account, then Operator shall notify Owner in writing of such insufficiency and Owner shall in turn replenish the Property Service Account to provide funds for payment of Debt Service.

(d) Capital Improvements Reserve. Owner shall fund a capital improvements and replacements reserve for the Hotel (the "**Capital Improvements Reserve**") by depositing, annually, within sixty (60) days of the beginning of each calendar year, an amount equal to the mutually-agreed upon capital improvement budget for such year as set forth in the approved Annual Plan or in any Mortgage, which shall be not less than four percent (4.00%) per annum of Gross Revenues. Such fund shall be used by Operator to pay for capital improvements and replacements as provided in the approved Annual Plan, including unforeseen costs of compliance projects required to cause the Hotel and its facilities to comply with Applicable Laws, and shall be kept by Operator in a segregated account, apart from the Working Capital Reserve.

(e) Termination. Upon the Termination Date, Operator may require Owner to establish an escrow fund in an amount reasonably acceptable to Operator and Owner. Such escrow fund shall be established from Gross Revenues (or, if Gross Revenues are not sufficient, with funds provided by Owner) to cover the amount of any costs which, in Operator's reasonable business judgment, will likely need to be paid by Operator with respect to pending or contingent claims, including those which arise after Termination for causes arising during the Term of this Agreement. Upon the final disposition of all such pending or contingent claims, any unexpended funds remaining in such escrow shall be paid to Owner.

(f) Provision of Property Information. Owner represent and warrants that it has provided Operator with the information described in the Property Legal Description attached hereto and shall continue to keep Operator apprised of information it receives concerning the Property.

(g) Provision of Facility and FF&E. Owner shall provide the Property legally described in the Property Legal Description attached hereto, the facilities, amenities and improvements described in the Recitals and the FF&E and Inventories to be designed, procured and installed during the Hotel Development. The facility, Inventories and FF & E shall all comply in all material respects with all Applicable Laws.

(h) Print and Web Design; Brand and Marketing Standards:

(i) Owner authorizes Operator to make final decisions consistent with prior consents and the Management Standard on print and web design in order to conform to Operator's Brand Sales and Marketing Standards, provided that: (A) the cost of such marketing collateral is within the approved Annual Plan, and (B) Owner is given full opportunity to review and provide input on draft versions of design.

(ii) Owner shall authorize Property's full participation in Operator's guest loyalty program as described in **Exhibit C** (currently named "**Joy of Life Club**"), the base cost of which is included in the Brand Sales and Marketing Fee described in Section 6(k)(i).

(iii) After completion of any renovation during the Term of this Agreement, Owner shall provide Operator with a design specifications binder which shall include complete interior and exterior design characteristics (including finishes, paint colors, and FF&E specifications).

(i) Operations and Sales Standards:

(i) Owner shall adhere to Operator's standard discount programs for travel professionals and writers, AAA, AARP and VIP guests, at Operator's comparable managed properties and as approved by Owner in the Annual Plan, provided that Owner shall not be required to provide (and Operator agrees not to offer) discounted accommodations or services during periods when the Hotel is reasonably expected to be fully occupied at non-discounted rates (which the parties will determine in connection with their approval of the Annual Plan). The budgeted cost (and/or revenue reduction) to Owner for providing such discounts shall be clearly identified in the Annual Plan and shall be subject to Owner's approval as a part of such plan.

(ii) Owner shall allow Operator to provide to its employees discounts as permitted at Operator's comparable managed properties, subject to any limitations established in the Annual Plan. In no event shall the use of these discounts supersede the access of higher revenue paying customers to the Hotel or materially adversely affect the Net Operating Income.

(iii) Owner shall authorize Operator to enroll Hotel in the Operator's preferred Global Distribution System (GDS) and online booking engine, and to oversee the Property's revenue management strategies on Alternative Distribution Systems ("**ADS**"), provided that the agreements providing for such matters shall be subject to Owner's approval and shall be on commercially competitive terms with Operator's other managed properties and the market.

(iv) Owner shall have the right to approve (a) the Property Management System ("**PMS**") that Operator recommends, and (b) configuring such software for the Property on Operator's standard multi-property platform. Such approvals shall not be unreasonably withheld.

(j) Use of Property Facilities: If, at any time, Operator with Owner's prior written consent facilitates a special event, training session or business meeting at the Hotel for Operator and its Affiliates, Owner shall charge Operator its best available rate (but not less than the Hotel's at-cost expense) for providing guest rooms, catering, and/or meeting facilities. The budgeted cost (and/or revenue reduction) to the Owner for providing such facilities shall be clearly identified in the Annual Plan. In no event shall any such use of these facilities supersede the access of higher revenue paying customers to the use of these same facilities. Owner agrees to pay all travel and out-of-pocket expenses, including limited complimentary overnight housing, reasonably incurred by Operator for those personnel not assigned to the Hotel on a full-time basis but performing services under this Agreement, provided such expenses and complimentary housing is contained within the Owner approved Annual Plan.

(k) Technological Standards: Owner shall authorize, as an expense of the Hotel, participation in Operator's WAN and datacenter as well as Fidelio's Opera Multi-Property PMS, at the cost of such participation that is included in the Owner-approved Annual Plan. The Hotel will receive IT support from Operator's IT Department for a monthly fee as noted in Section 6(k)(v). Owner shall approve purchasing the Hotel's technological equipment to Operator's minimum standards to allow for such support, in each case as provided for in the approved Annual Plan.

(l) Renovation Standards: In connection with any renovation or construction during the Term, Owner shall require its architect(s) or other design professionals by contract to:

(i) provide customary warranties or certifications to Owner and for the benefit of both Owner and Operator that its work shall and does comply with all applicable laws, including but not limited to the federal ADA and all state and local law analogs regarding provision of access to handicapped or disabled persons and if such warranties or certifications are not available, then Owner shall seek an opinion from a qualified expert on rules and regulations relating to accessibility of handicapped persons, and

(ii) contractually assume and retain all liability in connection with the design, preparation and implementation of plans and specifications for work to be performed on the Property, and

(iii) indemnify, defend and hold harmless Owner and Operator from and against any claims based on the alleged non-compliance of the design of the facilities, improvements or alterations designed by Owner's architect(s) or other design professionals with any applicable law, code, rule or regulation to the extent such facilities, improvements or alterations are constructed or installed in accordance with such architect(s) or other design professionals' plans and specifications, and

(iv) carry Professional Errors and Omissions Liability Insurance of not less than One Million Dollars ($1,000,000).

Notwithstanding the foregoing, Owner shall be responsible for providing Hotel improvements and FF&E which comply with all Applicable Laws and shall indemnify, defend

and hold Operator harmless from and against any liability, cost or expense associated with claims arising out of the matters relating to claims described in clause (iii) above.

8. OWNER'S RIGHT TO INSPECT.

Owner, or its accountants, attorneys and duly-empowered agents, shall, after giving Operator reasonable notice except in the event of emergencies, have the right to enter the Hotel at reasonable times during the Term for the purpose of inspecting the Hotel and its operation and examining the Books and Records of the Hotel and making and retaining copies thereof, but the examination or inspection shall be done with as little disruption to the business of the Hotel as possible. Operator may request that Operator be provided with proper identification by the representatives of Owner before any examination or inspection.

9. MANAGEMENT FEES.

(a) Base Management Fee. Beginning the first day of the month of the Commencement Date, Owner shall pay to Operator (b) (4) of the annual Gross Revenue of the Hotel, including revenues generated by Hotel and meeting rooms, the Food and Beverage Operation, and any rent from all or any portion of the Hotel Facilities, (e.g. a spa), retail and ancillary sales from the Property as calculated on the Financial Statements prepared by Operator (the "**Base Management Fee**"). The Base Management Fee shall be paid within ten (10) days following delivery of such Financial Statements. All expense reimbursements to Operator shall be paid within ten (10) days of the date of invoice. Such fees for partial months shall be pro-rated on a per diem basis. This fee is for the Standard Services described at Section 6(a). It does not include the cost of Additional Services or services related to the Brand Sales and Marketing Standards.

(b) Guaranteed Minimum Base Management Fee. In the event that (b) (4) (b) (4) of the guest rooms are out of order in any given month [i.e., _____ or more rooms] for any reason other than Operator's gross negligence or willful misconduct, Operator's shall be paid the (b) (4)

(c) Additional Monthly Fees. In addition to the monthly Base Management Fee payable to Operator under Section 9(a) and (b) above, Owner shall pay monthly fees for additional services related to sales and marketing, people services/human resources, financial and accounting services and information technology support services as described in Section 6(k) on the tenth (10^{th}) day of each month following the month for which they are due. Such fees for partial months shall be pro-rated on a per diem basis.

(d) Incentive Fee. **[TBD]**

(e) Termination Fee. Section 11 describes how the Termination Fee is calculated and the circumstances and conditions under which and when it shall be due.

10. INDEMNIFICATION AND INSURANCE.

(a) Operator Indemnity. Operator shall indemnify and hold Owner (and Owner's agents, shareholders, officers, directors, and employees) harmless from and against all liabilities, losses, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) which are not covered by insurance proceeds that may be incurred by or asserted against any such party and that arise from:

(i) the fraud, willful misconduct or gross negligence of Operator; provided, however, that the act or omission of any employee of Operator who is not an Executive Employee, which act or omission is willful or constitutes fraud or gross negligence on the part of such employee, shall not constitute fraud, gross negligence or willful misconduct on the part of Operator unless Operator's home office or regional staff, or an Executive Employee, acted with gross negligence in employing, training, supervising or continuing the employment of such employee;

(ii) the infringement of any of Operator's intellectual property rights (including trademarks, software, etc.) on the intellectual property rights of any third party;

(iii) knowing or reckless placing, discharge, leakage, use or storage, of hazardous materials on the Hotel or in the Hotel by Operator during the Term of this Agreement; or

(iv) the breach by Operator of any provision of this Agreement, including, without limitation, any action taken by Operator which is beyond the scope of Operator's authority under this Agreement, which is not cured within any applicable notice and cure periods. Owner shall promptly provide Operator with written notice of any claim or suit brought against it by a third party which might result in such indemnification.

(b) Owner Indemnity. Except with respect to matters for which Operator is obligated to provide indemnification pursuant to Section 10(a), Owner shall indemnify and hold Operator (and Operator's agents, principals, partners, members, officers, directors, and employees) harmless from and against all liabilities, losses, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) which are not covered by insurance proceeds and that may be incurred by or asserted against such party and that arise from or in connection with:

(i) the performance of Operator's services under this Agreement;

(ii) the condition or use of the Hotel, to the fullest extent permitted by law, including without limitation, any injury to person(s) or damage to property or business by reason of any cause whatsoever in or about the Hotel;

(iii) any Employee Related Termination Costs, including any liability to which Operator is subjected pursuant to the Warn Act in connection with the termination of this Agreement, provided that Operator has provided notices in the form (other than any reference to the time period) required by the Warn Act within five (5) business days of Operator's receipt of a notice of the termination of this Agreement (excluding any termination of this Agreement which results from the commission of any theft, embezzlement or other criminal misappropriation of funds of the Hotel or from the Owner or any fraud or felony by any Executive Employee that relates to or materially affects the operation or reputation of the Hotel);

(iv) the Employee Costs and Expenses as set forth in this Agreement; or

(v) any Employee Claims (excluding any Excluded Employee Claims). Operator shall promptly provide Owner with written Notice of any claim or suit brought against it by a third party which might result in such indemnification.

(c) Indemnification Procedure. Any party obligated to indemnify the other party under this Agreement (the "**Indemnifying Party**") shall have the right, by Notice to the other party, to assume the defense of any claim with respect to which the other party is entitled to indemnification hereunder. If the Indemnifying Party gives such notice:

(i) such defense shall be conducted by counsel selected by the Indemnifying Party and approved by the other party, such approval not to be unreasonably withheld or delayed (provided, however, that the other party's approval shall not be required with respect to counsel designated by the Indemnifying Party's insurer);

(ii) so long as the Indemnifying Party is conducting such defense with reasonable diligence, the Indemnifying Party shall have the right to control said defense and shall not be required to pay the fees or disbursements of any counsel engaged by the other party for services rendered after the Indemnifying Party has given the Notice provided for above to the other party, except if there is a conflict of interest between the parties with respect to such claim or defense; and

(iii) the Indemnifying Party shall have the right, without the consent of the other party, to settle such claim, but only provided that such settlement involves only the payment of money, the Indemnifying Party pays all amounts due in connection with or by reason of such settlement and, as part thereof, the other party is unconditionally released from all liability in respect of such claim.

The other party shall have the right to participate in the defense of such claim being defended by the Indemnifying Party at the expense of the other party, but the Indemnifying Party shall have the right to control such defense (other than in the event of a conflict of interest between the parties with respect to such claim or defense). In no event shall (A) the other party settle any claim without the consent of the Indemnifying Party so long as the Indemnifying Party is conducting the defense thereof in accordance with this Agreement; or (B) if a claim is covered by the Indemnifying Party's liability insurance, take or omit to take any action which would cause the insurer not to defend such claim or to disclaim liability in respect thereof.

(d) Insurance. Owner shall purchase, at Owner's expense, the insurance coverages listed below; unless Owner elects in writing for Operator to arrange for the purchase of such coverage at Owner's expense. Such policy shall meet the requirements of any Mortgagee and shall include coverage by endorsement or separate policy for alcoholic beverage service (if the Hotel's assets include a liquor license). Such insurance policy shall name Operator as an additional insured and shall include, without limitation, the following:

(i) Extended Coverage, Boiler, Business Interruption and Liability Insurance.

(A) Insurance with respect to the Improvements and personal property comprising the Hotel Facilities on the "**Special Form**" (formerly "**All Risk**" form) (including earthquake and flood in reasonable amounts as determined by Owner or required by its Lender) in an amount not less than one hundred percent (100%) of the then "**Full Replacement Cost**" thereof (as defined below) or such other amount which is acceptable to Owner, and personal property insurance on the "Special Form" in the full amount of the replacement cost thereof, with deductibles in amounts determined from time to time by Owner;

(B) Insurance for loss or damage (direct and indirect) from steam boilers, pressure vessels or similar apparatus, now or hereafter installed in the Hotel, in the minimum amount of Five Million Dollars ($5,000,000) or in such greater amounts as are then customary or as may be reasonably requested by Owner from time to time;

(C) Loss of income insurance on the "Special Form", for one year and business interruption insurance on the "Special Form" in the amount of one year of projected Gross Operating Profit, or such amount as is required under the loan agreements with Lender. All loss of income insurance proceeds shall be part of Gross Revenues;

(D) Commercial general liability insurance, written on an ISO occurrence form CG 00 01 01 96 or its equivalent or similar proprietary form of the insurer which also, at a minimum, meets the requirements of all Mortgagees and CC&Rs, with amounts not less than One Million Dollars ($1,000,000.00) combined single limit for each occurrence and Two Million Dollars ($2,000,000.00) for the aggregate of all occurrences within each policy year, as well as excess liability (umbrella) insurance with limit of at least [Twenty Five Million Dollars ($25,000,000)] per occurrence, covering each of the following: bodily injury, death, or property damage liability per occurrence, personal and advertising injury, general aggregate, products and completed operations, and "**all risk legal liability**" (including liquor law or "**dram shop**" liability;

(E) Automobile insurance on vehicles operating in conjunction with the Hotel with limits of liability of at least One Million Dollars ($1,000,000.00) combined, single limit coverage;

(F) Builder's Risk Insurance at all times when construction, repairs or alterations are being made on the Property; and

(G) Insurance covering such other hazards and in such amounts as may be customary for comparable properties in the area of the Hotel and that is available from insurance companies, insurance pools or other appropriate companies authorized to do business in the Hotel is located at rates which are economically practicable in relation to the risks covered as may be reasonably requested by Owner and otherwise consistent with the costs allocated therefor in the Annual Operating Budget.

(ii) Operational Insurance. Operator shall obtain and maintain at the Owner's expense, the following insurance for the Hotel:

(A) If, when and to the extent Operator is the employer of employees working at the Hotel, it will obtain and maintain a workers' compensation policy for such employees. Regardless of whether the policy is obtained by the Operator or the Owner, the policy will be such. Workers' compensation and employer's liability insurance as may be required by Applicable Law and as Operator may deem reasonably prudent covering all of Operator's employees at the Hotel, with such deductible limits or self-insured retentions as may be reasonably established from time to time by Operator;

(B) Fidelity bonds, or dishonest employee insurance and employment practices liability insurance with limits and deductibles as may be reasonably requested by Owner, covering Operator's employees in job classifications normally bonded under prudent hotel management practices in the United States or otherwise required by law; and

(C) Such other insurance in amounts as Operator in its reasonable judgment deems advisable for its protection against claims, liabilities and losses arising out of or connected with its performance under this Agreement, and otherwise consistent with the costs allocated therefor in the Annual Operating Budget. This may, at Operator's option, include Employment Practices Liability Insurance (EPLI) coverage. Owner agrees to pay the premium for any optional additional coverage based on the underwriting criteria specific to the Property.

(iii) Replacement Cost. The term "**Full Replacement Cost**" as used herein shall mean the actual replacement cost of the Hotel requiring replacement from time to time including an increased cost of construction endorsement, if available, and the cost of debris removal.

(iv) Limits. If either party to this Agreement at any time deems the limits of the personal injury or property damage under the comprehensive commercial general liability insurance then carried to be either excessive or insufficient, such parties shall endeavor in good faith to agree on the proper and reasonable limits for such insurance to be carried and such insurance shall thereafter be carried with the limits thus agreed on until further change pursuant to the provisions of this Section 10(d). All deductibles applicable to any of the required insurance shall be acceptable to Owner.

(v) Blanket Policy. If Owner elects to have Operator arrange for and purchase the insurance for the Hotel, notwithstanding anything to the contrary contained in this Section 10(d), Operator may include the insurance required hereunder within the coverage of a so-called

blanket policy or policies of insurance carried and maintained by Operator; provided, however, that the coverage afforded under these will not be reduced or diminished or otherwise be different from that which would exist under a separate policy meeting all other requirements of this Agreement. At the Owner's option, subject to umbrella insurer's approval, Owner may be added to such umbrella policy at Owner's expense if Owner and the Property are on the umbrella insurer's liability policy.

(vi) Costs and Expenses. The cost of maintaining insurance and costs related thereto shall be the responsibility of the Owner. Insurance premiums and any costs or expenses with respect to the insurance, including, without limitation, agent's and consultant's costs used to place insurance or adjust claims, shall be expenses of the Hotel. Premiums on policies for more than one year shall be charged pro-rata against Gross Revenues over the period of the policies and to the extent, through blanket policies, such premiums cover other hotels managed by Operator or owned by Owner or any of its Affiliates, they shall be allocated based on rooms, number of employees, values or other methods as determined to be reasonable by Operator and Owner. Any reserves, losses, costs, damages or expenses which are uninsured, self-insured, or fall within deductible limits shall be treated as a cost of insurance and shall be expenses of the Hotel.

(vii) Policies and Endorsements.

(A) Where permitted, all insurance provided for under this Section 10(d) shall name Owner as insured, and Operator and any Mortgagee, as additional insureds. The party procuring such insurance shall deliver to the other party certificates of insurance with respect to all policies so procured, including existing, additional and renewal policies and, in the event of insurance about to expire, shall deliver certificates of insurance with respect to the renewal policies not less than ten (10) days prior to the respective dates of expiration.

(B) All policies of insurance provided for under this Section 10(d) shall, to the extent obtainable, be with insurance companies licensed or authorized to do business in the state in which the Hotel is located, with a minimum rating of A or better in the Best's Insurance Guide and an S&P rating of at least A+V (or such higher rating if so required by any Mortgagee), and shall have attached thereto an endorsement that such policy shall not be cancelled or materially changed without at least thirty (30) days' prior written notice to Owner and Operator. All insurance policies obtained pursuant to this Section 10(d) shall contain a standard waiver of subrogation endorsement.

(viii) Termination. Upon the Termination Date, an escrow fund in an amount reasonably acceptable to Operator and Owner shall be established from Gross Revenues (or, if Gross Revenues are not sufficient, with funds provided by Owner) to cover the amount of any costs which, in Operator's reasonable business judgment, will likely need to be paid by Operator with respect to pending or contingent claims, including those which arise after Termination for causes arising during the Term of this Agreement. Upon the final disposition of all such pending or contingent claims, any unexpended funds remaining in such escrow shall be paid to Owner.

(ix) Owner assumes all risks in connection with the adequacy of any insurance program and carrier.

(X) OWNER AND OPERATOR WAIVE ALL RIGHTS AGAINST EACH OTHER AND ANY OF THEIR CONTRACTORS, AGENTS AND EMPLOYEES, EACH OF THE OTHER, FOR DAMAGES CAUSED BY FIRE OR OTHER CAUSES OF LOSS TO THE EXTENT COVERED BY PROPERTY INSURANCE OBTAINED PURSUANT TO THIS AGREEMENT.

(e) Survival. The provisions of this Article 10 shall survive the termination of this Agreement with respect to acts, omissions and occurrences arising during the Term.

11. TERMINATION.

(a) Owner's Termination Right. Owner may terminate this Agreement with such advance notice as is required for Operator to be able to comply with all applicable labor and employment laws including but not limited to the WARN Act or any state law analog thereof or, if the WARN Act or any state law analog thereof is not applicable to such termination, sixty-five (65) days advance notice, at any time after the occurrence of one or more of the following events (individually an "Event of Default by Operator"):

(i) Operator fails to keep, observe, or perform any material provision of this Agreement and such default continues for a period of sixty (60) days after written notice thereof by Owner to Operator without a cure by Operator of such default (provided, however, that if the default cannot be cured with in such sixty (60) day period, but Operator has promptly commenced in good faith to diligently cure such default, Operator shall have an additional period, not to exceed thirty (30) days, within which to effect such cure); or

(ii) Operator files a petition for adjudication as a bankrupt, for reorganization, or for an arrangement under any bankruptcy or insolvency law, or if any involuntary petition under any such law is filed against Operator and not dismissed with sixty (60) days; or

(iii) Operator makes an assignment of substantially all its property for the benefit of creditors; or

(iv) the Property or any portion thereof containing the Hotel shall be significantly damaged or destroyed by fire or other casualty or any other cause as specified in Section 12 of this Agreement, or taken in whole or in part by eminent domain proceedings, or a deed under threat of such proceedings and the Owner determines that it is not commercially reasonable to continue operation of the Hotel; or

(v) Operator shall assign or purport to assign any part of Operator's interest in this Agreement, in violation of this Agreement.

(b) Operator's Termination Right. Except as may be provided in Operator's agreements with any Mortgagee, Operator may terminate this Agreement upon not less than sixty five (65) days advance notice (unless a longer period is required for compliance with Applicable Law, such as the WARN Act, in which case Operator shall provide such additional notice as is required to comply with such requirements) for any of the following reasons:

(i) If Owner shall fail to keep, observe, or perform any material covenant, agreement, term, or provision to be kept, observed, or performed by Owner, and such default shall continue for a period of thirty (30) days after notice thereof by Operator to Owner, or if such default cannot be cured within thirty (30) days, then such additional period as shall be reasonable, provided that Owner has proceeded to cure such default; or

(ii) If Owner files a petition for adjudication as a bankrupt, for reorganization, or for an arrangement under any bankruptcy or insolvency law, or if any involuntary petition under any such law is filed against Owner and not dismissed within sixty (60) days; or

(iii) If the entire Property or any portion thereof containing the Hotel is damaged or destroyed by fire or other casualty and thereafter Owner fails to undertake to repair, restore, rebuild, or replace any such damage or destruction and Operator elects to terminate as provided in Section 12(a); or

(iv) If Owner fails to maintain agreed-upon minimum balance in the Working Capital Reserve within fifteen (15) days of written demand; or

(v) If compensation due Operator from Owner is not received by Operator ten (10) days after Operator has made a written demand for such compensation; or

(vi) If the new owner (other than an owner in which Owner has an indirect or direct ownership interest) following a sale or other transfer is not acceptable for any legitimate business reason relating to such new owner, e.g., lack of resources or poor reputation.

In the event that Owner terminates this Agreement pursuant to Section 11(a) or at the end of the Term, Owner shall within ten (10) days of the Termination Date pay to Operator all sums due hereunder, including the Base Management Fee prorated to the Termination Date as well as any other payables due to Operator, but shall not be liable to Operator for any termination penalty or Termination Fee.

(c) Owner's Election to Terminate Without Cause. Owner may, at any time upon not less than sixty (60) days prior written notice to Operator, elect to terminate this Agreement without cause including as provided in Section 11(a) provided it pays the Termination Fee set forth in Section 11(d), below. Owner acknowledges that Operator may require such period in order to comply with the requirements of the federal WARN Act (or any state law analog thereof) as it pertains to the mass layoff of employees at a facility, in the event it applies to the Hotel workforce. If Owner terminates this Agreement for purposes of selling the Hotel to a third party, Owner shall inform Operator of the identity of the contract purchasers, and Owner shall be subject to a Termination Fee as set forth in Section 11(d). Operator, at its election; may offer to

provide management services to such contract purchaser after the closing of the sale. Owner shall, in connection with such sale, by a separate document reasonably acceptable to Owner and Operator, indemnify and hold Operator harmless against any and all losses, costs, damages, liabilities and court costs, claims and expenses, including, without limitation, reasonable attorneys' fees arising or resulting from the failure of Owner or such prospective purchaser to provide any of the services contracted for in connection with the business booked for such hotel to, and including, the date of such Termination, in accordance with the terms of this Agreement, including without limitation, any and all business so booked as to which facilities and/or services are to be furnished subsequent to the date of Termination, provided that any settlement by Operator of any such claims shall be subject to the prior written approval of Owner which shall not be unreasonably withheld, conditioned or delayed.

(d) Termination Fee. During the Term of this Agreement, should the Owner terminate this Agreement for any cause listed in Section 11(a) or should Operator terminate this Agreement without cause or in the event that Owner sells, ground leases or otherwise transfers the Property or the Hotel to a third party that is willing to assume the rights and duties of Owner under this Agreement in writing (regardless of any exercise of Operator's right to terminate under Section 11(b)) or otherwise engages Operator as the manager of the Property pursuant to a formal, binding agreement with a term of not less than the period otherwise remaining in the Term, no Termination Fee or termination penalty or payment shall be due to Operator. However, if this Agreement is terminated by Operator pursuant to Section 11(b), or Owner pursuant to Section 11(c), Owner shall pay Operator a Termination Fee equal to:

(b) (4)

(e) Covenant Against Hiring General Manager. For a period of twelve (12) months following the Termination Date, except in the event of a termination of this Agreement due to an Operator default, Owner shall not consult with, offer employment to or hire any employee of Operator with managerial responsibility for the Hotel, including any general manager ever employed by Operator which has worked at the Hotel during the twelve (12) months prior to the Termination Date.

(f) Transition. Upon any termination of this Agreement, Operator shall cooperate in all reasonable ways (at Owner's cost and expense and subject to reimbursement from Owner) to accomplish an orderly and expeditious transition of management functions to Owner or its new manager, including but not limited to: (i) delivering all books, records and documents in a conveniently usable form, (ii) making computer and software systems available to accomplish a smooth transition, (iii) transferring all assignable permits, licenses and governmental rights, (iv) with respect to other permits and licenses, entering into transition agreements in mutually agreeable form that permit the continuing operation of the Property, (v) removing all of

Operator's signage and identifying trademarks, (vi) transferring and assigning all leases and service and supply contracts in the name of Operator which are transferable, (vii) notifying customers and those with bookings, (viii) delivering all cash, accounts and other property of Owner, (ix) transferring employees to an entity selected by Owner, but only if Owner elects to have such employees transferred, which election shall be in Owner's sole discretion, (x) providing financial statements through the Termination Date, and (xi) assigning and transferring to Owner all receivables and all reservations and bookings for the Hotel. Owner shall have a temporary license for the use of any proprietary software used by Operator at or in connection with the Hotel, for a reasonable period prior to and after Termination, for the purpose of retrieving all financial records and information maintained by Operator with respect to the Hotel and its operations, and Operator shall cooperate with Owner in the retrieval of such data and the adaptation thereof to the software and operating systems of Owner or any successor manager. In addition:

(i) From and after the Commencement Date, Operator shall be responsible for delivering, and shall deliver, all required notices under, pursuant to, and in accordance with the provisions of the United States Worker Adjustment and Retraining Notification Act, as amended (the "**WARN Act**"), specifying therein the projected date of Termination as the anticipated date for Termination of employment (such notices being referred to herein as "**WARN Act Notices**"). The WARN Act Notices shall be delivered to all employees whose employment may be terminated as a result of a termination of this Agreement no later than five (5) business days following Operator's receipt of any notice of a Termination hereunder. In the event Owner determines that, for any reason, the termination of this Agreement will occur on a date later than the date originally projected by Owner, Owner shall notify Operator in writing of such change (specifying therein a revised termination date) so that Operator can so advise its employees. Any costs reasonably incurred in delivering WARN Act Notices shall constitute an Operating Expense of the Hotel.

(ii) Operator shall, on the date of Termination, provide Owner with a complete list of all advance bookings and reservations, the terms applicable thereto, and the amount of advance deposits (if any) received with respect to each such booking. Operator agrees that, unless otherwise directed by Owner in writing, Operator shall continue (up to the date of Termination) to book reservations for rooms or public space for dates both before and after the termination of this Agreement is to occur, in the same manner as though a termination were not occurring. In no event shall Operator refer guests or other users of space in the Hotel to any other facility owned, managed, or operated by Operator or any Affiliate of Operator if there are rooms or other applicable space available in the Hotel.

(iii) Within ninety (90) days following any termination, Operator shall prepare a final accounting for the final Fiscal Year in which such termination occurs, in the form and manner required for annual reports under Section 6(g), and Owner agrees to permit Operator reasonable access to the relevant Books and Records of the Hotel to enable Operator to prepare such final accounting. Such accounting shall be at the expense of Owner and shall constitute an Operating Expense hereunder attributable to such final Fiscal Year.

(iv) Owner or any successor operator of the Hotel shall be entitled to offer continuing employment at the Hotel to any Hotel employees, including Executive Employees, and Operator shall cooperate in making such personnel available for interviews with Owner or any successor operator in connection with the decision of whether to retain any or all such persons. Operator shall cooperate with Owner after Termination to transfer to Owner, or to such successor operator or designee, all of Operator's rights under contracts relating to Hotel employees of Operator which Owner, in its sole option, decides to accept; provided, that Owner shall remain bound by and shall honor (and to cause any successor operator to honor) any collective bargaining agreement approved by Owner pursuant to Section 6(d)(ii) hereof, for the balance of the term of any such collective bargaining agreement. Except as otherwise expressly provided above, nothing in this Agreement mandates or requires that, upon a Termination, Owner, any purchaser of the Hotel, or any successor operator of the Hotel, offer employment to any Hotel employee of Operator, or if employment is offered, that such employment will be under the same hours, wages and working conditions as existed prior to the Termination. Upon Termination, all workers' compensation and unemployment costs as well as all unpaid salaries, vacation pay, sick leave benefits and other accrued benefits, including required payments to multi-employer pension plans or other pension liabilities up to the date of Termination, shall be paid by Operator as an Operating Expense unless otherwise mutually agreed to by Owner and Operator (it being expressly agreed that if sufficient funds are not available to Operator, either in the Operating Account or otherwise from Hotel funds, Owner shall pay such amounts); provided, however, that the allocation of benefit plan liability shall be governed by the provisions of **Exhibit E** attached hereto. Also, any accrued costs (if not due as of the date of Termination) such as advances on salaries and bonus reserves established by Operator and accounted for as Operating Expenses for periods prior to Termination shall be credited to Owner. Where permissible, at termination, at Owner's option, Operator shall transfer to Owner its workers' compensation and unemployment insurance ratings.

(v) Operator agrees that it will cease the use of the name of the Hotel and all trademarks, service marks, trade names, symbols, logos or designs relating to the Hotel as of the date of termination (collectively, the "**Hotel Marks**") and shall discontinue all listings of the Hotel in all marketing and promotional materials used by Operator. Operator acknowledges and agrees that of the Hotel Marks and such other materials are and shall remain the sole property of Owner, and Operator shall not derive or obtain any rights or interests therein by reason of this Agreement or its management, marketing, and operation of the Hotel.

(vi) Notwithstanding any Termination under this Agreement, each party shall be liable to the other for its obligations accruing under this Agreement up to the date of Termination. By terminating this Agreement in accordance with the provisions hereof, neither party shall be deemed to have waived any action it might have, in law or in equity, by reason of a breach of or default under this Agreement. The provisions of this Section 11(f) shall survive the termination of this Agreement.

(g) Failure to Perform. If Operator or Owner at any time fails to make any payments as specified or required hereunder or fails to perform any other act required on its part to be made or performed hereunder without limitation, then the other party after thirty (30) days' written notice to the defaulting party may (but shall not be obligated to) pay any such delinquent

amount or perform any such other act on the defaulting party's part. Any sums thus paid and all costs and expenses incurred in connection with the making of such payment or the proper performance of any such act, together with interest thereon at the lesser of (i) the interest rate allowed by the applicable usury laws or (ii) at the Prime Rate plus three percent (3%), from the date that such payment is made or such costs and expenses incurred, shall constitute a liquidated amount to be paid by the defaulting party under this Agreement to the other party on demand. For the purposes of this Section, the term "**Prime Rate**" shall mean the "prime rate" as published in the "**Money Rates**" section of The Wall Street Journal; however, if such rate is, at any time during the Term of this Agreement, no longer so published, the term "**Prime Rate**" shall mean the average of the prime interest rates which are announced, from time to time, by the three (3) largest banks (by assets) headquartered in the United States which publish a "prime rate".

12. DAMAGE OR DESTRUCTION.

(a) In the event the Hotel is significantly damaged or destroyed by fire or other casualty (i.e., if fifty percent (50%) or more of the common area facilities or fifty percent (50%) or more of the guest rooms are damaged or destroyed), either Operator or Owner shall have the option to terminate this Agreement without penalty or Termination Fee to Owner or Operator upon fifteen (15) days prior written notice specifying a date not less than thirty (30) days from the date of the notice (except to the extent WARN Act requirements apply, in which case either (i) the Termination date shall be delayed for a period sufficient to enable Operator to provide WARN Act Notices (as provided above), or Owner shall be responsible for paying the employees wages for sixty (60) days from the date of notice to the Hotel employees).

(b) In the event the Hotel is significantly damaged or destroyed by fire or other casualty and Owner elects upon thirty (30) days notice from the date of such damage or destruction to repair or reconstruct the damaged facilities or to replace them with new facilities, and if neither Operator nor Owner exercises its option to terminate:

(i) if Operator does not receive insurance proceeds to cover its Fees during such repair period or if such loss does not occur during the last year of the Term, the Term of this Agreement shall be extended for a time equal to the period required for reconstruction activities to be completed as reasonably determined by Owner based on an independent contractor or other qualified third party estimate and set forth in a notice from Owner to Operator within five (5) days after Owner makes such determination;

(ii) it is understood and agreed that Operator shall not be in default of any provisions of this Agreement for failure to operate and maintain the Hotel in accordance with the physical and operational standards required in this Agreement to the extent the ability of the Operator to perform its obligations hereunder is impaired or impeded during the term of such rehabilitation, repair or reconstruction and until the expiration of all notice periods respecting any failure by Operator to perform its obligations;

(iii) Owner and Operator agree to cooperate and coordinate with Owner's contractors and suppliers to enable Owner to promptly and diligently commence and complete

the work as expeditiously as possible while allowing Operator to maximize revenues generated from the Property; and,

(iv) If Owner does not exercise its right to terminate this Agreement under Sections 11(a) and 12(a), Owner shall promptly and diligently restore the Hotel and the alterations made to it after the date of this Agreement to substantially the same condition as existed prior to the casualty, except for modifications required by building codes and other laws, subject to reasonable delays for insurance adjustment and other matters beyond Owner's control.

13. CONDEMNATION.

(a) In the event all of the Hotel, or a substantial portion of the Hotel (i.e., more than half the rooms) are required to close for a period of two (2) consecutive months or more and therefore Owner determines that it is not feasible to continue to operate the Hotel in substantially the same manner as it has historically been operated, and such closure is due to any eminent domain, condemnation, compulsory acquisition, or similar proceeding by any competent authority for any public or quasi-public use or purpose, either Owner or Operator may elect to terminate this Agreement, subject to the requirements of the applicable underlying Mortgage. However, in any event of such termination, Owner shall pay Operator the Termination Fee provided for in Section 11(d) and give sufficient advance notice to Operator to allow it to comply with the WARN Act and any state law analog thereof. In the event of such termination, neither party shall have any further rights, remedies, obligations or liabilities one to the other hereunder with respect to such Hotel, except as otherwise provided above, with regard to destruction, and except for those provisions of this Agreement that expressly survive a termination.

(b) If less than a substantial portion of the Hotel shall be taken, or the entire Hotel shall be temporarily affected (i.e., for less than two (2) consecutive months), the result of either of which is not to make it, in the judgment of Owner, unreasonable to continue to operate the Hotel, this Agreement shall not terminate. However, so much of any award for any such partial taking or condemnation shall be made available to the extent necessary to render the applicable Hotel equivalent to its condition prior to such event and the balance shall be paid to Owner or the Mortgagee, if required by any Mortgage covering the Hotel. If Operator does not receive any award for any remaining portion, and in Operator's opinion the remaining portion of the Property cannot be operated at a level desirable to Operator, Operator shall have the right to terminate this Agreement and receive the Termination Fee.

14. NOTICES.

Any notice, demand, election, request, or other communication which is required or desired to be given in connection with this Agreement shall be given in writing and delivered (i) personally, (ii) certified or registered mail, postage prepaid, return receipt requested, (iii) nationally-recognized overnight courier, such as Federal Express or Airborne Express, or (iv) facsimile or email followed by both telephonic confirmation of receipt and delivery of a "hard copy" thereof in the manner provided in clause (i), (ii), or (iii) above, in each case properly

addressed and sent to the address or facsimile number (as the case may be) set forth below, addressed to the parties at the addresses shown below, or to such other address as the receiving party may from time to time designate in writing in compliance with the terms of the notice provision. Any such notice shall be deemed given and effective upon receipt or (i) if delivered by hand on the date of delivery or on the date that delivery was refused by the addressee, or (ii) if delivered by certified mail or by overnight courier, on the date of delivery as established by the return receipt or courier service confirmation (or the date on which the return receipt or courier service confirms that acceptance of delivery was refused by the addressee), or (iii) if delivered by facsimile or email, on the day on which the same is sent by facsimile or email if receipt of the entire transmission is confirmed prior to 5:00 p.m. prevailing local time of the recipient (and if later than that time, then on the next business day).

IF TO OWNER:

_____

_____

_____

Attn: _____

with a copy to:

_____

_____

_____

IF TO OPERATOR:

Joie de Vivre Hospitality, Inc.
530 Bush Street
San Francisco, CA 94102
Attn: Stephen T. Conley, Jr., CEO

with a copy to:

Law Offices of Eric L. Laurence
436 14th Street, Suite 716
Oakland, CA 94612
Ph: (510) 835-5540
Fax: (510) 835-5541
Attn: Eric L. Laurence

15. ASSIGNMENT.

(a) Operator. Operator, without consent of Owner (but with advance written notice to Owner), shall have the right to assign this Agreement: (i) to any successor or assignee of Operator which may result from any merger, consolidation, or reorganization; or (ii) to any corporation or entity, more than fifty percent (50%) of whose voting stock or control interests are owned directly or indirectly by Operator; or (iii) to another corporation or entity which shall acquire all or substantially all of the business and assets of Operator. Operator shall not otherwise assign or transfer this Agreement or any of its rights or obligations hereunder without the prior written consent of Owner, which shall not be unreasonably withheld.

(b) Owner. Owner may, without the consent of Operator, assign this Agreement to any successor or assignee of Owner that is controlled by Owner. No assignment to a purchaser of the Property shall be effective or recognized by Operator until the assignee has executed an assumption agreement in form and substance acceptable to Operator expressly assuming for the benefit of Operator, Owner's obligation under this Agreement.

(c) Subordination. Owner shall have the right at any time to mortgage, hypothecate, pledge or otherwise encumber all or any part of the Property or Owner's interest therein. Operator agrees to the subordination of this Agreement and Operator's rights hereunder to the rights of any current or future Mortgagee and agrees upon the request of such mortgagee to attorn to and acknowledge and accept the assignment of this Agreement to such mortgagee or its designee as additional collateral. At the request of Owner or any Mortgagee, Operator shall enter into an agreement or agreements for the benefit of the Mortgagee, in such form as the Mortgagee reasonably may require, that (i) expressly subordinate the rights and interests under this Agreement to the liens, claims, and interests of the Mortgagee, (ii) provide for Operator to attorn to perform for the benefit of the Mortgagee under this Agreement in the event the Mortgagee shall foreclose or otherwise succeed to possession of title to the Hotel, (iii) in the event the Mortgagee elects to terminate this Agreement in connection with any foreclosure or other enforcement of its Mortgage, provide for the transition of responsibility for the management and operation of the Hotel from Operator to a successor manager or operator, and/or (iv) address such other matters as the Mortgagee reasonably may require. If requested by Mortgagee, Operator shall provide Mortgagee notice of any Owner default under this Agreement concurrently at the time of delivery of notice to Owner and afford Mortgagee an opportunity to cure any such Owner default on behalf of Owner.

16. OTHER MORTGAGEE AGREEMENTS AND REQUIREMENTS.

(a) Sweep Accounts, Lockbox and Cash Management Agreements. Operator will, at any time and from time to time within fifteen (15) days of the request of Owner or a Mortgagee execute, acknowledge, and deliver to Mortgagee such agreements regarding the Mortgagee's rights to Hotel accounts as are in Operator's opinion reasonably requested.

(b) Estoppels. Owner and Operator will, at any time and from time to time within fifteen (15) days of the request of the other party or a Mortgagee, execute, acknowledge, and deliver to the other party and such Mortgagee as applicable, a certificate certifying:

(i) That the Agreement is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating such modifications);

(ii) The dates, if any, with respect to which the distributions of excess Working Capital have been paid;

(iii) Whether there are any existing Event(s) of Default or events which, with the passage of time, would become an Event of Default, by the other party to the knowledge of the party making such certification, and specifying the nature of such Event(s) of Default or events which, with the passage of time, would become an Event of Default, if any; and

(iv) Such other matters as may be reasonably requested.

17. PROPRIETARY MARKS; INTELLECTUAL PROPERTY.

(a) Computer Software and Equipment. All "**Software**" (meaning all computer software and accompanying documentation, other than software which is commercially available, which are used by Operator in connection with the property management system, any reservation system and all future electronic systems developed by Operator for use in the Hotel) is and shall remain the exclusive property of Operator or Affiliate of Operator (or the licensor of such Software, as the case may be), and Owner shall have no right to use, or to copy, any Software. Upon Termination, Operator shall have the right to remove from the Hotel, without compensation to Owner, all Software, and any computer equipment which is utilized as part of a centralized property management system or is otherwise considered proprietary by Operator, excepting any software which is owned by a franchisor, if applicable; provided that Operator shall cooperate with Owner in the transition of the centralized management system to the new Operator, including in the change of any Software and computer equipment. If any of such computer equipment is owned by Owner, Operator shall reimburse Owner for previous expenditures made by Owner for the purchase of such equipment, subject to a reasonable allowance for depreciation.

(b) Intellectual Property. All "**Intellectual Property**" (meaning all Software and manuals, brochures and directives issued by Operator to its employees at the Hotel regarding procedures and techniques to be used in operating the Hotel) shall at all times be proprietary to Operator or its Affiliates, and shall be the exclusive property of Operator or its Affiliates. Upon termination, all of Operator's Intellectual Property shall be removed from the Hotel by Operator, without compensation to Owner. Operator shall not use the name of Owner in connection with the Hotel nor promote the Hotel under the name of Owner or any Affiliate of Owner, or any similar name, without Owner's approval.

(c) Books and Records. All Books and Records maintained with respect to the Hotel, including guest records but excluding employee records, shall be the sole property of Owner but may be used by the Operator during the Term in connection with its management and operation of the Hotel.

18. GOVERNING LAW.

The Agreement shall be deemed to be made and entered into pursuant to the laws of the State of California and, in the event of any dispute, shall be governed by and construed and interpreted in accordance with the laws of the State of California, including the choice of law doctrines of California.

19. CONSTRUCTION.

The language used in the Agreement shall be deemed to be language chosen by both parties hereto to express their mutual intent, and no rule of strict construction against either of the parties shall apply to any term or condition of this Agreement.

20. WAIVER.

The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

21. INTEGRATION.

The Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes and cancels all previous written or oral understandings, agreements, commitments or any other writing or communication in respect of such subject matter. This Agreement may not be released, discharged, abandoned, changed or modified in any manner except by an instrument in writing signed by each of the parties thereto.

22. EXPERT DETERMINATION.

If, under the applicable provisions of this Agreement, a matter is to be referred to an Expert for determination, the following provisions shall apply:

(a) The decision of the Expert shall be final and binding on the parties and shall not be subject to challenge, whether by arbitration, in court or otherwise. The Expert shall issue its decision in the form of a written and signed determination (the "**Ruling**") within the period set forth below, which shall contain the factual and legal bases for such determination. The Ruling shall be binding upon the parties in accordance with its terms, and the Ruling may be presented by any party to any court of competent jurisdiction, whether state or federal, for entry as a declaratory judgment in accordance with the Ruling.

(b) Each party shall be entitled to make written submissions to the Expert. If either party makes any submission to the Expert, such party shall also provide a copy of such submission to the other party, and the other party shall have the right to comment on such submission. Each party may serve a request for production of tangible and documentary evidence relevant to the subject matter of the dispute. Responses to a request for production shall be due twenty-five (25) days after receipt. Each party may call persons to testify as expert witnesses, provided that the identity of each expert witness shall be disclosed to the other party no later than thirty (30) days after the appointment of the Expert, and no more than two (2) expert witnesses may be used by either party with respect to any particular dispute. Each party

may depose up to, but no more than, three (3) witnesses (in addition to expert witnesses), provided, however, that each party is limited to no more than a total of fifteen (15) hours of deposition time in the aggregate. All discovery must be completed within ninety (90) days after appointment of the Expert. The parties shall make available to the Expert all books and records relating to the issue in dispute, and shall render to the Expert any assistance requested of the parties. The costs of the Expert and of the proceedings shall be borne as directed by the Expert unless otherwise provided for herein.

(c) The terms of engagement of the Expert shall include an obligation on the part of the Expert to (i) establish a timetable for the making of submissions and replies, (ii) apply the Management Standards and the provisions if this Agreement, and (iii) notify the parties in writing of the Expert's decision within forty-five (45) days after the date on which the Expert has been selected (or within such other period as the parties may mutually agree upon and which is acceptable to the Expert). All Experts shall be and shall certify that they are neutral, disinterested, unaffiliated, experienced in the relevant market, reputable, qualified, without prior relationship to either party and without any economic or financial interest in the outcome.

(d) At the request of either party, a formal hearing shall be conducted before the Expert, at which each party shall be entitled to present evidence, at its option, in the form of testimony (live and/or by deposition), documents and other tangible evidence, or testimony summaries, or any combination thereof, provided, however, that the testimony of expert witnesses (other than rebuttal testimony) shall be presented solely in the form of written reports (but any expert witness who presents a written report shall be made available for live testimony to the Expert and for cross examination). For good cause shown, the Expert may grant no more than one (1) continuance per party of a duration not to exceed ten (10) days each. Unless otherwise agreed by the parties or ordered by the Expert for good cause shown, the hearing shall continue from day-to-day for such period of time (not to exceed five (5) days) as may be set by the Expert. Each party shall have equal time for presentation and rebuttal, unless otherwise agreed by the parties. The Expert shall, upon timely request by a party or if otherwise required by law, require witnesses to testify under oath administered by any duly qualified person. Any party may, at its own cost and three (3) days' notice to all other parties, arrange for a stenographic record of the proceedings. Such record shall be made available for inspection and copying by all other parties (at such other party's cost and expense) and the Expert.

(e) In any case in which a party fails to conform to the procedures set forth above and/or the timetables and procedures established by the Expert, or in which the Expert determines that a party has acted in bad faith in connection with the matter in dispute, the Expert may determine that the non-compliant party shall bear the costs of the Expert and the proceedings for the Expert's Ruling hereunder.

23. BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns.

24. DEFINITIONS.

The defined terms set forth in Exhibit D shall apply throughout this Agreement and all Exhibits and Schedules and Addenda.

25. CONFIDENTIALITY.

Owner and Operator shall maintain the confidentiality of all Confidential Information with respect to the Property and its operation, including the terms of this Agreement and in accordance with Operator's publicly announced current privacy policy, receipt of which is acknowledged by Owner, as in effect from time to time. The Books and Records and information contained therein shall be deemed Confidential Information and shall not be published, transmitted or released by Operator to any party or used for any other purpose without the prior written consent of Owner, except as provided immediately below. Without limiting any other remedies of Owner, if Operator publishes, transmits or releases any such documents or information, Owner shall have the right to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction without being required to post bond or other security and without having to prove the inadequacy of available remedies at law, it being acknowledged and agreed that any such breach will cause irreparable injury to Owner and money damages will not provide an adequate remedy to Owner. It is agreed that Operator may provide Books and Records and the information contained therein (i) to its auditors to the extent reasonably required to enable its auditors to perform their duties (provided the auditors are also required to maintain the confidentiality of such information in a manner customary for major independent accounting firms), (ii) as required to comply with any Mortgage or any provision of this Agreement, or (iii) as required by Applicable Laws or legal process (provided, that in the case of disclosures required by legal process, where reasonably possible under the circumstances, Operator shall promptly notify Owner of any demand for such disclosure in order to provide Owner an opportunity to seek an appropriate protective order).

26. PREVAILING PARTY.

In the event of any arbitration, litigation, or other proceeding between the parties with respect to this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees, together with its other reasonable out-of-pocket costs and expenses, including expert witness fees, accounting and other professional fees, incurred in connection with such dispute or the prosecution or defense of such action, whether an action is actually filed or is prosecuted to a final judgment, as a part of its damages. For the purpose of this Agreement, the terms "attorneys' fees," "costs" and "expenses" shall also include the fees and expenses incurred by the parties or their counsel for photocopies, duplications, deliveries, postage, telephone and facsimile communications, transcripts of proceedings relating to the action or proceeding, and all other costs not ordinarily recoverable under California Code of Civil Procedure § 1033.5(b), and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees," "costs" and "expenses" shall also

include fees and costs incurred in the following proceedings: (1) mediations, (2) arbitrations, (3) bankruptcy proceedings, (4) administrative proceedings, (5) appeals, (6) post-judgment motions and collection actions, and (7) garnishment, levy and debtor examinations. The prevailing party shall also be entitled to attorneys' fees and costs after any dismissal of an action.

27. PARTIAL INVALIDITY.

If any provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable under applicable law, the remainder of this Agreement, or the application of such provision to other persons or circumstances, shall not be affected thereby, and each provision of these covenants and restrictions shall be valid and enforceable to the fullest extent permitted by law.

28. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which is an original and all of which collectively constitute one instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed, this agreement all as of the day and year first written above.

OPERATOR JOIE DE VIVRE HOSPITALITY, INC.,
a California corporation

_____
By: Stephen T. Conley, Jr.
Its: Chief Executive Officer

OWNER: _____
a _____

By: _____,
_____,
Its: _____

By: _____,
_____,
Its: _____

List of Attachments:

Schedule 6(c)(i):	***List of Service Contracts & Leases as of Commencement Date***
Schedule 6(e)(i):	***List of Permits to be Supplied by Owner***
Schedule 11(a)(vi):	***Competitive Set***
Addendum 1:	Brand Sales & Marketing Scope of Services
Addendum 2:	Title Policy (Copies of all CC&Rs and other Material Encumbrances to be separately provided)
Addendum 3:	Other Property Information
Addendum 4:	Managed IT Services
Exhibit A:	Legal Description of Property
Exhibit B:	Form of Monthly Financial Statement
Exhibit C:	Joy of Life Club (Guest Loyalty Program)
Exhibit D:	Definitions
Exhibit E:	Benefit Plan Liability

Schedule 6(c)(i): List of Service Contracts & Leases as of Commencement Date

Schedule 6(e)(i): List of Permits to be Supplied by Owner

Schedule 11(a)(vi): Competitive Set

Addendum 1: Brand Sales & Marketing Scope of Services

[Attached]

Addendum 2: Title Policy
(If available; copies of all CC&Rs and other Material Encumbrances to be separately provided by Owner to Operator)

Addendum 3: Other Property Information

[To be Supplemented by Owner]

This is a partial checklist of items required by Operator of Owner. A copy of each is to be supplied to Operator by Owner prior to execution of this Agreement:

Site Plan and/or Survey: a professional plan or survey of the Property's site, showing boundaries of the Property's facilities to be exclusively managed by Operator.

As-Built Architectural Drawings: copies of the Property's final as-built architectural blueprints or drawings, including such as-built drawings of any renovations, alterations, or improvements.

Legal Description of Property: attached hereto as ***Exhibit A***

Title Documents: copies of CC&Rs and easements and license sand other agreements with which Operator is required to comply in performing its service sunder this Agreement.

Permits: a list and copies of all permits used in operation of the Property, including the hotel permit or license and confirmation that the Property is properly zoned to operate as a hotel.

Insurance Matters: all necessary information in order to add the Property and Owner to Operator's umbrella insurance policy; or, if Owner chooses to provide the Property's insurance, inclusion of the Operator as additional insured on the Owner's policy.

Existing Agreements: Copies of all existing service contracts, leases, equipment leases, franchise agreements, ground leases, loan documents, including Mortgages, development agreements, and any other agreements which Operator is expected to comply with in its operation of the Hotel or use of the Property.

Environmental Matters: Asbestos, lead paint, radon, drinking water and other assessment, investigation or O&M plans, surveys or results, including worker safety, OSHA, and other fire and life safety system information.

ADA Audit: A report prepared by an Expert on hotel accessibility for the disabled either certifying the Hotel Facilities and Property as accessible or noting any items of non-compliance, including an analysis of the costs and processes required to bring such items into legal compliance.

ADDENDUM 4: Managed IT Services

[Attached]

EXHIBIT A: Legal Description of Property

[Attached]

EXHIBIT B: Form of Monthly Financial Statement

[Attached]

EXHIBIT C: Joy of Life Club (Guest Loyalty Program)

I. How do Joie de Vivre Hospitality businesses benefit from participating in the Joy of Life Club?

1. It provides a framework for implementing the benefits of loyalty marketing, identifying your best customers, increasing the frequency of their visits, and increasing same location sales.
2. The club provides the tools for you to recognize & reward your most loyal customers.
3. The club provides you with monthly marketing reports for each location. Using the reports we understand on-going customer preferences, habits, and demographics and then alter the program to achieve results specific to that business.
4. The club provides detailed information regarding your customers spending habits enabling you to track customer activity at any level down to the transaction detail. This information allows you to personalize offers and cater to your members upon their return, increasing visits and loyalty to your hotel.
5. The club allows you to offer less expensive promotions. It minimizes the need to continually discount your business. In the current climate of discounted websites i.e., Expedia.com, Hotels.com, etc., guests are no longer rewarded for choosing one brand over another. This club provides your customers an incentive to book through non-wholesale methods and still be rewarded. Guests feel like they are receiving a value and you are receiving more dollars to your bottom line.
6. You benefit from your business being exposed to all Joie de Vivre guests, company-wide, through cross promotions and collateral.
7. The club assists in building the Joie de Vivre Hospitality brand and distinguishes us versus our competition leading to increased revenue. This is especially relevant to attracting corporate accounts, as traveling executives are very familiar with other hotel loyalty programs and will make a buying decision based on whether or not a hotel has one.

II. Why should your business have a loyalty club?

Research has proven that it is four to six times more expensive to make a sale to a new customer than to make an additional sale to an existing customer. The primary goal of a customer loyalty club aims at increasing customer loyalty through creating long-term loyal relationships, thus increasing the occupancy, revenue and profit made from a member. A loyalty club can improve customer retention and increase the share of business we receive from this customer vs. our competitors via cross selling and up selling. What a loyalty club *cannot* do is generate quick profits or bring in lots of new customers fast. The advantages of a loyalty club grow over time as the club network grows.

A secondary goal is to acquire new customers through satisfied members' positive word-of-mouth, and non-members joining due to the perceived value of the club benefits.

A customer loyalty program is a long-term financial commitment. It will take time and money to set up before membership has reached numbers when economies of scale are effective, and it will take time and money to keep the program running, constantly updating it and keeping the value high.

III. What is the Joie de Vivre Hospitality Joy of Life Club?

The Joy of Life Club is the loyalty program we have created to formally recognize and reward our best guests. The goal of the club is to build a deeper relationship with our most important guests by providing them with additional benefits and amenities (these are listed below). We also have a defined strategy in terms of marketing to our members which encourages increased visits and spending.

Listed below are key aspects of the Joy of Life Club.

1. ***Membership Tiers***: Our loyalty club members are divided into three membership tiers based on the number of Joy Points they have earned. These tiers are called Joy Seekers, Joy Enthusiasts, and Joy Aficionados. Each higher tier receives additional services and amenities with every visit. Tiering our membership base encourages our members to stay with us more frequently in order to receive the additional benefits associated with the higher tier. It also allows you to know who your top guests are.

2. ***Benefits:*** The additional amenities and services that a member of the Joy of Life Club receives with each stay at a participating property. Each membership tier receives additional benefits as noted below.
   - **Joy Seeker** **0 – 2,499 Joy Points**
     -Your chosen welcome indulgence upon arrival
     -Pre-arrival call or e-mail from hotel concierge
     -Room upgrade upon availability
     -Complimentary internet access, faxes, and domestic phone calls
   - **Joy Enthusiast** **2,500 – 9,999 Joy Points**
     -Joy Enthusiast's receive all Joy Seeker benefits **PLUS**
     -Early check-in (10am) and late check-out (2pm)
     -Guaranteed room availability with 72 hours notice
     -Invitation to Joie de Vivre's exclusive quarterly Joy Festival
   - **Joy Aficionado** **10,000+ Joy Points**
     -Joy Enthusiast's receive all Joy Seeker benefits **PLUS**
     -Double Joy Points

   Rewards: Members can cash in their points for an exciting selection of California-inspired rewards. In addition to hotel and spa reward certificates, the Joy of Life Club brings the best of California to its members by offering a unique selection of activities (hot air balloon rides in Napa Valley, surfing lessons in the Bay Area, gourmet baking classes in Silicon Valley) and gifts (wine of the month club membership, chocolate for a year membership).

3. ***Communication:*** We communicate regularly with our members through a variety of methods:
   - ***Quarterly eNewsletter and Account Summary***
   - ***Trigger emails***

4. ***Special Promotions:*** We create special offers to motivate members to stay longer, spend more and visit during slow periods.

IV. What are the key ways Joie de Vivre Hospitality determines the success of the club?

We receive the following monthly reports to help us determine the success of our club:

1. *Exceptional Members Report*-This report identifies your exceptionally loyal members who visit a certain amount of times per month and spend a certain dollar amount per month.
2. *Crossover Report*-This report shows the activity of all members as they visit various Joie de Vivre businesses vs. the site they signed up at. This helps us track their spending as they move throughout our different businesses.
3. *Member Activity Report, New Member vs. Returning Member Revenue*-This report will break down the revenue monthly from the "new members" who signed up that month vs. the "returning members". This returning member number will grow over time as the property's number of mature members' increases.
4. *Metrics Report*: This report details room nights and revenue statistics of members vs. non-members.

EXHIBIT D: Definitions

Unless the context otherwise specifies or requires, for the purposes of this Agreement, the following terms shall have the meanings set forth below:

Affiliate of a Person means a Person who, directly or indirectly through one or more intermediaries, owns and controls, is owned or controlled by or is under common control of ownership with the Person in question. For purposes of this definition, "own" or "ownership" means ownership by one Person of 50% or more of the voting stock of the controlled Person, in the case of a corporation or, in the case of Persons other than corporations, entitlement of the controlling Person, directly or indirectly, to receive 50% or more of the dividends, profits or similar economic benefit from the controlled Person; and "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the controlled Person.

Applicable Law shall mean all laws, statues, ordinances, orders, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments and governmental authorities, which now or hereafter may be applicable to the Premises and the operation of the Hotels.

Business Day or **business day** shall mean a day other than a Saturday, a Sunday or a legal holiday under federal law or the laws of the State of California.

Cash Management Agreements shall mean agreements, if any, entered into by Owner, Ground Lessor and a Mortgagee for the collection, disbursement and management of cash, which constitute a part of the loan documents executed and delivered in connection with any Mortgage by Owner.

CC&Rs shall mean those certain restrictive covenants encumbering the Property recorded in the real property records of the county where such Property is located, as described in the owner policies of title insurance relating to such hotel, a copy of which are acknowledged received by the Operator.

Confidential Information means information that derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (and includes information developed internally or received from a third party subject to a continuing obligation to maintain its confidentiality), but excludes information that (i) is disclosed to third parties by Operator or its Affiliates without restriction; (ii) is or becomes publicly available by other than unauthorized disclosure; or (iii) can be shown by documentation to have been independently developed by or on behalf of Owner, or on behalf of a party other than Operator, its Affiliates or any hotel owned or operated by Operator (excluding the Hotel).

Debt Service shall mean actual scheduled payments of principal and interest, including accrued and cumulative interest, payable by Owner with respect to any Mortgage.

Executive Employees shall mean all salaried employees working on the Property.

Expert shall mean an independent nationally recognized hospitality consulting firm (or an individual who is a member of such a firm) qualified to resolve the issue in question, and who is appointed in each instance by agreement of the parties and who meets the other requirements of Section 22. In the event either party calls for an Expert determination pursuant to the terms hereof, the parties shall have ten (10) days from the date of such request to mutually agree on one (1) nationally recognized hospitality industry consulting firm (or individual) as the Expert and, if they fail to agree, each party shall have an additional ten (10) days to each select one (1) nationally recognized hospitality industry consulting firm (or individual), and within ten (10) days of such respective selections, the two (2) respective firms and/or individuals so selected by each of the parties hereto shall select another such nationally recognized consulting firm (or individual) to be the Expert. If either party hereto fails to make its respective selection of a firm or individual within the ten (10) day period provided for above, then the other party's selection shall be the Expert, provided it meets the certification requirements of Section 22.

FF&E shall have the meaning as set forth in Section 1(b).

Fiscal Year shall mean Owner's Fiscal Year, which is presently 12 months ending December 31. In the event that the Commencement Date occurs on a date other than January 1st of any year, the first Fiscal Year shall be a partial year beginning on the Commencement Date and ending on the immediately following December 31st, and in the event this Agreement expires or is sooner terminated on a date other than December 31st, the then-current Fiscal Year shall be deemed to end on that date.

Force Majeure Event means any act occasioned by a cause beyond the reasonable control of Owner or Operator including, but not limited to, casualties, war, insurrection, strikes, lockouts, civil unrest, governmental actions, hurricanes, earthquakes or other natural catastrophes, travel advisories issued by governmental authorities, revolution, insurgency, terrorism, sabotage, and any other causes that threaten public safety generally or that create a substantial disruption in commercial activities in, or the volume of resort hotel travel in California, but otherwise excluding general economic conditions; in addition, it shall be a *Force Majeure* Event excusing performance by Operator but not by Owner if a permit is not issued or is revoked and not reinstated due to be collected from customers of Owner's failure to provide the funds or perform the corrective action necessary for the Property, the Hotel and the Hotel Facilities to comply with all Applicable Laws and the Management Standard.

Generally Accepted Accounting Principles or **GAAP** means those conventions, rules, procedures, and practices with respect to all aspects of the recording and reporting of financial transactions that constitute "generally accepted accounting principles" as applied by major independent accounting firms in the United States, as the same are generally applied in the hospitality industry.

Gross Revenues during any period means any and all revenues, fees, charges, payments, credits, and income of any kind (net of allowances and returns) properly accrued during such period and derived, directly or indirectly, from the Hotel operations during such period, including without limitation, from the sale during such period of all rooms, and food and beverages, any and all revenues derived from all other operating departments, and all base rents (i.e., rent excluding reimbursement of expenses, but including rents from employee housing and from gift shop/gallery premises) or fees payable by an tenants, licensees and concessionaires in respect of such period (but not the gross receipts of tenants, licensees or concessionaires), proceeds of business interruption insurance (to the extent that the same reimburses Owner for lost income during such period and not for additional or other expenses and net of the costs of adjustment and collection). There shall be excluded in determining Gross Revenues for any period and (a) federal, state and municipal excise, sales and use taxes collected directly from patrons, guests or users of the Hotel or as a part of the sales prices of any goods, services or displays (but only to the extent such taxes are actually required to be remitted to the government authorities); (b) funds furnished by Owner, any lender, or any equity investor; (c) interest accrued on any bank account or other investment income; (d) gains or losses from foreign currency exchange; (e) except as set forth above, the proceeds of insurance and condemnation awards; (g) tips, gratuities to Hotel Employees or service charges in lieu thereof; (h) credits or refunds to Hotel Guests and customers; (i) proceeds from the sale or disposition (other than in the ordinary course of business of the Hotel) of the Hotel or any assets used in connection with or forming a part of the Hotel, including FF&E and any operating equipment or supplies; (j) any trade discounts, rebates or credits received in connection with the purchase of goods or services; (k) vending machine receipts to the extent receipts are paid over to the machine owners; (l) advances of funds by Owner to fund capital expenses or deficiencies in the Working Capital Reserve; (m) gross receipts received by any tenants, licensees, and concessionaires occupying space at the Hotel and/or rendering services to the guests of the Hotel (regardless of whether such amounts are charged to a guest room at the Hotel); (n) any reversal of any contingency or tax reserve or any refund or award on account of any tax contest or appeal; (o) the allowance of bad debts provided for in the applicable Annual Operating Budget; provided, that at the end of each Fiscal Year, such amount shall be adjusted so as to exclude only the actual bad debts (net of proceeds from collection) incurred in such Fiscal Year; (p) any proceeds from settlement of legal proceedings, other than proceedings to recover monies that, had they been paid when due, would have constituted Gross Revenue hereunder, or monies that directly compensate Owner for losses of revenue that, had the same not been so lost, would have constituted Gross Revenue hereunder; and (q) any contributions or reimbursements from tenants toward real estate taxes, assessments, and other expenses under their leases.

Intellectual Property shall have the meaning as set forth in Section 17(b).

Hotel defined in Recital B.

Inventories shall mean **"Inventories"** as defined in the Uniform System of Accounts, such as provisions in storerooms, refrigerators, pantries and kitchens, beverages in wine cellars

and bars, other merchandise intended for sale, fuel, mechanical supplies, stationery, and other supplies and similar items.

Management Standard shall mean the standard governing the design, construction, FF&E, operating supplies operations (including training), and all other aspects of the Hotel, which shall be (1) in accordance with the requirements of: (a) this Agreement, (b) all CC&Rs affecting the Hotel and of which true and complete copies have been made available by Owner to Operator, (c) applicable Legal Requirements, (d) the terms and conditions of any Mortgage to the extent not otherwise inconsistent with the terms of this Agreement (and to the extent Owner has made available to Operator true and complete copies of the applicable loan documents relating to any such Mortgage), (e) any Leases (to the extent Owner has made available to Operator a true and complete copies thereof), (f) any carrier having insurance on the Hotel or any part thereof (to the extent Operator has been given written notice of such requirements or policies or has coordinated same on behalf of Owner), (g) Section 856(d)(9)(D) of the Code for qualifying the Hotel as a Qualified Lodging Facility, (h) the standards and practices generally prevailing at California boutique hotels, and (2) designed to maximize the profitability of the Hotel to Owner over the Term, taking into account the requirements under (a) through (g) immediately above.

Mortgage shall mean any mortgage, deed of trust, security agreement, equipment or chattel lease, or other agreement now or hereafter encumbering the Hotel or any portion of the assets that comprise the Hotel that constitutes an obligation of Owner.

Mortgagee means any lender, financial institution, or other holder (other than Owner or any Affiliate of Owner) to which Owner may, from time to time, collaterally assign and hypothecate its rights hereunder, or to which Owner may issue any Mortgage.

Necessary Expenses shall mean any expenses, regardless of amount, which are necessary for the continued operation of the Hotel in accordance with the Management Standards and which are not within the reasonable control of Operator (including, but not limited to those for taxes, utility charges, approved leases and contracts, licensing and permits).

Net Operating Income means all Gross Revenues (including lease income) less (a) Operating Expenses; (b) all fees, charges, reimbursable expenses paid to Operator by Owner under this Agreement; and (c) fixed charges, including real estate taxes, insurance premiums, and amount deposited into the Capital Reserve, but before deduction of any financing charges, interest and Debt Service payments, Capital Improvements and legal expenses.

Non Disturbance Agreement means an agreement, in recordable form in the jurisdiction in which a Hotel is located, executed and delivered by any Mortgagee or a Ground Lessor, as applicable, (which agreement shall by its terms be binding upon all assignees of such Mortgagee or landlord and upon any individual or entity that acquires title to or possession of the Hotel (referred to as a "Subsequent Owner")), for the benefit of Operator, pursuant to which, in the event such Mortgagee (or its assignee) or landlord (or its assignee) or any Subsequent Owner comes into possession of or acquires title to the Hotel, such Mortgagee (or its assignee) or landlord (or its assignee) and all Subsequent Owners shall (a) recognize Operator's rights under

this Agreement, (b) shall not name Operator as a party in any foreclosure action or proceeding, and (c) shall not disturb Operator in its right to continue to manage the Hotel pursuant to this Agreement; provided, however, that at such time, (i) this Agreement has not expired or otherwise been earlier terminated in accordance with its terms, (ii) there are no outstanding Events of Default by Operator, and (iii) no material event has occurred and no material condition exists which, after notice or the passage of time or both, would entitle Owner to terminate this Agreement.

Operating Expenses means all expenses reasonably and necessarily incurred in connection with the business, operation and maintenance of the Hotel during the Term (including the Employment Costs, Group Services Reimbursement, and the Base Fee), but excluding property insurance, property taxes, capital expenditures (including payments under capital leases for FF&E or Hotel building equipment and systems), payments into the Capital Reserve, interest and principal payments on funds borrowed by Owner, depreciation, amortization and other non-cash charges, and payments on any ground lease.

Payroll Account shall have the meaning as set forth in 6(f)(ii).

Person or **person** means any individual, partnership, corporation, limited liability company, association, trust, joint venture, governmental agency, political subdivision, or any other entity recognized as legally distinct for any purpose.

Property Service Account shall have the meaning as set forth in Section 7(c).

Property shall have the meaning as set forth in Recital A and as legally described in **Exhibit A.**

Revenue Data Publication. Smith's STAR Report, a monthly publication distributed by Smith Travel Research, Inc. of Gallatin, Tennessee, or an alternative source, reasonably satisfactory to Owner and Operator of data regarding the Revenue Per Available Room of hotels in the general trade area of the Hotel. If such Smith's STAR Report is discontinued in the future, or ceases (in the reasonable opinion of either Owner or Operator) to be a satisfactory source of data regarding the Revenue Per Available Room of various hotels in the general trade area of the Hotel, Operator shall select an alternative source, subject to Owner's approval.

Revenue Per Available Room. The "revenue per available room" as defined by the Revenue Data Publication. If Smith's STAR Report ceases to be the Revenue Data Publication, or if the Revenue Data Publication no longer uses such term, the Revenue Per Available Room shall mean the aggregate gross room revenues of the hotel in question for a given period of time divided by the total room nights for such period. A "room" shall be an available Guest Room.

RevPar Penetration Index. The fraction that is equal to (i) the Revenue Per Available Room for the Hotel, divided by (ii) the average Revenue Per Available Room for the hotels in the , as set forth in the Revenue Data Publication.

Uniform System of Accounts shall mean the Uniform System of Accounts for the Lodging Industry, 9th Revised Edition, as may be modified from time to time by the International Association of Hospitality Accountants.

Termination Date shall mean the date of termination of this Agreement pursuant to any provision of this Agreement, whether by expiration of the Term or otherwise.

Working Capital shall mean the amounts by which current assets exceed current liabilities as defined by the Uniform System of Accounts which are reasonably necessary for the day-to-day operation of the Premises' business, including, without limitation, the excess of change and petty cash funds, operating bank accounts, receivable, prepaid expenses and funds required to maintain Inventories, over the amount of accounts payable and accrued current liabilities.

Working Capital Reserve shall have the meaning as set forth in Section 7(a).

EXHIBIT E: Benefit Plan Liability

Notwithstanding anything to the contrary contained in this Agreement, the following paragraphs shall cover expenses and liabilities arising under the Employee Retirement Income Security Act of 1974 ("**ERISA**"), as amended.

(1) Employee Benefits:

If employees at the Hotel participate in a defined benefit pension plan (other than a multiemployer plan as defined in Section 3(37) of ERISA) subject to the minimum funding standards of Part 3 of Title I of ERISA or Section 412 of the Internal Revenue Code, with other employees of Operator ("**Operator Pension Plan**"), Owner's share of pension liabilities shall not exceed the excess of the sum of "**Allocable Benefit Liabilities**" (as defined below) of employees of Operator employed at the Hotel, over "**Allocable Plan Assets**" (as defined below). Operator shall maintain accurate records for the purpose of determining Owner's share of pension liabilities.

"**Allocable Benefit Liabilities**" with respect to an employee of Operator employed at the Hotel shall equal the present value of such employee's accrued benefit under the Operator Pension Plan, determined at the earliest of (a) the Termination of employee's employment at the Hotel, (b) Termination of this Agreement, or (c) Termination of the Operator Pension Plan, *reduced by* the present value of such employee's accrued benefit under Operator Pension Plan, determined as though such employee had no service credited for benefit accrual purposes during the time such employee was employed at the Hotel *(i.e.,* taking into account only service credited under the Operator Pension Plan prior to such employee's becoming employed at the Hotel), but including all compensation taken into account under the Operator Pension Plan *(i.e.,* including compensation earned prior to and during such employee's employment at the Hotel). Such present values shall be determined using assumptions prescribed by the Pension Benefit Guaranty Corporation (the "**PBGC**") that would be applied if the Operator Pension Plan then terminated. In no event will Owner be responsible for increases in pension benefits attributable to amendments to the Operator Pension Plan or increases in service or increases in considered compensation occurring after an employee is no longer employed at the Hotel.

The actuary for the Operator Pension Plan in which persons employed at the Hotel participate shall annually calculate the contribution that would be required to fund Allocable Benefit Liabilities accrued to date if Allocable Benefit Liabilities were the only liabilities of the Operator Pension Plan, and, at the earliest time deductible contributions may be made to the Operator Pension Plan under the Internal Revenue Code, Owner shall reimburse Operator for contributions to the Operator Pension Plan relating to Allocable Benefit Liabilities.

"**Allocable Plan Assets**" means the greater of: (i) the sum of contributions reimbursed by or charged to Owner with respect to Operator Pension Plan on account of Allocable Benefit Liabilities, increased or decreased to equitably reflect the earnings, gains and losses (including net unrealized appreciation or depreciation) on such contributions of the trust fund or other

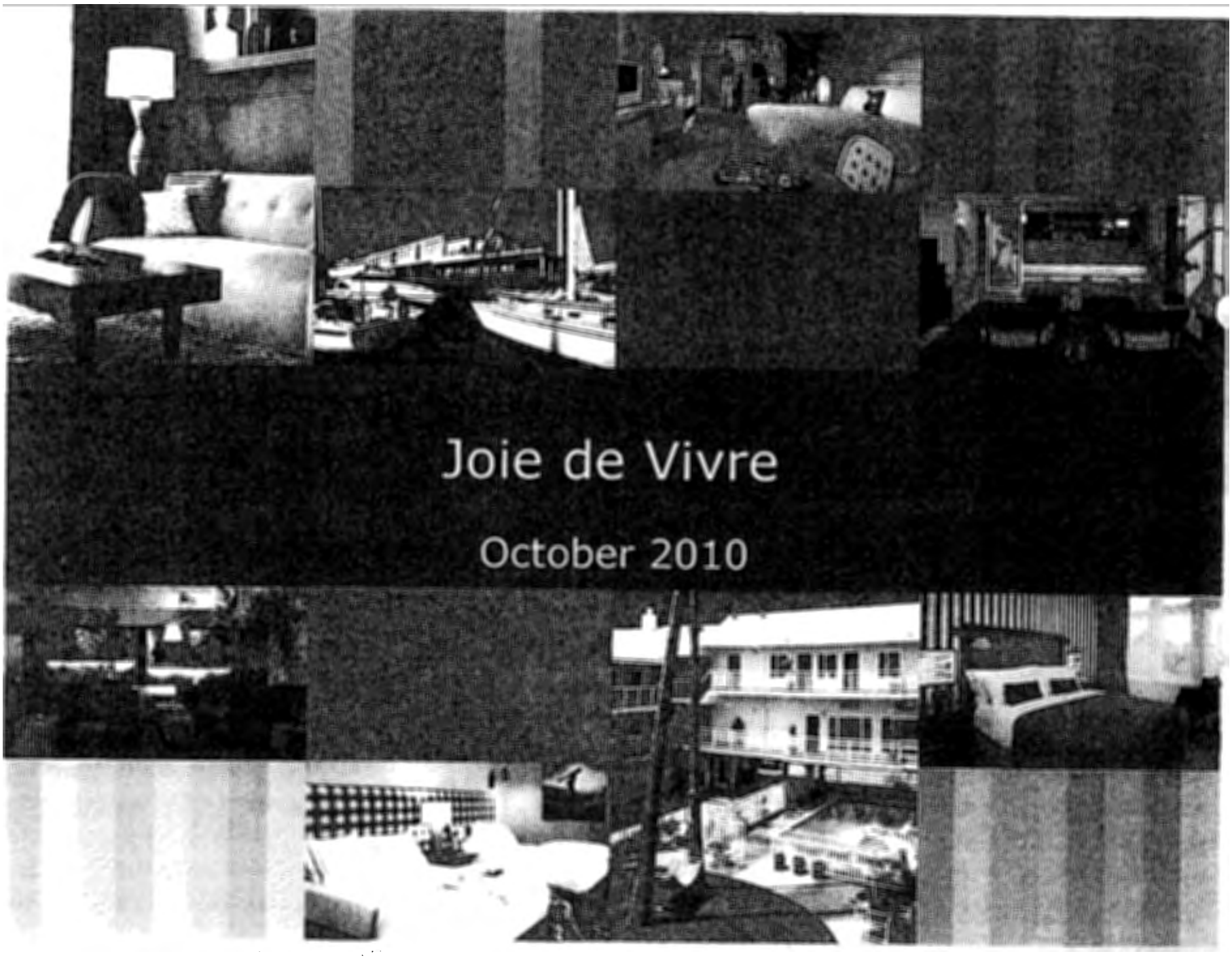
assets which fund benefits under the Operator Pension Plan, or (ii) the amount of the total assets of the Operator Pension Plan allocable to Allocable Benefit Liabilities, determined as though the Operator Pension Plan were terminated as of the date the calculation is made, determined using assumptions prescribed by the PBGC that would be applied if the Operator Pension Plan then terminated.

Upon termination of this Agreement, the sale of the Hotel or other similar event, Operator shall cooperate with the Owner with respect to disposition of such plan or plans (or plan assets) in a mutually satisfactory manner, all in compliance with then applicable regulatory requirements, with the objective of making the total contributions charged to Owner with respect to such plan or plans no greater than Allocable Benefit Liabilities, and granting to Owner the benefit of a proportionate share of any overfunding of Operator Pension Plan.

(2) Multiemployer Plans:

If employees of the Hotel will participate in a multiemployer pension plan (as defined in Section 3(37) of ERISA) that is a defined benefit plan (as defined in Section 3(35) of ERISA), and in the event that the Employer Company or Operator withdraws from a multiemployer plan and either the Employer Company or Operator incurs withdrawal liability under Subtitle E of Title IV of ERISA as a result of an event occurring with respect to the operations at the Hotel, Owner agrees to reimburse the Employer Company or Operator, as the case may be, for the amount of such withdrawal liability or to provide the Employer Company or Operator with security for the payment of such withdrawal liability pending receipt of a final determination of the amount thereof.

ATTACHMENT D


Joie de Vivre
October 2010

Agenda

joie de vivre®

- Joie de Vivre overview
- Competitive analysis
- Repositioning

Strategic Vision

joie de vivre®

Leverage the Joie de Vivre **brand and success** in California **across the United States**

Be the **boutique hotelier of choice** for owners based on our maniacal **focus** on providing a **return on your investment**

Develop and manage the **most innovative and exciting hospitality concepts** across the United States

Strategic Partnership

joie de vivre®

To support and fund our growth, we have entered into a strategic partnership with Geolo Capital, a private equity investment firm started by John Pritzker, whose family helped launch the Hyatt Hotel Corp. Joie de Vivre has access to an investment fund of (b) (4) to invest in hotel developments.

With Joie de Vivre's deep hotel management experience and the access to capital, we are excited and prepared for our next phase of growth.

joie de vivre®
HOTELS

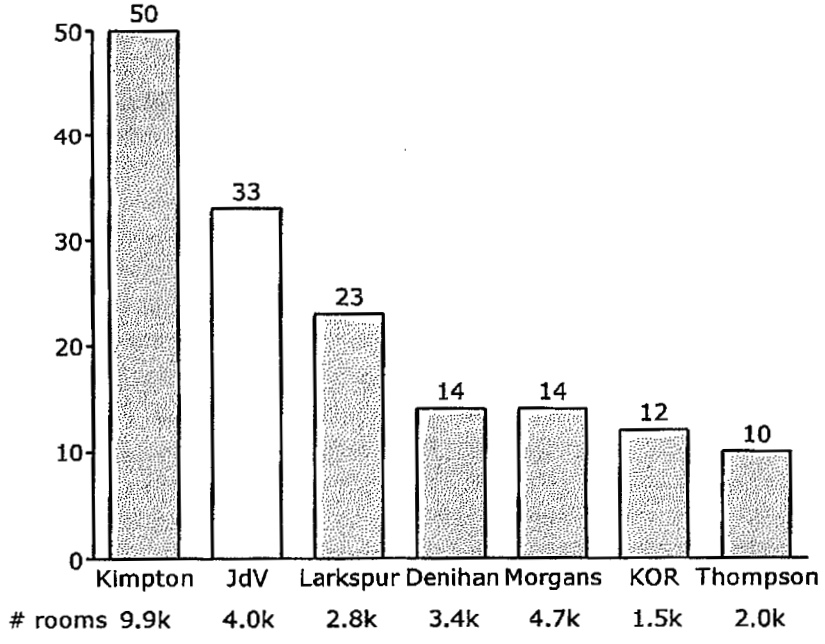
GEOLO
CAPITAL

JdV is differentiated by its dominating market and web presence..

joie de vivre

Second largest U.S boutique hotelier

Number of Hotels (July 2010)



Hotel, restaurant and spa portfolio generates customer awareness and builds the brand

Strongest web presence among boutique competitors

Domain	Alexa Ranking
Google	1
Expedia	335
Hilton	1,355
JdV hotels	**77,629**
Kimpton	83,349
Thompson	91,959
Morgans	138,120
Larkspur	170,257
KOR	950,048
Denihan	1,709,465

*Rankings recorded on Sep 7, 2010

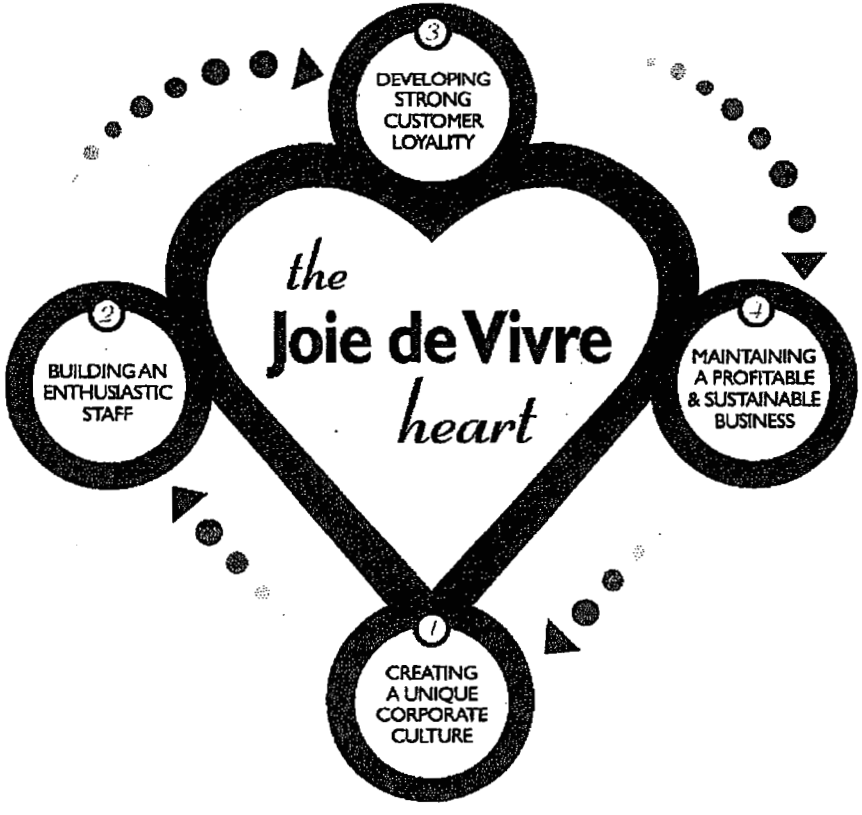
Dominating web presence indicates loyal following and ability to generate cost efficient revenues

...in addition to its unique corporate culture focused on entrepreneurship and employee satisfaction

joie de vivre

Employee mission statement:

Creating opportunities to celebrate the joy in life

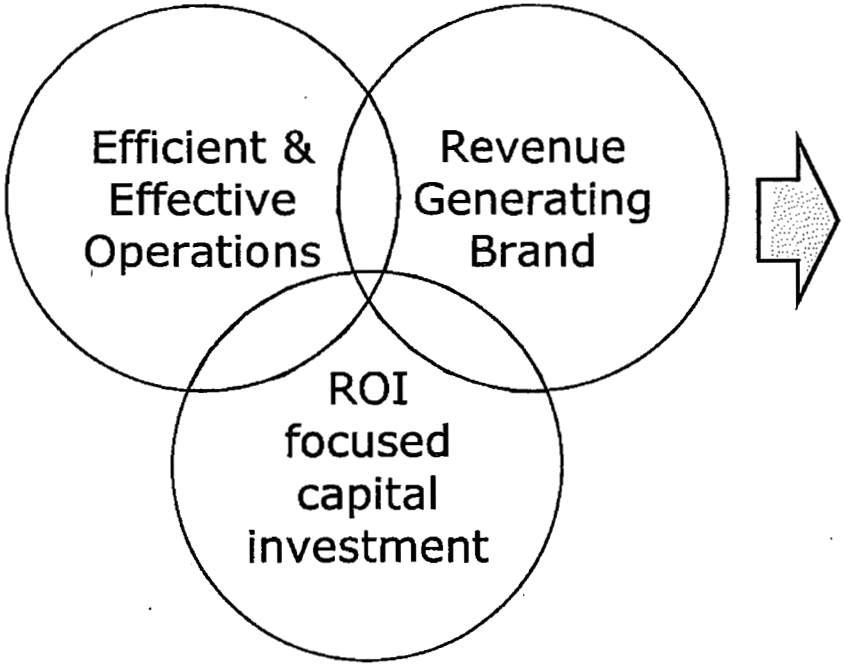


- The **Joie de Vivre heart** is the center of our organization and **modeled after Heskett's "Value Profit Chain"**
- Proven that **enthusiastic staff translates into satisfied, loyal customers and financial success**
- Promote an **enthusiastic and vibrant corporate culture**
- 2010 work climate survey results of **84% for JdV** compared to **industry average of 80%**

JdV excels at three key areas in order to deliver maximum ROI to owners

joie de vivre®

Joie de Vivre's three key strengths...



...deliver maximum ROI to owners

- Low cost revenue generation
- Strong brand loyalty
  - Joy of Life Club loyalty program
  - Joie de Vivre website
- Unique and creative hotel concepts
  - Based on psychographic profile
  - Create "identify refreshment" for the guests
- ROI on every dollar invested
- Flexibility with PIPs & renovations

JdV's strong revenue generating brand delivers 42% of JdV property revenues

joie de vivre

Key drivers of JdV brand strength

Joy of Life Club loyalty program

- Access to **over 70k members** across the globe
- Provides **9% of property revenues**
- Leverage key strategic **partnership with Virgin America**
- Enables **targeted marketing to members** based specific interests and desired experiences

Industry leading website

- **Delivers** over **25% of property revenues**
- Directs customers towards the **lowest cost reservation** booking **channel**
- Receives over **310k unique hits per month**
- Generates the **highest traffic among competition**
- **Enables Best Available Rate** (BAR) Guarantee which generates customer confidence and loyalty

Creative services & public relations

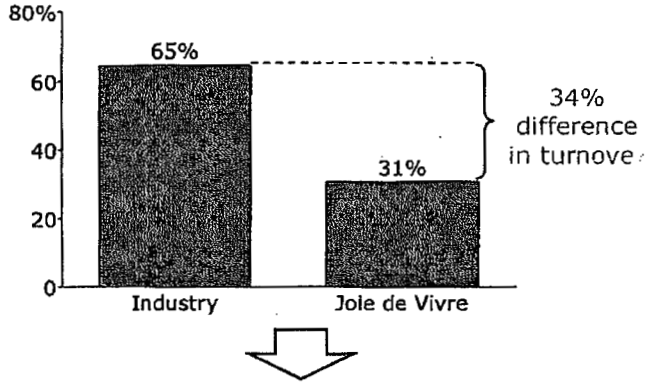
- Create **property specific creative concepts** to appeal to target customers
- Drive and monitor press releases and feature articles about properties
  - Noted in **over 1,000 publications** between Jan and Aug 15, 2010
  - **Circulation audience** from combined coverage of over **1.1 billion people**
- Focused on **creating dynamic regional and national media campaigns** to showcase the JdV brand
- **Cultivate social media tools** to captivate larger audiences

JdV's focus on efficient and effective operations control costs and enhance guest experiences

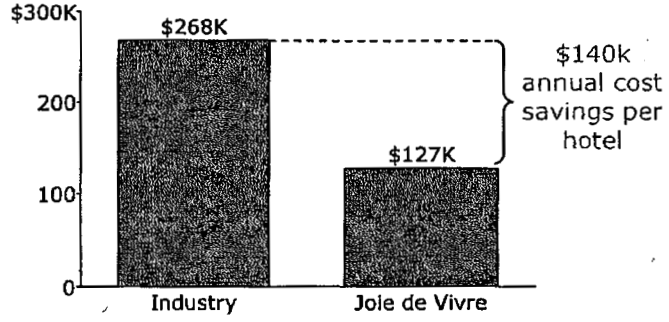
joie de vivre

- Focus on operational excellence improves hotel efficiencies and guest satisfaction
  - Executive team has **over 300 years** of **combined hospitality experience**
  - Several operations **tools** including Revinate, experience report cards, and daily dashboards **monitor and evaluate performance**
- Commitment to employees and maintaining our culture keeps satisfaction high and employee costs low
  - 31% JdV turnover compared to industry average of 65% results in **productivity, recruitment, and termination cost savings**
  - **Low workers compensation modifier** of 87 compared to industry average of 100 translates into direct savings on premiums
  - **Efficient managing of benefits** saw per employee healthcare costs decrease 4% between 2004 and 2010 when the industry averaged increases of 60%
- Offer **innovative technology solutions** to deliver a superior guest experience
  - Installed Joie Connect, a Direct Streams technology, in the Citizen
- Provide **Food & Beverage and Spa expertise and customized systems** to support their operations and enhance the JdV brand

Average Employee Turnover (2009)



Average Annual Hotel Cost of Employee Turnover (2009)*



*Assumes a 70 employee hotel; average cost per lost employee is $5900

JdV's is focused on delivering the highest ROI for every invested dollar

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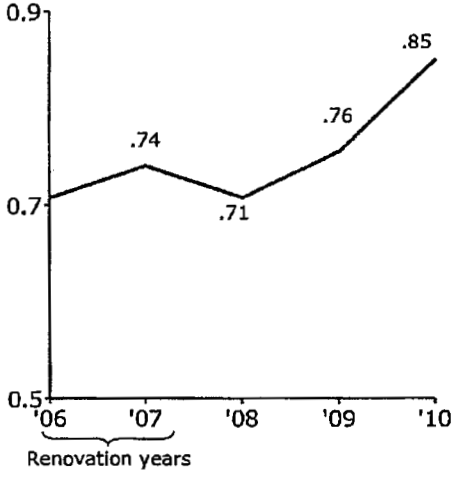
ROI focused capital investment

- **Unique** and structured approach to **concept development**
- Builds a full hotel concept around **2 magazines and 5 words**
- Develop a **hotel personality** based on a target guest **psychographic profile**
- Create an **identify refreshment** experience for our guests
  - Generates strong and loyal following
- Deliver **"bang for your buck" renovations**
  - Deliver a return on every dollar invested
  - Prioritize renovation dollars based on meeting guests needs and desires

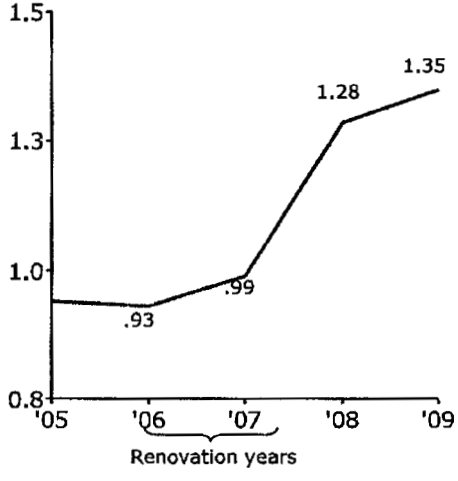
Examples of hotel performance post renovations

Domain Hotel RevPar versus Comp Set



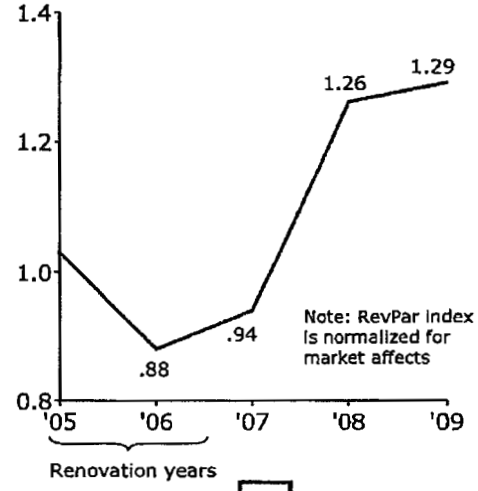
20% increase in RevPar Index '06 – '10

Hotel Tomo RevPar versus Comp Set



43% increase in RevPar Index '05 – '09

Hotel Angeleno RevPar versus Comp Set



25% increase in RevPar Index '06 – '09

Agenda

joie de vivre

- Joie de Vivre overview
- Competitive analysis
- Repositioning

Comparatively, JdV's lower fees and strong revenue deliver result in higher profitability

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	National Brands	Joie de Vivre	Independent Hotels
% Revenue from brand	50 – 55%	42%	n/a
Management fees	3 – 3 ½%	3 ½%	3 – 3 ½%
Sales & Marketing fees	10 – 12%	1%	none
Other fees*	3 – 6%	1 ¼%	none
Key benefits:	• Strong revenue generation • Less volatility • Better distribution • Large distribution network	• Strong revenue generation • ROI focused renovations • Flexible PIPs • Full concept development support • Concepts tailored to location, building & property	• Complete autonomy with hotel concept & renovations • Shortest contracts
Key weaknesses:	• Longer contracts • Less flexible PIPs; focused on brands, not the property or location • Expensive renovations • High total fee structure	• Smaller distribution network	• Bring in less revenues • No ROI focus • No distribution network • Highly volatile

*Include direct fees and charge through allocations

High fees and expensive, brand focused PIPs outweigh the benefits of strong revenue generation for many hotels & locations

Lower fee and strong revenue delivery result in higher profitability

Low fees do not outweigh the inability to generate high revenue from low cost channels

The combination of lower fees and efficient revenue delivery result in higher owner profitability

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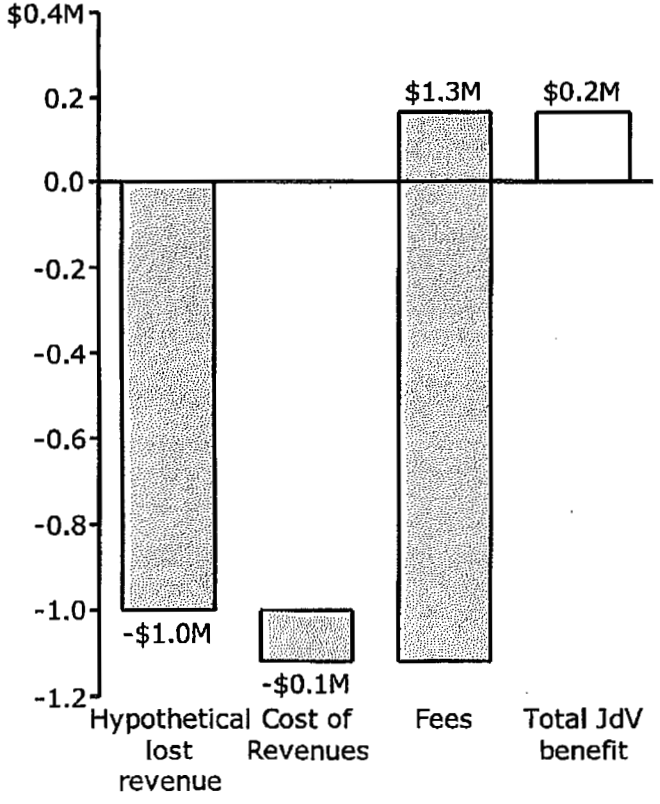
ILLUSTRATIVE

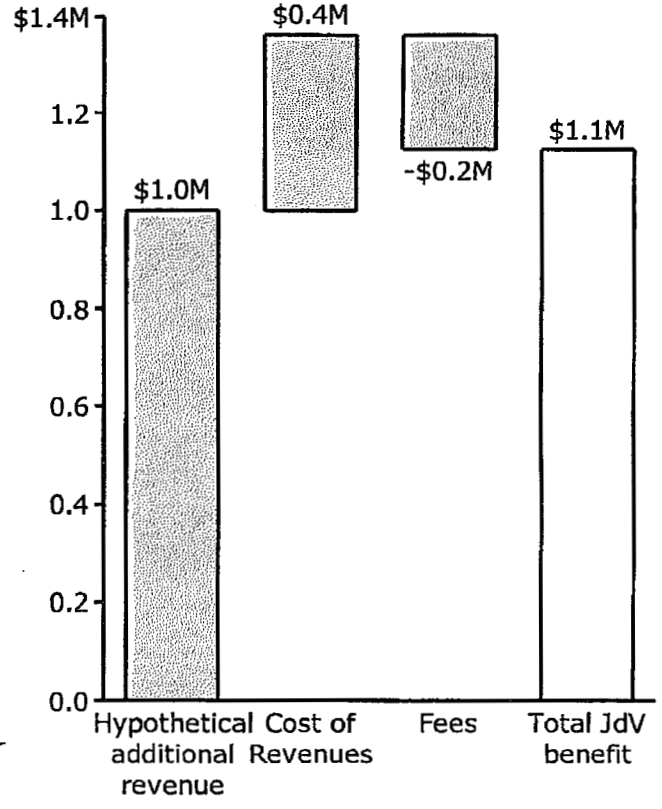
JdV versus National Chains

Revenue delivery of JdV versus Branded Hotels



JdV versus Independent Hotels

Revenue delivery of JdV versus Independent Hotels



JdV delivers highest and cheapest revenue to owners

Agenda

joie de vivre®

- Joie de Vivre overview
- Competitive analysis
- Repositioning
  - Concept Development
  - Renovations

JdV provides a structured approach to concept development

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The 5 word approach

- Select **two magazines** that define the target hotel
- Assign **five adjectives** that guide the concept development for all details, from the guest room to the hotel key card
- Create a concept that **appeals to** a target customer's **psychographic profile** rather than demographic profile

Key benefits

- **Create strong customer loyalty** through consistently appealing to a target psychographic profile
- **Align all** parties involved from the architect to the bellman **on the specific personality of the hotel**
- **Enables a focus**, artistic and scientific **approach** to **ensure consistent message** and experience throughout the hotel

DESIGN CONCEPT: CITIZEN HOTEL (Sacramento)

Magazine Analogy: *Sacramento* meets *Cigar Aficionado*

Authentic **Influential** **Surprising** **Classic** **Eclectic**

JdV has extensive renovation experience and consistently delivers high ROI

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Renovations Experience

- Completed **over 40 renovations**
- **Focused on delivering an ROI** on every dollar invested
- **Prioritize dollars** based on delivering on the hotel concept and promised guest experience
- Range **from** (b) (4)

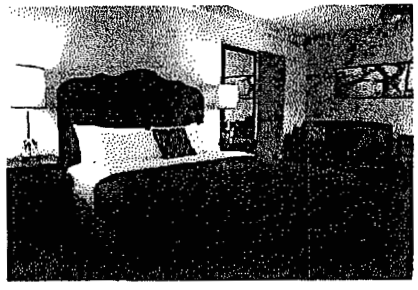
Before

After

Hotel Durant Lobby

Before

After



Hotel Durant Guest Room

(b) (4)

Case study: Domain Hotel

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DESIGN CONCEPT

Magazine Analogy: *Sunset meets Inc*

Casual Innovative Bright Straight-forward Work-hard/Play-hard

(b) (4)

*Competitive Set includes Biltmore Hotel & Suites, Country Inn & Suites, Hilton Garden Inn Cupertino, Hilton Santa Clara, Kimpton Cypress Hotel
**Net Benefit Calculation is 60% flow through, $270k annual Radisson franchise fee savings and 7% interest payment on debt

Case study: Domain Hotel

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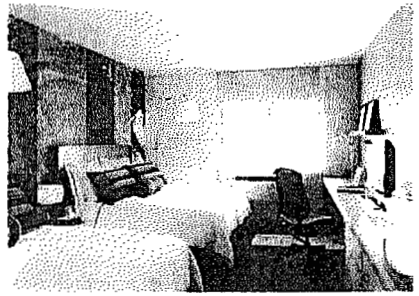
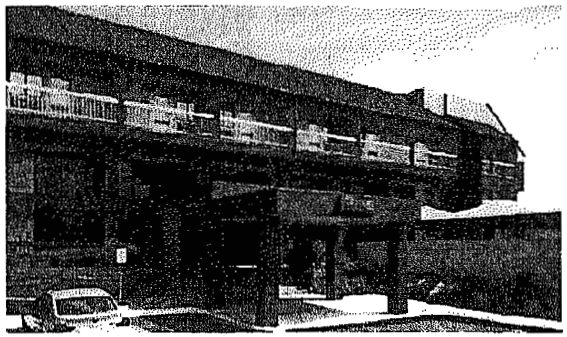
BEFORE

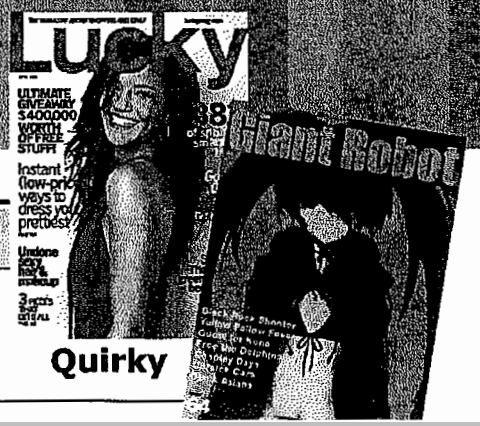
AFTER





Case study: Hotel Tomo

joie de vivre®



DESIGN CONCEPT: "Japanese Pop Culture"

Magazine Analogy: *Giant Robot meets Lucky*

Inventive **Warm** **Optimistic** **Practical** **Quirky**

(b) (4)

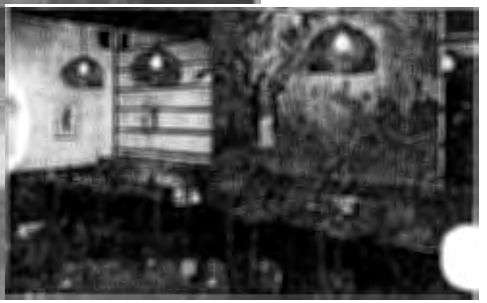
*Competitive Set includes Best Western Americania, Comfort Inn by the Bay San Francisco, Joie de Vivre Hotel Carlton, Cathedral Hill Hotel, The Opal Hotel
**Net Benefit Calculation is 80% flow through and 7% interest payment on debt

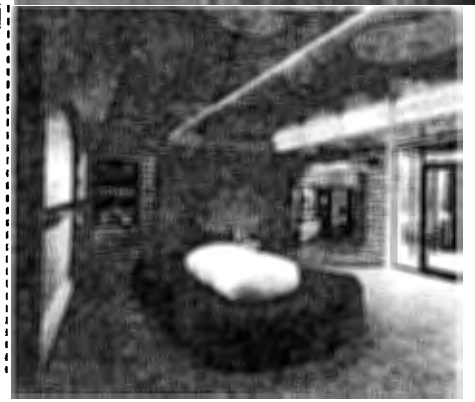
Case study: Hotel Tomo

joie de vivre

BEFORE

AFTER





Case study: Hotel Angeleno

joie de vivre©

DESIGN CONCEPT

Magazine Analogy: *Angeleno Magazine meets Details*

Warm **Savvy** **Connected** **Confident** **Handsome**

(b) (4)

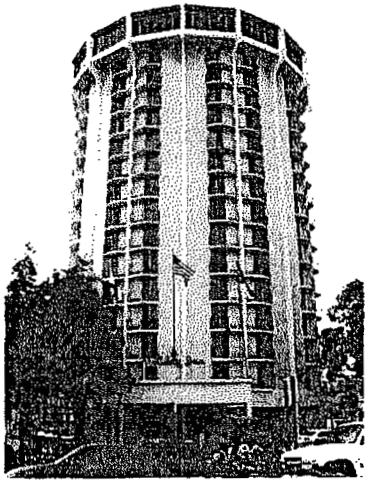
Los Angeles

*Competitive Set includes Holiday Inn Brentwood Belaire, Doubletree Westwood, Courtyard Los Angeles San Fernando, Crowne Plaza Beverly Hills, Four Points Culter City
**Net Benefit Calculation is 80% flow through and 7% interest payment on debt

Case study: Hotel Angeleno

joie de vivre®

BEFORE



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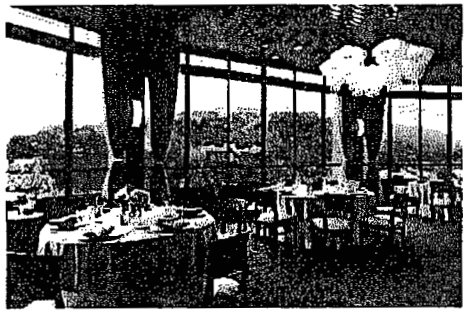

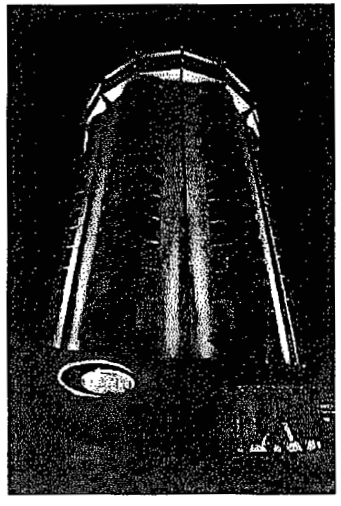

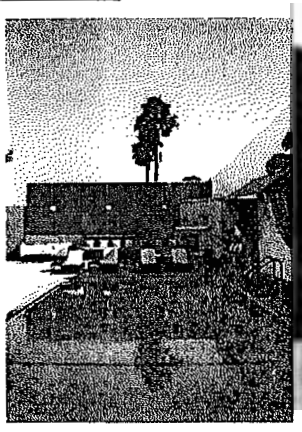

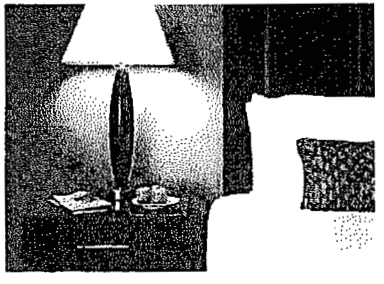

Economic Impact of Renovating, Constructing, and Operating a Mixed-Use Commercial Building at Colorado Blvd and Lake Ave in Pasadena, CA as part of an EB-5 Regional Center for Los Angeles and Orange Counties

Prepared for:
Invest L. A. Regional Center, LLC
Los Angeles, CA

Prepared by:

Michael K. Evans
Evans, Carroll & Associates, Inc.
2785 NW 26th St.
Boca Raton, FL 33434
mevans@evanscarrollecon.com

November 1, 2010

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1. Executive Summary

- Invest L.A. Regional Center, LLC plans to develop an EB-5 regional center for Los Angeles and Orange Counties in California. One of the projects, described in this report, is the construction and development of a mixed-use commercial center, known as Colorado at Lake, which will be located at the corner of E. Colorado Blvd. and Lake Ave. in Pasadena, CA.

- An existing hotel and retail space will be renovated, and new construction will include an upscale boutique hotel, restaurants, retail space, an office building, bank facilities, and parking garage. The project will be undertaken in two phases. Phase I will include a 142-room hotel, 3,677 square feet of retail space, 18,923 square feet of restaurant space, and a parking garage with 125 spaces. Phase II will consist of the demolition of the existing Bank of America building and the construction of a new office tower with ground floor retail space. There will be 25 more rooms in the hotel, 10,000 square feet of retail space, 15,726 square feet of restaurant space, 69,720 square feet of office space, 8,010 square feet of banking facilities, and a parking garage with 320 spaces.

- **There will be a total of** (b) (4) . These jobs exclude direct construction jobs, but include indirect and induced construction jobs. These figures are based on estimated hard construction cost budgets of $(b) (4)

- Phase I will generate an estimated (b) (4)

- Phase II will create an estimated (b) (4)

- Phase I will generate a total annual increase of (b) (4) . All these figures are in 2010 dollars.

- This particular project is expected to be one of five similar projects that will be developed over the next five to seven years. Assuming that these other projects

will be of similar size and scope, the overall impact of these five projects would be to boost employment in Los Angeles and Orange Counties by over (b) (4)

2. Tabular and Schematic Summary of Results

The results in Table A represent the summary statistics for employment for both phases of the Colorado at Lake Project, together with the multipliers for each phase of the project as well as the total impact.

Please note the totals in this and all other tables in this report may not sum exactly because figures are rounded to the nearest whole number.

Table A. Summary of Employment Multipliers

(b) (4)	NAICS Code
	233
	721
	722
	44/45
	561
	522
	8129

The overall multiplier includes indirect and induced jobs from construction, so it is higher than a weighted average of the individual multipliers.

The mixed-use commercial center will create a total of 1(b) (4)

The USCIS has approved this methodology for construction jobs in the following language:

[1] USCIS does not accept or credit creation of direct temporary "construction jobs" within a business plan or economic job creation forecasts activities which involve a limited duration construction phase of less than 2 years unless the scope, complexity, and the ongoing construction phase must be fully sustained for all the construction phase jobs for 2 years or more with respect to the size, scope, nature, engineering/technology challenges and breadth of the project--for example a massive-scale nuclear power facility, or major Dam or a giant oil refinery, or similar type of massive and expansive and major engineering project. Shorter term construction jobs less than three years in duration have been determined to be of such a short term in nature as to not be sustained and to decrease and disappear as the initial construction activities wind down to completion. Such shorter term construction jobs in many locations are seasonal at best. Nevertheless, for all capital investment expenditures for the construction phase, all capital-induced "down-stream" support activities and "indirect" jobs impacted and associated with the construction activities such as suppliers, transportation, engineering and architectural services, maintenance and repair services, interior design services, manufacturing of components and materials, etc., may be factored into the calculations for creation of indirect jobs.

(b) (4)

(b) (4)

(b) (4)

(b) (4)

3. Organization and Scope of Report

Invest L.A. Regional Center, LLC, plans to demolish an existing building and construct several new buildings that will contain various mixed-use commercial functions. The work will proceed in two phases. The first phase will include a hotel, retail stores, restaurants, and a parking garage. The second phase will include additional hotel rooms, office space, a bank, retail stores, restaurants, and a parking garage.

Section (4) shows the location and description of the proposed building, including preliminary floor plans and designs. Section (5) presents and discusses the key economic parameters of Pasadena and Los Angeles County. Section (6) provides a guide explaining how the IMPLAN model works for those not familiar with this methodology. Section (7) explains how the direct and indirect jobs are calculated.

Section (8) shows how the direct job estimates are determined for each component of the project. Section (9) presents the economic impact tables for Phase I, and Section (10) presents that information for Phase II. In all cases, the increase in direct, indirect, and induced employment, output, and labor income are shown for approximately 30 industry classifications. Section (11) shows the overall economic impact on the complete regional center, assuming five projects of similar size and scope, for Los Angeles and Orange counties.

4. Location and Description of Proposed Building

The project will be located at the corner of E. Colorado Blvd. and Lake Ave. in Pasadena, CA, and is known as Colorado at Lake. The location is shown in Figure 1, and the floor plans for Phases I and II are shown in Figures 2 and 3. Based on plans furnished by the developer, the two phases of the project will have the following components:

Phase I will consist of the renovation of one area of existing retail space to provide a newly created paseo, resulting in 3,667 SF of retail space and 18,923 SF of restaurant space. This restaurant space will consist of 10,995 SF of indoor restaurant space, plus 1,106 SF of outdoor seating in renovated space, plus an additional 6,822 SF of outdoor restaurant space in an area of new construction. Hence there will be 22,600 SF of new construction. Phase I will also include a 142 room (key) hotel, and 125 parking spaces with valet service. The hard construction cost budget for Phase I is estimated (b) (4)

Phase II will consist of demolishing 18,235 SF of office space and 6,560 SF of bank space, and new construction for the following components:

25 room addition to the hotel
69,720 SF of office space
8,010 SF of bank space
9,905 SF of specialty retail space
1,000 SF of restaurant space on the first floor
12,000 SF of restaurant space on the second floor, plus 2,726 SF of outdoor seating
320 parking spaces, no valet services

The project will be located at the corner of E. Colorado Blvd. and S. Lake Avenue, in CT 4634, as shown in Figure 1. The location of Pasadena in Los Angeles County is shown in Figure 2.

Figure 1. Location of Colorado and Lake Project in Pasadena

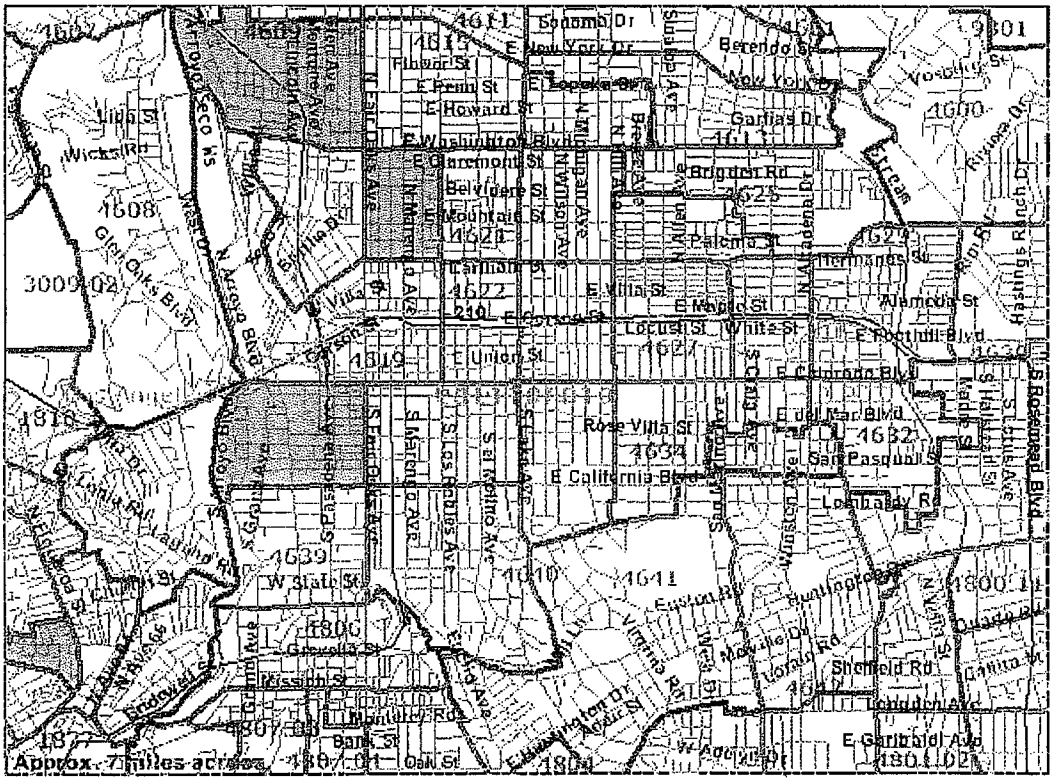


Figure 2. Location of Pasadena in Los Angeles County

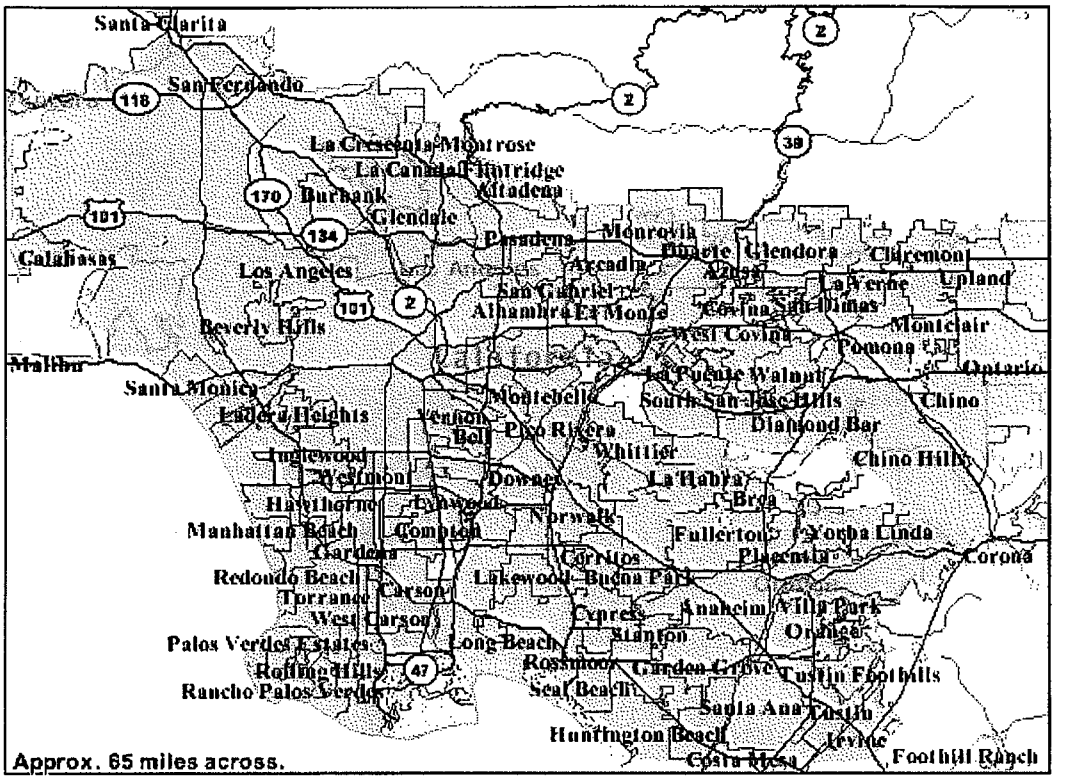
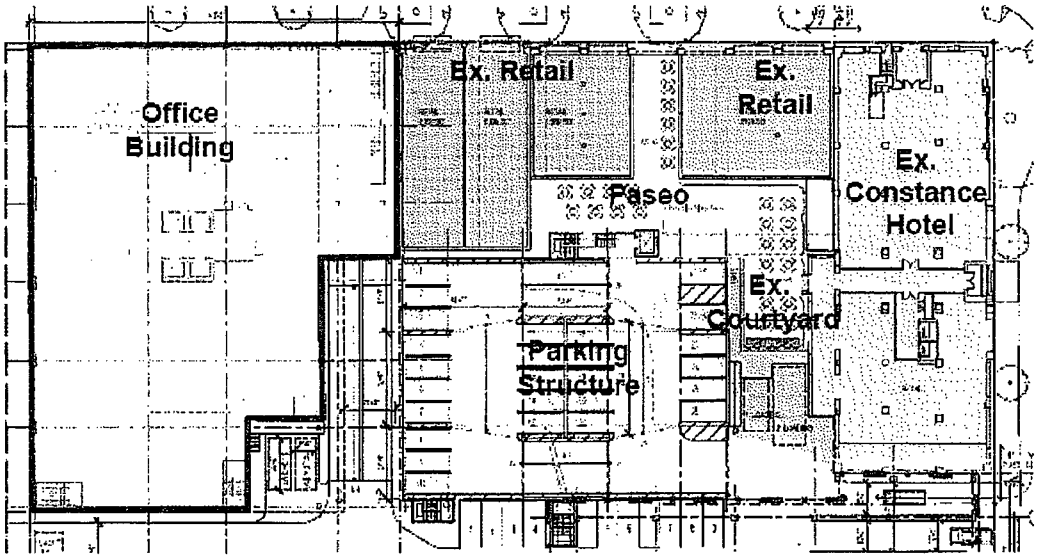


Figure 3. Floor Plans of Colorado at Lake Project



The project plans to restore the 1926 Constance Hotel and replace small businesses lining the 900 block of East Colorado Blvd. with new stores, restaurants, and offices. The first phase will include the renovation of the historic eight-story building – most recently the Pasadena Manor retirement home – on the southwest corner of Colorado and Mentor Avenues – to be renovated into an upscale boutique hotel. Phase II will expand the hotel, enlarge the public plaza, include additional parking spaces, and add an office building and a bank. The project is expected to bring more tourist and pedestrian activity to the neighborhood, which borders the Playhouse and South Lake districts.

5. Economic Parameters for Pasadena, and Los Angeles and Orange Counties

Table 1 compares the key economic parameters of Pasadena with those for Los Angeles County and the overall U.S. economy.

Table 1. Key Economic Parameters for Pasadena, Los Angeles County, and the U.S.

Category	Pasadena	%	L.A. County	%	Total U.S.	%
EMPLOYMENT STATUS						
Population 16 years and over	111,408	100.0%	7,617,775	100.0%	238,764,455	100.0%
In labor force	71,748	64.4%	4,998,989	65.6%	157,465,113	65.9%
OCCUPATION						
Civilian employed population 16+	66,284	100.0%	4,650,036	100.0%	146,266,253	100.0%
Management & professional	31,862	48.1%	1,589,067	34.2%	51,064,301	34.9%
Service occupations	11,729	17.7%	815,366	17.5%	25,084,498	17.1%
Sales and office occupations	14,415	21.7%	1,226,053	26.4%	37,252,708	25.5%
Farming & fishing	0	0.0%	9,799	0.2%	997,997	0.7%
Construction & maintenance	3,462	5.2%	384,658	8.3%	13,612,976	9.3%
Production & transportation	4,816	7.3%	625,093	13.4%	18,253,773	12.5%
INDUSTRY						
Civilian employed population 16+	66,284	100.0%	4,650,036	100.0%	146,266,253	100.0%
Agriculture & mining	0	0.0%	16,647	0.4%	2,653,081	1.8%
Construction	3,836	5.8%	302,193	6.5%	10,777,675	7.4%
Manufacturing	4,004	6.0%	538,989	11.6%	16,381,624	11.2%
Wholesale trade	1,780	2.7%	180,565	3.9%	4,383,802	3.0%
Retail trade	5,842	8.8%	509,493	11.0%	16,994,717	11.6%
Transportation & utilities	1,473	2.2%	258,560	5.6%	7,595,843	5.2%
Information	3,085	4.7%	206,192	4.4%	3,527,777	2.4%
Finance, insurance, real estate	5,058	7.6%	302,566	6.5%	10,112,239	6.9%
Professional & administrative	11,581	17.5%	542,861	11.7%	15,242,426	10.4%
Education & health	19,780	29.8%	913,228	19.6%	31,757,530	21.7%
Arts, entertainment, hotels, food svcs	4,670	7.0%	455,042	9.8%	12,904,517	8.8%
Other private services	2,814	4.2%	279,829	6.0%	7,092,352	4.8%

Public administration	2,361	3.6%	143,871	3.1%	6,842,670	4.7%
INCOME AND BENEFITS						
Total households	50,625	100.0%	3,168,362	100.0%	113,101,329	100.0%
Less than $10,000	3,381	6.7%	194,271	6.1%	8,149,557	7.2%
$10,000 to $14,999	3,101	6.1%	184,485	5.8%	6,141,047	5.4%
$15,000 to $24,999	4,699	9.3%	345,478	10.9%	12,049,123	10.7%
$25,000 to $34,999	3,508	6.9%	308,425	9.7%	11,718,207	10.4%
$35,000 to $49,999	6,262	12.4%	404,628	12.8%	16,028,909	14.2%
$50,000 to $74,999	9,306	18.4%	555,761	17.5%	21,251,695	18.8%
$75,000 to $99,999	6,876	13.6%	369,361	11.7%	14,015,215	12.4%
$100,000 to $149,999	5,703	11.3%	428,563	13.5%	13,921,120	12.3%
$150,000 to $199,999	3,112	6.1%	179,830	5.7%	4,954,443	4.4%
$200,000 or more	4,677	9.2%	197,560	6.2%	4,872,013	4.3%
Median household income (dollars)	57,796	111.1%	55,499	106.7%	52,029*	
Mean household income (dollars)	91,260	127.6%	81,169	113.5%	71,498*	
With earnings	40,954	80.9%	2,661,068	84.0%	90,791,365	80.3%
Mean earnings	91,094	126.1%	80,697	111.7%	72,235*	
With Social Security	11,228	22.2%	685,562	21.6%	30,562,552	27.0%
Mean Social Security income	14,520	96.7%	14,208	94.7%	15,010*	
With retirement income	6,124	12.1%	362,899	11.5%	19,474,163	17.2%
Mean retirement income	47,044	219.8%	25,202	117.7%	21,407*	
Families	27,891	100.0%	2,119,091	100.0%	75,030,551	100.0%
Less than $10,000	1,053	3.8%	93,269	4.4%	3,211,198	4.3%
$10,000 to $14,999	1,627	5.8%	83,597	3.9%	2,404,943	3.2%
$15,000 to $24,999	2,704	9.7%	218,626	10.3%	6,148,998	8.2%
$25,000 to $34,999	1,311	4.7%	201,251	9.5%	6,827,538	9.1%
$35,000 to $49,999	3,050	10.9%	265,573	12.5%	10,239,597	13.6%
$50,000 to $74,999	4,429	15.9%	376,130	17.7%	15,144,495	20.2%
$75,000 to $99,999	4,054	14.5%	261,690	12.3%	11,047,974	14.7%
$100,000 to $149,999	3,261	11.7%	321,604	15.2%	11,568,389	15.4%
$150,000 to $199,999	2,353	8.4%	141,667	6.7%	4,251,923	5.7%
$200,000 or more	4,049	14.5%	155,684	7.3%	4,185,496	5.6%
Median family income (dollars)	71,291	112.5%	61,937	97.7%	63,366*	
Mean family income (dollars)	115,645	138.7%	89,253	107.1%	83,351*	
Per capita income (dollars)	39,833	144.4%	27,655	100.2%	27,589*	
Median earnings for workers	32,429	108.6%	29,026	97.2%	29,868*	
Median earnings for male full-time	46,770	102.7%	41,079	90.2%	45,556*	
Median earnings for female full-time	46,268	130.4%	37,126	104.7%	35,471*	
PERCENTAGE BELOW THE POVERTY LEVEL						
All families	13.30%	137.1%	12.40%	127.8%	9.7%*	
All people	16.70%	126.5%	15.20%	115.2%	13.2%*	

All figures are for 2008. Source: American Fact Finder, U.S. Census

* % for Pasadena and L.A. County shown in red are relative to U.S. averages. Other % are relative to the total in that category.

The percentage distribution of employment by industry shows that Pasadena has a far lower proportion of workers in manufacturing, trade, and transportation, with a far higher proportion in professional and administrative services, and in education and health care.

All measures of income shown here are higher than the U.S. average; they are also higher than L. A. County. The median household income is 111% of the national average, compared to 106% for L.A. County, and median family income is 113% of the national average, compared to 98% for L.A. County. The mean values are much larger, skewed by a heavier concentration in the upper income brackets. For example, 14.5% of all families in Pasadena have incomes of $200,000 or more, compared to 7.3% for L.A. County and 5.6% for the U.S. As a result, mean family income is 138.7% of the national average. Per capita income is even higher in Pasadena, at 144.4% of the national average.

The income distribution is skewed at both ends. In spite of having a much higher proportion of wealthy families, the measures of poverty in Pasadena are also well above those for L. A. County and the U. S. The poverty rates of 13.3% for all families and 16.7% for all people in Pasadena are both well above the national average figures of 9.7% and 13.2% respectively.

Table 2. Comparison of Key Employment and Income Figures for Los Angeles County, Orange County, and the U. S.

Category	Los Angeles County	%	Orange County	%	United States	%
EMPLOYMENT STATUS						
Population 16 years and over	7,617,775	100.0%	2,337,803	100.0%	238,764,455	100.0%
In labor force	4,998,989	65.6%	1,591,924	68.1%	157,465,113	65.9%
Civilian labor force	4,994,626	65.6%	1,588,791	68.0%	156,225,077	65.4%
Employed	4,650,036	61.0%	1,493,038	63.9%	146,266,253	61.3%
Unemployed	344,590	4.5%	95,753	4.1%	9,958,824	4.2%
Armed Forces	4,363	0.1%	3,133	0.1%	1,240,036	0.5%
Not in labor force	2,618,786	34.4%	745,879	31.9%	81,299,342	34.1%
OCCUPATION						
Civilian employed population 16 +	4,650,036	100.0%	1,493,038	100.0%	146,266,253	100.0%
Management & professional	1,589,067	34.2%	580,997	38.9%	51,064,301	34.9%
Service occupations	815,366	17.5%	235,231	15.8%	25,084,498	17.1%
Sales and office occupations	1,226,053	26.4%	409,560	27.4%	37,252,708	25.5%
Farming, fishing, & forestry	9,799	0.2%	5,145	0.3%	997,997	0.7%
Construction, maintenance, repair	384,658	8.3%	105,021	7.0%	13,612,976	9.3%

Production & transportation	625,093	13.4%	157,084	10.5%	18,253,773	12.5%
INDUSTRY						
Civilian employed population 16 +	4,650,036	100.0%	1,493,038	100.0%	146,266,253	100.0%
Agriculture & mining	16,647	0.4%	7,953	0.5%	2,653,081	1.8%
Construction	302,193	6.5%	97,407	6.5%	10,777,675	7.4%
Manufacturing	538,989	11.6%	206,777	13.8%	16,381,624	11.2%
Wholesale trade	180,565	3.9%	56,445	3.8%	4,383,802	3.0%
Retail trade	509,493	11.0%	172,500	11.6%	16,994,717	11.6%
Transportation & utilities	258,560	5.6%	51,157	3.4%	7,595,843	5.2%
Information	206,192	4.4%	31,894	2.1%	3,527,777	2.4%
Finance, insurance & real estate	302,566	6.5%	128,192	8.6%	10,112,239	6.9%
Professional & administrative	542,861	11.7%	202,287	13.5%	15,242,426	10.4%
Educational services & health care	913,228	19.6%	271,439	18.2%	31,757,530	21.7%
Arts, entertain, hotel, food svcs	455,042	9.8%	146,404	9.8%	12,904,517	8.8%
Other private services	279,829	6.0%	77,906	5.2%	7,092,352	4.8%
Public administration	143,871	3.1%	42,677	2.9%	6,842,670	4.7%
INCOME AND BENEFITS						
Total households	3,168,362	100.0%	971,559	100.0%	113,101,329	100.0%
Less than $10,000	194,271	6.1%	36,999	3.8%	8,149,557	7.2%
$10,000 to $14,999	184,485	5.8%	32,725	3.4%	6,141,047	5.4%
$15,000 to $24,999	345,478	10.9%	70,400	7.2%	12,049,123	10.7%
$25,000 to $34,999	308,425	9.7%	67,084	6.9%	11,718,207	10.4%
$35,000 to $49,999	404,628	12.8%	108,623	11.2%	16,028,909	14.2%
$50,000 to $74,999	555,761	17.5%	169,426	17.4%	21,251,695	18.8%
$75,000 to $99,999	369,361	11.7%	132,957	13.7%	14,015,215	12.4%
$100,000 to $149,999	428,563	13.5%	170,289	17.5%	13,921,120	12.3%
$150,000 to $199,999	179,830	5.7%	89,267	9.2%	4,954,443	4.4%
$200,000 or more	197,560	6.2%	93,789	9.7%	4,872,013	4.3%
Median household income (dollars)	55,499	106.7%	75,078	144.3%	52,029	
Mean household income (dollars)	81,169	113.5%	101,611	142.1%	71,498	
Families	2,119,091	100.0%	686,756	100.0%	75,030,551	100.0%
Less than $10,000	93,269	4.4%	17,554	2.6%	3,211,198	4.3%
$10,000 to $14,999	83,597	3.9%	12,372	1.8%	2,404,943	3.2%
$15,000 to $24,999	218,626	10.3%	40,254	5.9%	6,148,998	8.2%
$25,000 to $34,999	201,251	9.5%	42,856	6.2%	6,827,538	9.1%
$35,000 to $49,999	265,573	12.5%	69,736	10.2%	10,239,597	13.6%
$50,000 to $74,999	376,130	17.7%	113,702	16.6%	15,144,495	20.2%
$75,000 to $99,999	261,690	12.3%	98,470	14.3%	11,047,974	14.7%
$100,000 to $149,999	321,604	15.2%	137,959	20.1%	11,568,389	15.4%
$150,000 to $199,999	141,667	6.7%	73,999	10.8%	4,251,923	5.7%

$200,000 or more	155,684	7.3%	79,854	11.6%	4,185,496	5.6%
Median family income (dollars)	61,937	97.7%	85,985	135.7%	63,366	
Mean family income (dollars)	89,253	107.1%	113,509	136.2%	83,351	
Per capita income (dollars)	27,655	100.2%	34,252	124.2%	27,589	
Median earnings for workers	29,026	97.2%	34,949	117.0%	29,868	
Median earnings for male	41,079	90.2%	52,305	114.8%	45,556	
Median earnings for female	37,126	104.7%	42,346	119.4%	35,471	
PERCENTAGE BELOW POVERTY LEVEL						
All families	12.40%	127.8%	6.80%	70.1%	9.70%	
All people	15.20%	115.2%	9.90%	75.0%	13.20%	

Please note that in this table, the black numbers in the percentage column are relative to the group totals, while the red numbers are the percent of the U.S. average figures.

Los Angeles County is large enough that the proportions of employment by industry tend to mirror the overall U.S. economy with only minor exceptions. The major divergence occurs in information services, which includes movie-making; that sector employs 4.4% of the workforce, compared to 2.4% nationally. The proportions of the workforce are about 1% above the national average for professional services; arts, entertainment, and leisure; and other private services. Proportionately fewer workers are found in agriculture, health care, and public administration.

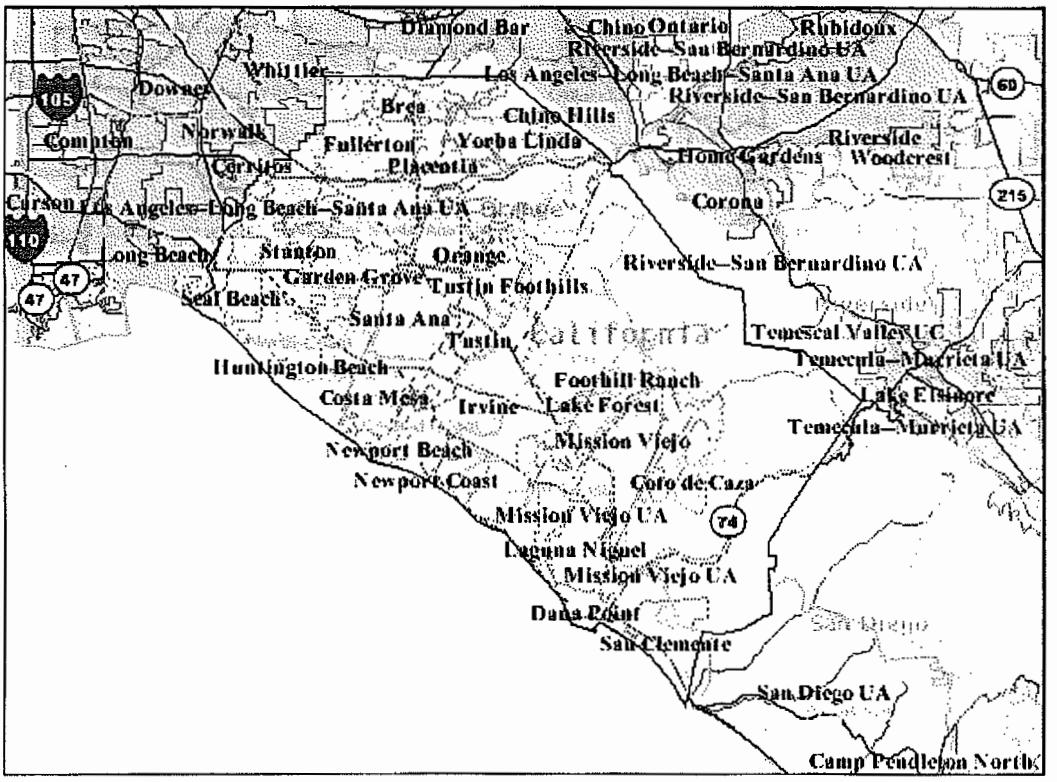
In terms of income distribution, the figures are only modestly skewed toward the upper end, with 6.2% of households earning over $200,000 per year, compared to 4.3% nationally. The proportions of households and families in the two lower income brackets are just about the same as the national average. Nonetheless, the poverty rates for all families and all people are 12.4% and 15.2%, compared to 9.7% and 13.2% nationally; the difference is the larger proportion of people in the $15,000 to $25,000 bracket. The mean and median levels of are about the same as the national average, but for households they are about 10% higher, indicating the relatively large proportion of single-people households earning well above average incomes.

Turning to Orange County, the biggest bulges relative to the national ratios occurs in manufacturing, where 13.8% of the workforce is engaged, compared to 11.2% nationally, and professional business services, where the ratio is 13.5% compared to 10.4% nationally. Other industries with higher than average proportions include and arts, entertainment, and leisure; and other private services. Similar to Los Angeles County, there are proportionately fewer jobs in health care and public administration.

On average, Orange County has a much higher average level of income and lower level of poverty than Los Angeles County. The income distribution

statistics show only about half as large a proportion of households and families in the lower two brackets, and twice as large a proportion in the upper two brackets. As a result, average and median income is about 142% of the national average for households, and about 136% for families. The poverty rates are only 70% of the national average for families and 75% for all people.

Figure 4. Location of Orange County



6. Guide to Using the IMPLAN model for USCIS Adjudicators

Note: this material has been prepared for USCIS Adjudicators who may not be familiar with input/output model methodology for the IMPLAN model. It can be skipped without loss of continuity by those readers who are already familiar with this approach.

Evans, Carroll & Associates, Inc. has used the IMPLAN model in over 50 studies to determine the economic impact of EB-5 and similar programs. This section explains in more detail how the IMPLAN model works, and why it is a valid approach for determining the economic impact for EB-5 regional centers.

The IMPLAN model calculates job creation for each category of economic activity. This model has been approved in many earlier applications by USCIS and is one of the two recognized models (the other one is RIMS II) that are generally used in these applications.

IMPLAN (and other input/output models) are based on the concept of a production function, which determines the quantities of inputs are required to produce a unit of output. The basic data are collected by the Commerce Department from a variety of sources, such as the Annual Survey of Manufacturers and various annual surveys of the service sector. The data are benchmarked to the Economic Census figures once every five years and then updated annually. These figures comprise a national input/output model.

The regional coefficients are then modified to take into account the proportion of goods and services required to produce one unit of output that are produced locally. These regional coefficients are based on data from the Economic Census.

For a manufacturing plant, for example, the raw materials required are measured by the input/output coefficients. Using the data for output per employee, these figures are then converted into new jobs created for indirect employees. The regional coefficients are then used to determine what proportion of these employees work in facilities in the local area. All these coefficients are imbedded in the IMPLAN model. The results shown in the tables submitted in this report are the end product of entering the inputs for direct jobs and solving the model for the indicated region.

For a service industry such as a hotel, office building, life sciences laboratory, retail store, or restaurant, the same concept is employed, except in this case most of the indirect jobs are also in a service occupation. In order for these businesses to function, they must hire lawyers, accountants, computer programmers, and administrators. They deposit their funds in banks and other financial institutions, creating new jobs in those industries. The buildings must be leased and the business must be insured, creating new jobs in those industries.

Once again, the new jobs created are based on the regional coefficients of the IMPLAN model.

An input/output model is not a forecasting model that takes into account varying economic conditions. Instead, input/output models are designed to be static models. At any given time – based on production data gathered by the Department of Commerce – it is ascertained that a given quantity of inputs are used to determine a unit of output. These coefficients are assumed to be the same regardless of whether there is a boom or a recession. For example, it takes the same amount of coal, scrap iron, limestone, machinery, and labor to produce a ton of steel regardless of the underlying business cycle conditions.

Input/output models have been used in thousands of applications to determine the economic impact of a given investment of a specific project; sometimes these are regional models, sometimes they are national models.

The use of input/output models in general, and IMPLAN in particular, represent the standard and accepted way of determining the increase in (i) employment and (ii) the economic impact of regional center projects. In addition to employment, economic impact is measured by increases in output and labor income (sometimes referred to as household earnings) that will be generated by a given increase in direct jobs or expenditures for a given project. Output and labor income capture all of the factors listed in 8 C.F.R. Section 204.6(m)(3)(iv) such as "increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction."

The calculation of the employment multipliers is accomplished as follows:

1. The first step is to determine employment per dollar of output for each industry. There are 440 industries in the IMPLAN input/output matrix, but in this report these are generally aggregated into about 30 industry classifications. The figures for industry output and total employment are taken from Census data and vary for each county.

2. The figures for employment per dollar of output are then multiplied by various coefficients in the model, representing direct, indirect, and induced effects. The column for direct effects has a coefficient of 1 for the specific industry and 0 for all other industries. The column for indirect effects is based on the technical coefficients of production (e.g., how much coal is required to produce one ton of steel). These coefficients range from 0 to 1.

3. The column for induced effects is based on the proportion of household income that is spent in that industry. Usually the figures would be higher for health care and retail trade and lower (or zero) for manufacturing industries.

To illustrate this, consider a very simple three-sector model in which we determine the employment multiplier for auto manufacturing. The three sectors are auto manufacturing, other manufacturing, and services.

	Output	Employment	Empl/Output
Auto mfg	100	10	0.10
Other mfg	2,000	250	0.08
Services	4,000	800	0.20

Employment Multipliers for Auto Manufacturing (in actual work, these would be taken from the IMPLAN model)

	Direct	Indirect	Induced
Auto mfg	1.00	0.05	0.08
Other mfg	0.00	0.25	0.40
Services	0.00	0.20	1.20

These figures are multiplied by the empl/output column to obtain the following results:

	Employment Effects		
	Direct	Indirect	Induced
Auto mfg	0.10	0.005	0.008
Other mfg	0	0.002	0.005
Services	0	0.040	0.240
Total	0.10	0.047	0.253

In this case, the employment multiplier would be calculated as (0.10 + 0.047 + 0.253)/0.10, which in this case is 4.0. The total number of jobs created by the new auto plant is then equal to 4.0 times the number of direct new jobs, which has been calculated outside the IMPLAN model.

In EB-5 regional center applications, the number of direct jobs is calculated outside the model. While there are a variety of methods for doing this, one standard method is to determine the number of square feet per employee. Then the number of employees is identically equal to the number of square feet divided by square feet per employee. Another method is to calculate the ratio of output to capital (from government statistics), multiply by the amount of investment to get the incremental change in output, and then divide by output/employee in the particular county or region. These methods are discussed in greater detail in the next section. Once the number of direct new jobs has been determined, the IMPLAN model is then used to determine the number of indirect and induced jobs.

Indirect jobs are those created when the new business purchases goods and services that are produced or sold locally. These are discussed in more detail in Section (8).

In the case of a restaurant, for example, some of the food might be purchased from local farms, or food manufacturing plants. The proportions are determined by the coefficients imbedded in the IMPLAN (or other input/output) model. These coefficients are based on actual data for purchased goods and services taken from the Economic Census, the Annual Survey for Manufacturers, and other similar sources compiled by the Commerce Department. The regional purchase coefficients are based on regional estimates prepared by the Commerce Department. These figures can be found on the BEA website.

In general, food purchases account for about 1/3 of total restaurant output. Thus if the restaurant generated $6 million in sales, $2 million would be spent on purchasing food. Some of this would be grown or produced locally, while some of it would be grown or produced outside the region, but sold locally.

Suppose, for example, that the restaurant purchased its desserts from a nearby bakery. In this example, suppose desserts account for 10% of the food bill, which means $200,000 worth of dessert would be purchased. That amount of activity would increase the number of employees at the bakery, both in terms of salespeople and in terms of bakers. The bakery would then buy sugar, flour, eggs, and other ingredients from other sources; here again, some would be local, and some would be out of the region. If the flour is purchased from a local source, then that would generate further jobs in growing and milling wheat, and so forth. The input/output table captures all of these relationships and converts them to the number of additional employees that are generated by the purchase of desserts. Similar calculations would be taken for all other food served at the restaurant.

The restaurant would also hire a cleaning service to launder the tablecloths and napkins, it would hire an accountant to keep track of its receipts and pay taxes, and from time to time it would need to hire plumbers, electricians, and carpenters to perform repairs. There are many other services they would also need to use. The input/output model shows the fraction of total sales expended in each of these categories. There are 440 categories in the latest input/output table, although not all of them apply to all categories.

Induced jobs are those created when the restaurant employees spend some of their paychecks on goods and services produced or sold locally. This would include expenditures on food, clothing, health care, entertainment, and a variety of other goods and services. These figures are based on consumer surveys showing the amount spent by individuals and families at different income levels in different locations, and are prepared by the Bureau of Labor Statistics.

All the calculations for the number of indirect and induced jobs are done by the computer program imbedded in the IMPLAN model, using these coefficients calculated from BEA and BLS data, which are then used to invert and

solve a matrix that contains 440 * 440 (equals 193,600) elements. Obviously all these elements cannot be reproduced in each report; however, a related table is found on the BEA website (http://www.bea.gov/bea/interactive.htm).

In the same manner, the IMPLAN model also generates predictions of output and labor (household) income for each industry category; these are referred to as the "derived monetary predictions" by USCIS. The coefficients that determine output and income are based on the same methodology used to generate the employment numbers; the figures are then multiplied by the output per worker, and labor income per worker. These figures are also taken from data found in the Economic Censuses and supplemented by the BLS.

All these calculations are part of the input/output algorithm, which is internal to the IMPLAN (or other input/output) model. Hence the pathway for determining the results is as follows:

1. Calculate the number of new direct employees for each new business.

2. Use the computer program algorithm that contains coefficients in the input/output model that determine the number of new employees per dollar of new sales for each industry category where the new business purchases goods and services produced or sold locally.

3. Use the computer program algorithm that contains coefficients in the input/output model that determine the number of new employees per dollar of new sales for each industry category where employees spend part of their paychecks on goods and services produced or sold locally.

4. Solve the entire input/output model to take into consideration secondary links (i.e., bakers purchase flour, which is grown from wheat) that create employment gains throughout the economy.

5. Use the gains in employment to determine the increase in output by multiplying employment by the average output/employee for all relevant industries.

6. Use the gains in employment to determine the increase in labor income by multiplying employment by the average compensation/employee for all relevant industries.

The IMPLAN model is a regional input/model developed and maintained by the Minnesota IMPLAN group, headquartered in Minneapolis. The basic model was originally developed by the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management.

The IMPLAN model has certain similarities with the RIMS (Regional Input/Output Modeling system) model developed by the Department of Commerce, but is generally thought to contain several superior features besides its greater ease and flexibility of use. These improvements can be summarized as follows:

1. The Commerce Department is not permitted to publish data in any category where there are less than three organizations in a given economic area. IMPLAN has developed an algorithm to fill in the missing numbers.

2. IMPLAN has introduced improved methods of accounting for flows of goods and services among counties.

3. IMPLAN permits aggregation of any subset of industries for calculation and tabular purposes. This is useful when results are desired for, say, 1-digit industries instead of the 509 industries actually found in the input/output table.

4. As seen in the tables throughout this text, IMPLAN estimates three separate effects, labeled "direct", "indirect" and "induced". The direct effects are those entered by the user. The other two columns represent the multiplier effects, but they are usually combined in other input/output models. Briefly, the indirect effect represents purchases made by businesses when their sales rise. For example, a restaurant might order more food produced or sold in the region, or an automobile plant might order more steel. The induced effect represents the additional household spending because income has risen. For example, restaurant workers would spend their paychecks on various goods and services, some of which are produced in the region. In general, then, the larger the region under consideration, the larger the multipliers would be.

The following material, taken from the IMPLAN manual, describes the input/output process in more detail.

Input/output analysis is a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all of the monetary market transactions for consumption in a given time period. The resulting mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy.

A descriptive model includes information about local economic interactions known as regional economic accounts. These tables describe a local economy in terms of the flow of dollars from purchasers to producers within the region. The initial IMPLAN data details all purchases, including imported goods and services. When regional economic accounts are created, imports to the region are removed from the initial data, allowing examination of local inter-industry transactions and final purchases.

The regional economic accounts are used to construct local level multipliers. Multipliers describe the response of the economy to a stimulus (a change in demand or production). The multipliers represent the Predictive Model.

Purchases for final use (final demand) drive an input/output model. Industries producing goods and services for consumption purchase goods and services from other producers. These other producers, in turn, purchase goods and services. These indirect purchases (or indirect effects) continue until leakages from the region (imports, wages, profits, etc.) stop the cycle.

The indirect effects and the effects of increased household spending (induced effects) can be mathematically derived as sets of multipliers. The derivation is called the Leontief inverse. The resulting sets of multipliers describe the change of output for each industry caused by a one dollar change in final demand for any given industry.

The input/output analysis framework is similar to a financial accounting framework that tracks purchases of and expenditures on goods and services in dollars. Input/output accounting traces the flow of dollars between businesses and between businesses and final consumers. An input/output accounting framework can be illustrated using classic financial accounting T-accounts, which include receipts (income) and expenditures (expenses) on each side of a "T", as shown below.

Final Consumption (or final demand) drives input/output models. Industries respond to meet demand directly or indirectly, by supplying goods and services to industries responding directly. Each industry that produces goods and services generates demands for other goods and services, and so on. Multipliers describe these iterations.

There are three different multipliers developed for predictive modeling: Type I, Type II, and Type SAM. We start with the transactions table and derive a coefficient by dividing each industry column by the column total. This coefficient matrix is also known as the ***A Matrix***.

The columns of the A Matrix are production functions. A production function shows where an industry spends, and in what proportions, to generate each dollar of output.

Receipts	Expenditures
Sales to industries	Purchases of goods and services
Sales to institutions	Local
Exports	Imported

	Investment
	Payroll
	Taxes
	Profits
	Distributed
	Retained

Through algebraic manipulation of the A Matrix, we can derive the multipliers. The predictive model shows how output will change with a given change in final demand. The inverse is the matrix of multipliers.

Multipliers break the effects of stimuli on economic activity down into three components:

1. Direct effects are the changes in the industries to which a final demand change was made.

2. Indirect effects are the changes in inter-industry purchases as they respond to the new demands of the directly affected industries.

3. Induced effects typically reflect changes in spending from households as income increases or decreases due to the changes in production.

The Type I multiplier measures the direct and indirect effects of a change in economic activity. It captures the inter-industry effects only, i.e., industries buying from local industries.

The Type II multiplier captures direct and indirect effects in addition to the inter-industry effects; it also takes into account the income and expenditures of household. The household income and expenditures are treated as industries. This internalizes the household sector, including the induced or household spending effects.

The Type SAM multiplier uses all information about the institutions selected to be included in the predictive model. If only households are included, all information for industries, factors, and households are included.

The latest version of the IMPLAN model contains 440 separate industrial sectors. In preparing these calculations, the direct employment effects were entered for construction, retail outlets, hotels, office space, and residential

operations. The remaining sectors are then aggregated, generating a total of 25 to 30 sectors, which are reproduced in the tables in the following sections.

Each IMPLAN calculation is based on separate figures for a specific set of counties, which is determined by the location of the project and the likely flow of the workforce to the new businesses that are in operation. The size of the multipliers for any county depends in part on its size; a very small county would have a smaller multiplier because a larger proportion of the goods and services would be purchased outside the county. A very large county, such as Cook County in Chicago, would have a larger multiplier.

There is always a tradeoff here in the following sense. The more contiguous counties that are included – i.e., the larger the overall area – the higher the multiplier is likely to be, and hence the higher the number for indirect and induced job creation. On the other hand, making the area larger than it should be overstates the result and vitiates its usefulness.

The Census publishes data on county-to-county workflow. In most cases, most of the people who work in a given county also live there. The question is how to identify those other counties that provide a significant proportion of the workers, because they will spend part of their paychecks at home, which means those counties should also be included in the multiplier calculations. In general, the multipliers are likely to be the most accurate when they include those counties whose residents represent 90% to 95% of the county workforce. In this case, since Los Angeles County is such a large county, no other counties are used to determine the economic multipliers.

7. Methodology for Calculating Indirect Job Gains

In spite of the explanation of the IMPLAN model given above, some USCIS adjudicators have raised questions about how that model is used to determine the increase in the number of indirect jobs. That is an important issue because, unlike the direct job count, which can be verified by USCIS from various payroll and withholding documents, the calculation of indirect jobs cannot be verified directly but depends on mathematical calculations.

The general concept is based on the coefficients in the input/output model itself (the same methodology applies to IMPLAN, RIMS II, or any other generally recognized and accepted input/output model). In any given year, the government calculates how much input is used for a given production of output. The detailed figures are taken from the Economic Censuses taken once every five years; the figures are then updated from various annual supplements.

Basically the process has two steps, each of which is described next in greater detail. The first is to determine the amount of output, and hence the number of jobs, required to produce a given amount (say $1 million) of the final

product or service. These are national coefficients. The second is to determine what proportion of those goods and services are purchased within the local region (the regional purchase coefficients, or RPCs).

In the case of a manufacturing process, the national coefficients are based on production functions: how much coke per ton of steel, how much steel per motor vehicle, how much flour for a loaf of bread, and so on. However, most of the jobs are created in the service sector, where Commerce Department data are used to determine, for example, how much restaurants spend on laundry services, how much airlines spend for attorneys, and so on. These figures are based on information contained in the various Economic Censuses. The national coefficients would also determine, for example, how many architects and engineers would be hired for a construction project of a given scope and size, and how many new employees at financial institutions would be required to handle the additional cash flow generated by the new business. Both of these are discussed below in greater detail.

Even after these coefficients are determined, however, the regional purchase coefficients (RPC) must still be estimated. If, for example, a trucking firm spends 1% of its revenue on accountants, how much of that money is spent on local firms, and how much is spent outside the region?

That answer depends on various factors. The most important is the amount of the good or service produced within the region. If a trucking firm, for example, were located in a small county with no accountants, obviously it would not spend any of that money locally. That sets a lower limit but is not generally the case. Instead, a balancing algorithm is used.

Suppose, for example, that all the firms producing, distributing, or selling goods and services in a given county spent $10 million on accounting services. Also, suppose that total billings of all accountants in the county were $20 million. In that case, local accountants could handle all the local business, plus business from neighboring counties. If, on the other hand, total accountant billings in the county were only $5 million, local firms could not spend more than half of the money on local accountants.

Of course it is possible that there are adequate resources in the county but local firms choose to use companies outside the county; perhaps prices or service is better. No input/output model can account for such anomalies. On the other hand, given transportation costs, it would be highly unusual for a firm to be located in a given location and not serve the nearby businesses, instead choosing only those clients who were farther away.

The IMPLAN model – and other regional input/output models – assigns regional purchase coefficients (RPCs) in all cases where the local industry purchases goods and services from local firms. This matrix could have as many

as 440 * 440 = 193,600 elements, although in practice many of them are zero. Large counties with a wide variety of businesses have more non-zero elements than small counties with relatively few businesses.

In general, the RPCs tend to be close to zero for most manufactured goods, and close to unity for most services. While there are many exceptions to this rule, most firms will use financial, professional, business, and health care services that are located in that county or contiguous areas.

To take just one example of many, consider the number of new jobs created by architects and engineers for a new construction project of any given size. Most construction cost manuals, such as those published by R. S. Means, indicate that those costs are usually about 5% to 9% of the total job. According to the national IMPLAN file, the figures are 9.2% for commercial construction and 4.5% for industrial construction.

These figures can be compared with the proportions of architects and engineers in the specific counties that are used to determine the economic multipliers. For Los Angeles County, the IMPLAN model shows proportions of 8.4% for commercial and 4.3% for industrial construction, indicating that 91% of the architects and engineers for commercial jobs and 95% for industrial jobs are hired locally. These figures are fairly typical of other locations and regions; except for "signature" buildings designed by famous names, most architects and engineers live in the same region as the buildings that are being constructed.

To summarize to this point, the number of indirect jobs as a proportion of direct jobs depends on (a) the national relationships, and (b) the regional purchase coefficients. In our presentation of the individual projects later in this report, we generally provide further discussion of those industries with the largest number of indirect jobs. However, there are a few industries that produce relatively large numbers of jobs in almost all cases, and these can be generally discussed at this stage in order to avoid repeating this information several times. The industries discussed here include banking, real estate, legal and accounting, architects and engineers, other professional services, employment services, other business services, restaurants, and government. In all of these cases, the vast majority of workers are hired locally. Our comments for the rest of this section are based on the assumption of a $10 million investment.

Banking and credit: On an aggregate basis, for every $10 million in deposits, using the very broadly defined M3 measure of the money supply, there is about 1 new banking employee. As a rough rule of thumb, the size of M3 is roughly equal to the size of GDP. Hence we would expect about 1 new financial services employee (excluding real estate) for every $10 million increase in output, as calculated from the IMPLAN model.

Real estate: Additional real estate employees are based on two factors. One is the leasing activity of the new building. The other is the increase in residential real estate activity as people get new jobs, either within the area or by moving into the area; that factor varies depending on whether the new business is likely to cause people to move into the area. On a lease basis, a $10 million investment is likely to result in a building of 80,000 square feet. If it leases for $40/square foot, that would be $3.2 million in annual lease payments, and with a 6% commission would generate $192,000 in revenues, which would account for about 2 new real estate employees (the figure would be less for industrial buildings).

The increase in employment would also result in some real estate activity as workers moved into better housing in the same location, or moved in from other areas; that movement would depend on how large the area is, and therefore how many people might move in to fill the new jobs. In a normal year, there are about 7 million sales of new and existing homes for a labor force of about 140 million, or 5%. Hence if the total increase in direct employment were 200, that would imply 10 real estate transactions; if home price sales average $200,000 and a 6% commission applies, that would be $12,000 per home or a total of $120,000, which would support 1 to 2 new real estate jobs.

Legal & Accounting: Each of these accounts for about 1% of total employment; so if there were a total increase of 200 direct jobs, we would expect an average of 4 new employees in this classification.

Architects & Engineers: almost all of these jobs stem from the new construction activity. This category has already been discussed above; for a $10 million construction project, which would create about 80 new construction jobs, we would expect about 7 new jobs in architects and engineers for a commercial project and 3 to 4 new jobs for an industrial project. In areas where construction costs are higher, say $200 per square foot, we would expect to find only about 5 new jobs for a commercial project and 2 new jobs for an industrial project.

Other professional services: This category includes employees in consulting, scientific research and development, advertising, and management, as well as several other smaller, specialized categories. In general, consulting, management, and all other professional services each account for about 1% of total employment, and R&D and advertising account for about ½% of total employment, for a total of about 4% of total employment. This figure will vary widely depending on the degree to which consultants and R&D are used by the new business.

Employment services: On a national average basis, 1 out of every 45 people is employed by this industry. Here again, the figures will vary widely depending on (a) the proportion of people who are hired through employment agencies, and (b) the proportion of the work that is outsourced to employment

services. The new jobs in this category are primarily those tasks that are outsourced, although employment agencies that find people new positions represent a significant proportion of this category.

Business support services include office management, travel arrangement, security, credit bureaus, telemarketing, and back-office jobs that are outsourced, such as direct mail, copying, and duplicating services. The back-office services would vary widely depending on the type of new business; retail stores, for example, would print and distribute more advertising brochures than a manufacturing operation. On a national average basis, these jobs account for about 1% to 2% of total employment, depending on the type of business.

Building support services, which includes janitorial services, lawn maintenance, and waste management. For an office building of 80,000 square feet, the cost would be approximately $2/sq ft per year for maintenance, or $160,000, which would support about 3 new jobs; here again, the figure would be lower for industrial buildings.

Restaurants: This category reflects business meals. Of course the number of business meals depends greatly on the type of business; lawyers, accountants, and consultants will have more business meals than manufacturing plants or water treatment facilities. On a national average basis, Commerce Department figures show that total restaurant sales in 2007 were $580 billion, while consumer expenditures at restaurants were $500 billion. However, that figure also includes tips, which are not included in restaurant sales. After subtracting 15% for tips, that indicates about $425 billion in food and beverage purchases by consumers, indicating about $155 billion for business expenses. With a labor force of approximately 140 million, that is equivalent to about $1,100 per employee. Hence if 200 new direct jobs were created, business meal expenses would rise an average of $221,000, which would imply about 4 new indirect jobs in the restaurant industry. These figures are generally higher when direct jobs are created for office buildings and professional services, and also for hotels where some of the food service operations are outsourced.

Government: The increase in public sector employees represents the amount funded by increased real estate taxes. For a construction project with $10 million in hard costs, the total value is likely to be between $15 and $20 million when furniture, fixtures, equipment, and land values are included. Using a national average property tax rate of 1% would raise taxes by $150,000 to $200,000, which would create 3 to 4 new jobs in the public sector. This ratio is closely correlated with the actual real estate tax rate on nonresidential property and equipment in various locations.

These general ratios will be applied to the indirect job figures generated by the IMPLAN model in the remainder of this report, with additional comments where the estimated numbers vary substantially from these guidelines.

8. Estimates of Direct Jobs Created

A. Introduction

This section of the report contains the estimates for direct job creation for each major phase of the project. The summary figures for each of these components have already been presented in Section A. The following comments apply to the direct job estimates that will be presented:

Phase I

Construction -- (b) (4) construction costs

Hotel Rooms – 142 rooms, upscale hotel
3,677 square feet of retail stores
18,923 square feet of restaurants
Parking Garage with valet service – 125 spaces

Phase II

Construction - (b) (4) construction costs for the building, including (b) (4) for the parking garage

Hotel – 25 additional rooms (12,125 SF)
69,720 SF of office space
8,010 SF of bank space
9,905 SF of specialty retail space
13,000 SF of indoor restaurant space and 2,726 SF of outdoor seating
320 parking spaces, no valet services

The following methods are employed to determine the number of employees for each phase of the project:

- Renovation of the hotel and ancillary facilities. The figures are based on budget estimates for hard construction costs for Phases I and II submitted by the developer.

- Operation of the hotel facilities. The number of employees is based on the ratio of employees to hotel room for an upscale facility.

- Operation of retail stores and restaurants. These figures are based on national average figures for square feet per employee, adjusted for levels for Los Angeles County.

- Office building tenants. These figures are based on survey estimates of square feet per employee for different types of tenants.

- Bank employees. These figures are based on a survey of square feet per employee for both main office and branch banks.

- Parking garages. These figures are based on revenue per parking space in Pasadena and output per employee.

Before proceeding further, we note that the definition of "direct jobs" used in this report should not be confused with the concept of direct job creation measurable by Forms I-9, payroll records, or other similar documentation as set forth in 8 C.F.R. § 204.6(j)(4)(i)(A). That section contemplates jobs created by the actual employees of the new commercial enterprise, specifically in the non-regional center context.

When economists use the term "direct" jobs in the context of an econometric methodology such as IMPLAN, what is meant are jobs created directly by revenues (which in the EB-5 Pilot Program results from an immigrant investor's investment). For example, where a regional center-based new commercial enterprise comprised of immigrant investors renovates a building it purchased, the employees of the various unaffiliated tenants of that building would be considered "direct" jobs in the context of an econometric report. However, those jobs are not "direct" in the sense set forth in 8 C.F.R. § 204.6(j)(4)(i)(A) where the new commercial enterprise is itself the employer that can provide Form I-9 or other similar documentation on its own employees. The tenants' employees are not "direct" employees of the regional center-based new commercial enterprise.

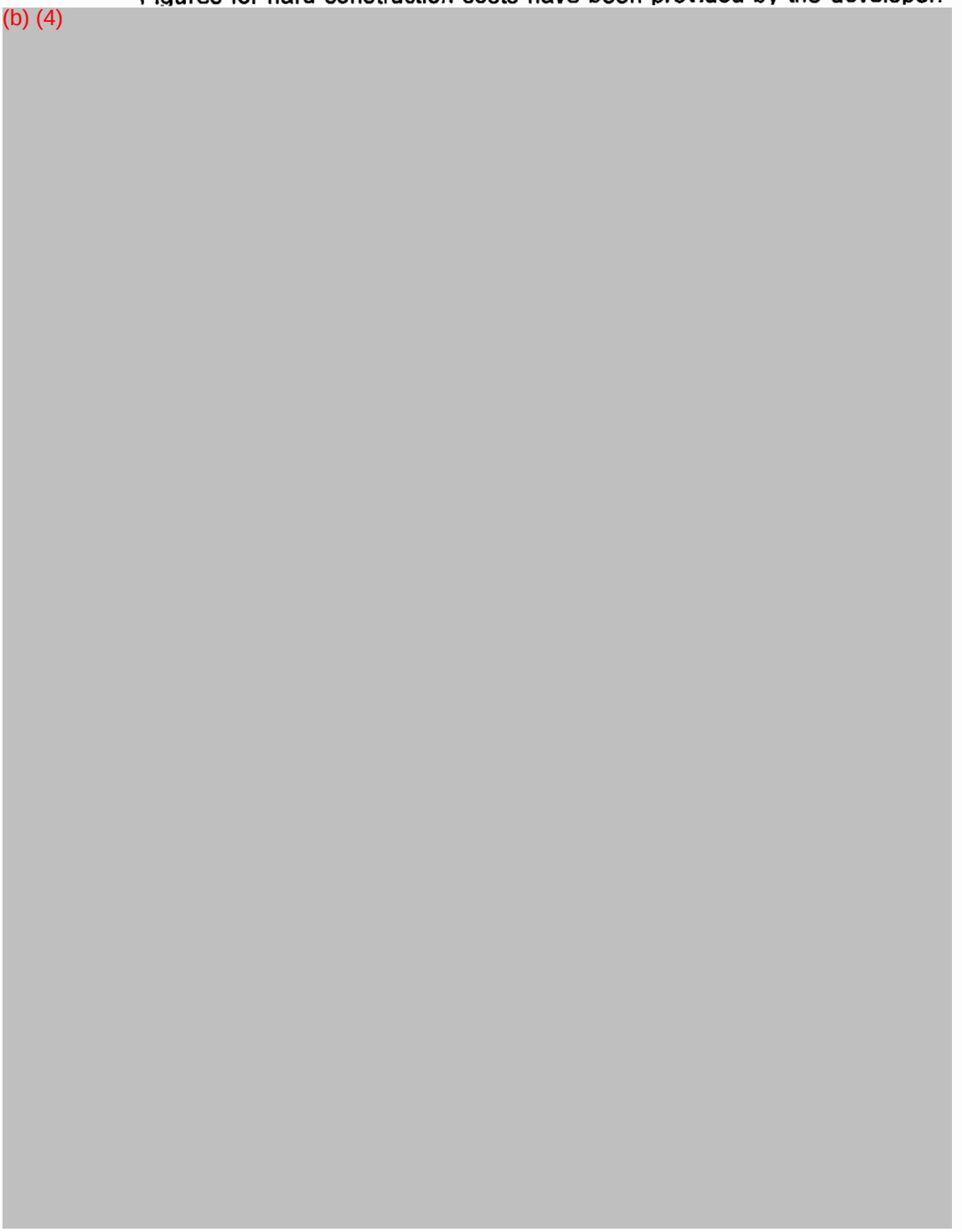
To be clear, this report does set forth the number of jobs that are likely to be created by the new commercial enterprises. However, as 8 C.F.R. § 204.6(j)(4)(iii) clearly states, the proof of job creation in the context of regional centers is not Forms I-9, payroll records, or similar documentation, but rather "reasonable methodologies" such as this report.

B. Direct Construction Jobs

For EB-5 purposes, only hard construction costs can be used to determine construction jobs. While design and management costs are important, they are included in the indirect jobs category in the IMPLAN model, so including them as direct jobs would represent double-counting. Furniture and equipment costs are not included because they would probably be purchased outside the area. Purchase of insurance policy and permits do not create more direct jobs, although there could be a slight indirect effect. Escalation costs reflect higher costs for wages, not more employees. Similarly, the owner's contingency reflects higher than expected costs rather than the creation of more jobs.

Figures for hard construction costs have been provided by the developer.

(b) (4)



A recent survey of luxury hotel chains in the U.S., including the Mandarin Oriental, St. Regis Hotel, Ritz Carlton, and Four Seasons chains, found an average hotel room of 430 square feet, and an average of 1.7 employees per room except for the Ritz Carlton, which is slightly less luxurious at a rate of 1.2 employees per room. It is assumed that at a luxury hotel there are 6 people per shift at the front desk, and the addition of concierge and bellhop personnel throughout the day and night. The food service figures have been expanded to include room service and an extensive trade in meeting and banquet facilities. Three employees are available on each shift for customer relations instead of one. Similarly, three employees instead of two are available per shift for management, security, engineering, and inside maintenance, and janitorial services and outside maintenance. In addition, two employees per shift are added for reservations and for meeting and banquet facilities. These results are summarized in Table 3.

Table 3. Hotel Employees Per 100 Rooms

Category	Budget	Standard	Upscale	Semi Luxury	True Luxury
Maid Service	6	8	10	11	12
Front Desk	6	12	15	18	18
Doormen	0	3	3	4	6
Bellhops	1	0	4	6	8
Parking Valets	0	0	3	6	8
Concierge	0	0	3	6	6
Food Service	3	14	20	30	45
Customer relations	3	3	6	7	9
Management	3	6	6	7	9
Security	3	6	6	7	9
Engineering/inside maint	4	6	6	7	9
Janitor/outside maint	3	3	6	7	9
Reservations	0	0	3	6	6
Meeting & Banquet	0	0	0	3	6
Total	32	61	91	120	160

Further calculations are included to demonstrate that (a) this will be an upscale hotel, and (b) it will employ 91 people per 100 rooms. The cost per room puts this hotel very near the median figure for all upscale hotels. As shown in Table 4, the median cost per room for an upscale hotel is $121,600. Based on figures supplied by the developer, the hard construction cost will be $250 per square foot, and since each room averages 465 square feet including common area space, that would be a cost of $116,250 per room, very close to the median figure.

The labor count can be verified by the following method. In general, labor costs for hotel rooms are equal to about 1/3 of the total revenue generated per room. The average daily rate for an upscale hotel in Los Angeles County is expected to be about $275 when the hotel opens in 2012 or 2013, based on recent room rates before the recession (prices declined in 2009). According to the IMPLAN model updated to 2010 dollars, the average labor cost per hotel employee is about $37,300. If there are 0.91 employees per room, that would be $34,000 per room in labor costs, or an expected revenue of $102,000. When that figure is divided by 365, the indicated daily rate is $279, almost exactly the same figure as the average of $275.

Two adjustments must be made to this figure, but as it turns out they are offsetting. The first is that the average occupancy rate is 75%. The second is that the room rate is 75% of the total revenues. More specifically, the IMPLAN model figures for revenues in the hotel industry include ancillary charges as well as room rates. According to a recently completed study of the hotel industry by Convention, Sports & Leisure International (CSLI), the revenue breakdown for an average hotel is 75% from room rates, 20% from food and beverage service including meeting and banquet facilities, and 5% from all other sources (telecom, gift shops, rentals, etc.) Thus taking the national average occupancy rate at 75%, the total annual room revenue including additional purchases but adjusted for some vacancies is simply equal to the daily room rate times 365.

On this basis, then, there would be 129 employees for a 142-room upscale hotel in Los Angeles County. In Phase II, when 20 more rooms are added, there would be an additional 18 employees.

Table 4. Hotel Costs per Room by Type of Hotel

Hotel Category	Land	Hard Constar	Soft Constar	FF&E	Working Capital	Total
Budget/Economy						
Average	15000	48800	4500	8900	3200	80400
Median	14400	44400	2300	8900	3000	73000
Extended Stay						
Average	16200	89400	13000	14100	3500	136200
Median	14400	78400	11300	14600	2600	121300
Mid-scale w/o food&bev						
Average	30200	76300	12400	10500	4300	133700
Median	15800	67400	9000	10200	2900	105300
Mid-scale w/ food & bev						
Average	18500	83900	14800	13700	4000	134900
Median	13600	69200	11600	12900	3200	110500

Full-Service						
Average	21700	133900	25800	24400	7300	213100
Median	17100	121600	16200	20000	6100	181000
Luxury						
Average	109400	385100	120800	59800	22600	697700
Median	111800	334000	103900	63900	20300	633900

Source: HVS Associates 2008 Hotel Survey

D. Retail and Restaurant Operating Jobs

The methodology for calculating employees/square foot uses the identity that employees per square foot equals sales per square foot divided by sales per employee. Figures are available from Census and the IMPLAN model on sales per square foot by county. Figures on sales per square foot by type of establishment on a national basis are available from the Bizminer survey data.

However, figures are not available for sales per square foot by county, and must be calculated by ECA. In general, sales per square foot would probably be higher in high-income urban areas than in low-income rural areas. Also, to a certain extent, higher sales per square foot would probably result in more employees per square foot, although only partially. The following discussion explains how these ratios are calculated.

Figures are available for sales/employee by retail sectors for each county, so we can determine (for example) that sales at clothing stores in Los Angeles County are 37.3% above the national average. That information can be used to determine how much that would increase employees per square foot.

To answer to this question, ECA has undertaken extensive regression analysis relating employees per establishment to sales per establishment for various counties and types of businesses. Additional independent variables were used to take into account the variability of the size of establishment; in econometric terms, the effect was to correlate the marginal relationship between employment and sales, holding establishment size constant. On this basis ECA has calculated that the marginal coefficient is about 0.35.

That 0.35 coefficient is then used in the following way. The ratio of sales/employee for each retail group in Los Angeles County is calculated and compared to the national average. Since this ratio is 1.373 for clothing stores; then the number of employees per square foot in Los Angeles for clothing stores would be equal to the national average figure times the incremental difference of 37.3% times 0.35. In other words, it would be 13.06% higher. The precise figures for all major retail store groups are given for Phase I in Table 5.

Table 5. Employment Per Square Foot for Retail Stores, Los Angeles County

Category	National Averages			Los Angeles		National	N-S	# of	# of
	VA/empl	Sales/ Employee	Sales/ Sq Ft	VA/empl	Ratio	Empl/1000 sq ft	Empl/1000 sq ft	Sq Ft (000s)	Empl
Furniture	90.58	193.6	250	110.28	1.217	1.291	1.389	0	0.0
Electronics	85.64	210	748	104.93	1.225	3.562	3.843	0	0.0
Food & beverage	58.79	205.1	540	75.49	1.284	2.633	2.895	0	0.0
Drug stores	72.39	249.7	828	84.46	1.167	3.316	3.510	0	0.0
Clothing	62.17	148.7	370	85.34	1.373	2.488	2.813	1.8	5.0
Sporting goods	44.57	135.6	245	65.56	1.471	1.807	2.105	0	0.0
General merch	54.28	202.9	529	58.17	1.072	2.607	2.672	0	0.0
Misc retail	42.71	139	305	55.35	1.296	2.194	2.421	1.8	4.4
Restaurants	54.91	46.9	297	61.77	1.125	6.333	6.610	19	125.6

Col (1) figures taken from IMPLAN model for the U.S. VA stands for value added (which is the figure given in the "output" column of input/output models for retail trade)
Col (2) is calculated from total retail sales divided by total national employment
Col (3) is taken from the Bizminer Industry surveys of February, 2009
Col (4) is based on figures taken from the IMPLAN model for Los Angeles County.
Col (5) is the ratio of Col (1) to Col (4)
Col (6) is the ratio of Col (3) to Col (2)
Col (7) represents the figures for Col (6) adjusted for the difference between Los Angeles County and the U.S.
Col (8) is the estimated configuration of the new retail space
Col (9) is the number of new direct jobs and is Col (7) times Col (8).

As can be seen, almost all of the new jobs are restaurant jobs. That is because (a) most of the space is devoted to new restaurants, and (b) the number of employees per square feet for restaurants is more than twice the average for other types of retail establishments.

For Phase II, the space requirements are expected to be 10,000 sq ft for retail and 15,726 for restaurants, but the proportions and other metrics are the same, so there would be 30 retail jobs and 104 restaurant jobs.

E. Office Building Jobs

The number of employees per square foot for office buildings can be taken from data supply by the U.S. Energy Information Agency. As part of its comprehensive study on energy use, the Energy Information Agency prepares annual estimates on the amount of energy used by type and size of commercial

building. This study also estimates the number of mean square feet per worker by type of building. Their figure for office buildings, 434 square feet per worker, is used in this study. Since some figures for other types of buildings are also used here, the complete table from the EIA study is given below, in Table 6.

Table 6. Estimates of Square Feet per Worker by Type of Building

	Number of Buildings (thousand)	Total Floorspace (million square feet)	Total Workers in All Buildings (thousand)	Mean Square Feet per Building (thousand)	Mean Square Feet per Worker	Mean Hours per Week
All Buildings*	4,645	64,783	72,807	13.9	890	61
Building Floorspace (Square Feet)						
1,001 to 5,000	2,552	6,789	9,936	2.7	683	57
5,001 to 10,000	889	6,585	7,512	7.4	877	61
10,001 to 25,000	738	11,535	10,787	15.6	1,069	67
25,001 to 50,000	241	8,668	8,881	35.9	976	72
50,001 to 100,000	129	9,057	8,432	70.4	1,074	80
100,001 to 200,000	65	9,064	11,632	138.8	779	89
200,001 to 500,000	25	7,176	6,883	289.0	1,043	100
Over 500,000	7	5,908	8,744	896.1	676	115
Principal Building Activity						
Education	386	9,874	12,489	25.6	791	50
Food Sales	226	1,255	1,430	5.6	877	107
Food Service	297	1,654	3,129	5.6	528	86
Health Care	129	3,163	6,317	24.6	501	59
Inpatient	8	1,905	3,716	241.4	513	168
Outpatient	121	1,258	2,600	10.4	484	52
Lodging	142	5,096	2,457	35.8	2,074	167
Retail (Other Than Mall)	443	4,317	3,463	9.7	1,246	59
Office	824	12,208	28,154	14.8	434	55
Public Assembly	277	3,939	2,395	14.2	1,645	50
Public Order and Safety	71	1,090	1,347	15.5	809	103
Religious Worship	370	3,754	1,706	10.1	2,200	32
Service	622	4,050	3,667	6.5	1,105	55
Warehouse and Storage	597	10,078	4,369	16.9	2,306	66
Other	79	1,738	1,819	21.9	956	63

However, an additional adjustment should be made. The 434 square feet per person assumes that the professionals in those offices need space for customer accommodations, which is indeed the case for lawyers and

accountants. However, considering the emphasis in this report on high-tech manufacturing and renewable fuels, part of the building will probably be used for scientific research, computer programming, and information technology jobs. For these jobs, the number of square feet per employee is substantially smaller, and the number of employees larger, since it is not necessary to have reception areas, conference rooms, and other similar amenities for customers.

Data available on 10 web sites of companies who specialize in research and development reveals the following number of square feet per employee: 250, 215, 219, 230, 250, 200, 200, 300, 300 and 250 -- for an average of 245 square feet per employee. Hence a 100,000 square foot office building housing those types of businesses would have 408 employees, or 77% more than the example given above.

In terms of office staffing and space requirements for computer programmers, the layout would probably be similar to a company such as Amazon or Google. Amazon states that it allocates 180 to 250 square feet per programming employee, although the higher number is reserved for senior level personnel. Google states that it allocates 150 to 200 square feet per programming employee. Other similar office arrangements, based on Internet data, also show figures of 150 to 200 square feet per employee.

Based on these available data, we estimate that there would be an average of 250 square feet for computer programmers, design specialists, research and development workers, and their managers. We have also assumed that half of the office space would be occupied by these occupations.

Hence the number of employees occupying this office building will be as follows, based on the assumption that half the space would be occupied by offices of lawyers and accountants, and half would be occupied by computer designers and programmers and research and development personnel.

If lawyers and accountants take half the space, or 34,860 square feet, and use an average of 434 square feet per person, there would be 80 employees. If computer designers, programmers, research and development personnel, and other professional services take the other half and use an average of 250 square feet per person, there would be 139 employees, for a total of 219 direct new professional employees.

F. Banking Operating Jobs

Two surveys, once by the American Bankers Association and the other by the U. S. government, both put the number of square feet per banking employee at 450. While this figure may seem high, it includes a relatively large proportion of the total space for the open area where consumers deposit and withdraw

funds. By comparison, three different surveys for brokerage offices put the number of square feet per employee at 230, 221, and 250; we have taken the conservative estimate of 250 for these calculations. Some of these surveys were conducted by Cushman & Wakefield real estate brokers, and others were reported in the Real Estate Journal. Since this will be a branch bank, we assume 250 square feet per employee. The developer has indicated there 8,010 square feet of banking space, which would indicate 32 direct employees.

G. Parking Garages Jobs

For the number of direct jobs at the parking garage, we first need to determine the annual revenue, then divide by the revenue per full-time equivalent employee for parking garages in Pasadena, which is $62,000, based on data from the IMPLAN model and the economic census. A study of public sector parking garages in Pasadena, taken when the daily maximum rate was $6, indicated an average daily revenue of $5.68. The daily maximum has since risen to $9, so assuming proportionality, that would indicate an average daily rate of $8.52. We assume this garage will be competitive with the public garages in Pasadena and hence will charge the same rates and receive the same revenue.

According to the developer, the parking garage in Phase I will have 125 parking spaces. When multiplied by a daily average revenue of $8.52, that would be $389,000 per year. That figure is divided by $62,000 revenue per attendant to generate a figure of slightly over 6 full-time parking garage attendants. Similarly, the parking garage in Phase II will have 320 spaces, so there would be a figure of 16 parking garage attendants.

It will presumably cost somewhat more to park where there are valet services, but we have not included these additional jobs in the EB-5 job count because most of these jobs are likely to be temporary, part-time jobs. Also, most of the compensation received by these employees is likely to be in the form of gratuities rather than salary. Hence there will not be documented W-2 forms showing that each employee worked an average of 35 hours per week and received at least the minimum wage.

H. Summary of Direct Jobs, Phases I and II

The number of permanent new direct jobs is summarized in Table 7 for ease of exposition.

Table 7. Number of Direct Jobs for Both Phases of Project

	Phase I	Phase 2
Construction	112	256
Hotel	129	23
Restaurant	126	104
Retail Stores	9	30
Office	---	219
Bank	---	32
Parking	6	16
Total direct jobs ex constr	270	424

9. Economic Impact of Phase I

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Appendix: Resume of Dr. Michael K. Evans

mevans@evanscarrolleconcom

CURRENT AND PREVIOUS POSITIONS

• Chairman, *Evans, Carroll & Associates, Inc.*, 1980-present (previously Evans Economics)

Economic consulting firm specializing in EB-5 immigration analysis, economic impact studies of development projects and new construction, models of state and local tax receipts, impact of current and proposed government legislation, and construction of econometric models for individual industries and companies.

• Chief Economist, *American Economics Group*, 2000-present.

Built a comprehensive state modeling system that provides economic analysis for a variety of consulting projects (see below).

• Clinical Professor of Economics, Department of Managerial Economics and Decision Sciences (MEDS), Kellogg Graduate School of Management, Northwestern University, 1996-99.

Taught courses in macroeconomics and business forecasting. Wrote textbooks for both courses.

• Winner of Blue Chip Economic Indicator Award for most accurate macroeconomic forecasts during the past four years, November 1999

• Founder and President, *Chase Econometric Associates*, 1970-1980

• Assistant and Associate Professor of Economics, Wharton School, University of Pennsylvania, 1964-69. Co-developer of the original Wharton Model.

• Visiting Professor, Radford University, (Radford, VA), 1987

Chairman of Institute for International Economic Competitiveness

• Visiting Lecturer, Hebrew University (Jerusalem), 1966-67

Built econometric model of the Israeli economy

Ph. D. in Economics, Brown University. Dissertation, "A Postwar Quarterly Model of the United States Economy, 1948-1962". A. B. in Mathematical

Economics, Brown University

PREVIOUS ACTIVITIES AND EDUCATION

• Contributing Editor, *Industry Week*

Wrote a column in each issue on economic and financial trends as they impact the manufacturing sector.

• Editor, *The Evans Report*

Weekly newsletter discussing economic trends and financial markets. Pioneered the concept of the Monthly Tracking Model to incorporate recent economic releases into the overall economic forecast, including methods to predict these economic data.

• Consultant, *National Printing Equipment and Supply Association*

Prepares quarterly forecasts of shipments of printing equipment and graphic arts supplies by product line, based on an econometric model constructed for NPES. Also prepares analysis and forecasts of exports and imports by principal product line.

• Consultant, *APICS – The Educational Society for Resource Management*,

In 1993, designed and developed the *APICS Business Outlook Index*, which uses survey data collected by the Evans Group to measure current production, production plans, shipments, employment, new orders, unfilled orders, inventory stocks, and the comparison of the actual to desired inventory/sales ratio to predict short-term changes in manufacturing sector activity. The results of this survey appeared every month in *APICS: The Performance Advantage*

• Consultant, *American Hardware Manufacturing Association*

Wrote a separate weekly edition of the Evans Report analyzing recent trends in the hardware and housing industries, including forecasts of the hardware industry based on an econometric model developed for AHMA.

• Board of Economists, *Los Angeles Times*

Wrote column every 6 weeks (5 other economists on the Board)

• Columnist, *United Press International*

Wrote twice-weekly column, "Dollars and Trends"

- Consultant, Senate Finance Committee,

  Built the first large-scale supply-side model of the U. S. economy

- Consultant, Environmental Protection Agency and Council on Environmental Quality

  Estimated inflationary impact of government regulations

- Consultant, National Aeronautics and Space Administration

  Estimate impact of R&D spending on productivity growth

- Consultant, U. S. Treasury

  Estimated impact of investment tax credit and accelerated depreciation on capital spending by industry

- Consultant, U. S. Department of Agriculture

  Built large-scale econometric model of agricultural sector of U. S. economy

- Consultant, Organization of Economic Cooperation and Development

  Built econometric model of the French economy

SAMPLE OF RECENT CONSULTING PROJECTS

For more information on these projects, see www.evanseb5.com

A. Economic Impact of EB-5 Immigrant Investor Programs and New Markets Tax Credits

- Determined the economic impact of opening and operating a slot-machine casino in Hanover, MD, as part of a proposed EB-5 regional center for the Baltimore metropolitan area.

- Calculated the economic impact of renovating and expanding a restaurant on Martha's Vineyard, MA, as part of an EB-5 regional center in that state.

- Determined the economic impact of assembling and installing solar panels for residences in the state of LA.

- Determined a Targeted Employment Area for Dallas, TX as part of a proposed EB-5 regional center for the Dallas area.

- Calculated the economic impact for various mixed used projects for a proposed regional center for the entire State of Texas, including shopping centers, office buildings, restaurants, assisted living centers, medical technology facilities, and other personal and business services.

- Calculated the economic impact for the construction and operation of several fast-food restaurants in 10 counties in central California.

- Calculated the economic impact for the renovation and expansion of a shopping mall in Greenville, SC.

- Calculated the economic impact of buying existing apartment buildings at deep discount prices, renovating and operating them, in 21 counties in FL.

- Calculated the economic impact of building and operating an institute for proton cancer therapy for a proposed EB-5 regional center in Brooklyn, NY.

- Calculated the economic impact of building and operating a mixed-use facility with medical offices, hotels, and apartments for a proposed EB-5 regional center in Queens, NY.

- Determined a Targeted Employment Area for Philadelphia, PA as part of a proposed EB-5 regional center for the Philadelphia area.

- Calculated the economic impact of a proposed office building and mixed-use facility for an EB-5 regional center in Dallas, Texas

- Calculated the economic impact for various mixed-use projects for a proposed EB-5 regional center in the greater New York City area, including an extended stay hotel, urgent care center, financial lending firm for alternative assets, retail stores, apartments, office space, warehouses, industrial "flex" space, entertainment centers, restaurants, conference and convention centers, nursing home and assisted living facilities, medical offices, medical technology facilities, and high-tech manufacturing.

- Calculated the economic impact of "green" hotels in 10 counties in Central California.

- Calculated the economic impact of generic projects in manufacturing, financial services, health services, hotels, and restaurants for a proposed regional center for the state of Florida.

- Calculated the economic impact of 12 different types of economic activity for an expansion of the Palm Beach Regional Center to five contiguous counties.

- Calculated the economic impact of a new auto parts plant in Alabama to supply parts to Kia automobiles.

- Calculated the economic impact of opening fast-food restaurants in Miami-Dade and Broward counties in FL.

- Calculated the economic impact of a mixed-use commercial center in Flushing, Queens County, NY.

- Calculated the economic impact of revitalizing and renovating part of the Brooklyn Navy Yard for "green" manufacturing facilities.

- Calculated the economic impact of 12 different types of economic activity for various counties in Charlotte and Sarasota counties, FL

- Calculated the economic impact of four new manufacturing and distribution companies in Palm Beach County, FL.

- Calculated the economic impact of developing a resort area and building residences in rural Tennessee.

- Calculated the economic impact of developing and operating a resort area in Southern Arizona.

- Calculated the economic impact of revitalizing the depressed East Side of Cleveland, Ohio, with new commercial and industrial buildings.

- Determined the nationwide economic impact of a $1 billion investment in Mississippi for a new hybrid motor vehicle plant.

- Determined the economic impact of expanding a shipyard in Southeastern Louisiana.

- Calculated the economic impact of a new shopping center in Buena Vista, California, and two other generic shopping centers in Los Angeles and San Bernardino counties.

- Calculated the economic impact of enhancing resort areas in eight rural counties in Colorado.

- Calculated the economic impact of the rehabilitation of Fitzsimons Village in Aurora, Colorado, by adding an office building with medical labs, hotel, shopping center, and residences.

- Determined the economic impact of a mixed-use commercial center for the Kansas City metropolitan area.

- Calculated the number of jobs created for a film production company in New York City.

- Calculated economic impact of small-scale rooftop solar panels in various counties in California.

- Calculated economic impact of 7 different types of proposed businesses for a proposed regional center in the Bay Area of California.

- Determined the economic impact of a new biological research park, office building, and logistics center in Wooster, Ohio.

- Calculated the economic effect of a mixed-use urban renewal project in Cleveland, Ohio.

- Calculated economic impact of dairy farm and cheese processing plant in Northern California.

- Determined economic impact of a shipyard, food processing plant, and semiconductor plant for a proposed regional center in Louisiana and Mississippi.

- Calculated the economic impact of a new gaming casino in Natchez, Mississippi.

- Calculated the economic impact of a retail shopping center in suburban Los Angeles County.

- Prepared an economic impact analysis for the "timber to homes" project for a proposed regional center in Colorado.

- Calculated the economic impact for a proposed regional center in Baltimore, Maryland that would include the rebuilding of depressed areas in East Baltimore and along the riverfront.

- Prepared the economic analysis for a proposed EB-5 regional center for the entire state of Florida that included impact calculations for 14 different types of industries.

- Prepared the economic analysis for a proposed EB-5 regional center in the San Francisco Bay area that included calculations for 10 different types of industries.

- Prepared economic impact calculations for proposed EB-5 regional centers in New York City and Northeastern New Jersey.

- Calculated the economic impact of a rehabilitated office building in Albuquerque, New Mexico, including the increase in high quality jobs.

- Calculated the economic impact of a rehabilitated skilled nursing center in East Los Angeles, California, including the impact on nearby census tracts.

- Calculated the economic impact of development of warehouse and light industrial manufacturing space in Las Vegas, Nevada.

- Calculated the economic impact of rehabilitation and expansion of a vacation and health spa in Sharon Springs, New York

- Calculated economic impact of revitalizing an old resort hotel and adding new facilities for Lake Geneva, WI.

- Calculated the employment and tax effects for a portfolio of projects undertaken under the New Market capital program.

- Calculated generic employment changes for proposed EB-5 project for an Inland Port in Palm Beach County, FL

- Calculated the economic impact of construction of El Monte Village in El Monte, CA.

- Built an input/output model of Guam to be used to calculate economic impact of EB-5 projects. Used this model to estimate impact of various proposed projects.

- Calculated the economic impact of moving the Social Security Administration building in Birmingham, AL, and revitalizing the surrounding neighborhood.

- Calculated the economic impact of rehabbing and expanding the Everett Mall in Everett, WA.

- Determined the economic impact of building a new medical center in Charleston, SC

- Calculated economic impact of expanding Sugarbush resort in VT. Study included expansion of existing facilities and addition of new facilities.

• Calculated economic impact for new market tax credit program in Portsmouth, N.H. Study included both overall economic impact, and the increase in employment and income and the decrease in the unemployment rate and incidence of poverty in individual census tracts.

• Calculated the economic benefits of EB-5 programs for foreign investors for a mixed-use construction project, including a hotel, retail stores, apartments, and a sports stadium in the Washington, D. C. metropolitan area

• Calculated the economic benefits of EB-5 programs for foreign investors for a mixed-used retail shopping center in the New York City metropolitan area.

• Calculated the economic benefits of EB-5 programs for foreign investors for proposed shopping centers in five separate counties in Southern California, including differential impacts of building the shopping centers in different counties.

B. Projects for State and Local Governments

• Constructed an econometric model for the State of New York and determined the change in employment, labor income, and tax revenues for 43 different tax changes proposed by the Governor's office.

• Constructed a detailed econometric model for the State of Pennsylvania to determine the economic impact of the complete panoply of state taxes levied; the model contains over 1,000 equations. In cooperation with American Economics Group, the model was developed to simulate the effect of changes in any state tax rate on households and businesses by income deciles, household status, age of individuals, size of households, and many other demographic variables. The change in business taxes can also be simulated for detailed industry classifications.

• Determined whether the Washington, D.C. water and sewer authority should accept a high bid for a new waste disposal system. Decision to reject has saved the authority over $200 million, as construction prices turned down sharply as predicted.

• Built an econometric model to determine the "tax gap" caused by Internet sales for the state of Minnesota.

• Determined appropriate levels of shelter grants individual counties in New York State, and for utility allowances in New York City. Reviewed and prepared testimony in ongoing court cases in these areas.

• Calculated the economic impact of the revitalization of downtown Milwaukee, Wisconsin.

C. Economic Impact of Casino Gaming

• Built an econometric model to predict the growth of the gaming industry over the next decade, and the economic impact of that industry on employment and tax revenues at the Federal and state levels.

• Estimated the economic impact of Indian casino gaming nationally and for the State of Wisconsin.

• Determined the economic impact of the Oneida Indian gaming casino on the Green Bay metropolitan area.

• Estimated the negative economic impact on the Milwaukee area if a new Indian gaming casino were to be built in Kenosha, Wisconsin.

D. Economic Impact of Smoking Bans and Higher Taxes

• Testified on economic impact of smoking bans in Canada; certified as an expert witness by the Court.

• Examined the impact of smoking bans on restaurant sales in several different locations in the U.S. to determine how much sales changed when these bans were imposed, and the differential effects depending on whether these bans were partial or total.

• Determined the cross-border effects on retail sales from differential rates in cigarette, gasoline, and alcohol excise taxes

• Determined the economic impact of higher cigarette taxes on minority group employment.

• Estimated the economic impact and loss of Federal and state tax revenues when higher cigarette prices lead to increased smuggling.

E. Consulting Projects for Travel and Tourism

• Built an econometric model to predict tourism trips and revenues for the major regions of the U.S. economy.

• Constructed econometric models to predict tourism in Las Vegas and Orlando.

• Using the IMPLAN model, predicted economic impact of tourism and travel expenditures for all counties in Pennsylvania.

F. Other Private Sector Consulting Projects

• Calculated the revenue gain at the Federal, state and local level generated by domestic manufacturing of Airbus parts and equipment.

• Calculated the economic impact of proposed EPA bans on fluoropolymer production.

• Estimated the size and economic importance of the fluoropolymer industry, and calculated economic impact of shutting down domestic production.

• Built an econometric model to examine how U.S. tax and regulatory policies help determine whether the gold mining industry would invest in the U.S. or other countries. Testified before Congress to help defeat legislation inimical to the mining industry.

• Built an econometric model to predict consumer bankruptcies, based on recent growth in consumer credit outstanding, the overall economic environment, and recent changes in credit regulations

• Estimated the economic impact of the ethanol subsidy on the U.S. economy and Farm Belt States, including the impact on the balance of payments, employment, and tax receipts. Testified before Congress to help pass legislation to extent subsidies to the ethanol industry.

• Built an econometric model to determine the impact of updating and improving the system of locks on the Upper Mississippi River on corn prices and exports, farm income, and the overall economy.

BOOKS PUBLISHED

Macroeconomics for Managers, Blackwell, 2003

Practical Business Forecasting, Blackwell, 2002

Economic Impact of the Demand for Ethanol, Diane Publishing Company, 1998

How to Make Your Shrinking Salary Support You in Style for the Rest of Your Life, Random House, 1991

The Truth About Supply-Side Economics. Basic Books, 1983.

A Supply-Side Model of the U. S. Economy, mimeo (prepared for Senate Finance Committee), 1980.

An Econometric Model of the French Economy: A Short-Term Forecasting Model. O.E.C.D, March 1969.

Econometric Gaming (with L. R. Klein and M. J. Hartley). Random House, 1969.

Macroeconomic Activity: Theory, Forecasting and Control. Harper & Row, 1969.

The Wharton Econometric Forecasting Model (with L.R. Klein), Economics Research Unit, Wharton School: University of Pennsylvania Press, 1967. Enlarged edition, 1968.

Over 30 articles in major academic journals and publications (list on request)

From: (213) 627-8997
Shino Milby
Stone & Grzegorek LLP
800 WILSHIRE BLVD STE 900

LOS ANGELES, CA 90017

Origin ID: EMTA

FedEx Express

J1110101222022S

Ship Date: 09FEB11
ActWgt: 5.0 LB
CAD: 9061402/NET3130

Delivery Address Bar Code

Ref # 4223.01-Invest LA Regional Ctr
Invoice #
PO #
Dept #

SHIP TO: (213) 627-8997 BILL SENDER

Attn: EB-5 RC Proposal
USCIS - California Service Center
24000 AVILA RD FL 2
ROOM 326
LAGUNA NIGUEL, CA 92677

THU - 10 FEB A2
STANDARD OVERNIGHT

TRK# 0201 7944 0998 2407

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OMB No. 1615-0061; Expires 09/30/2012

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-924A, Supplement to Form I-924

Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Hui	Kin	

In Care Of: Invest L.A. Regional Center, LLC

Street Address/P.O. Box: 25 E. Foothill Blvd., Third Floor

City: Arcadia	State: CA	Zip Code: 91006

Date of Birth *(mm/dd/yyyy)*:	Fax Number *(include area code)*: (626) 898-9688	Telephone Number *(include area code)*: (888) 968-8899

Web site address: www.investlaeb5.com

USCIS-assigned number for the Designated Regional Center (attach the Regional Center's most recently issued approval notice) W09001740

Part 2. Application Type (Check one)

☒ **a.** Supplement for the Fiscal Year Ending September 30, 2011 *(YYYY)*

☐ **b.** Supplement for a Series of Fiscal Years Beginning on October 1, _____ *(YYYY)* and Ending on September 30, _____ *(YYYY)*

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals, or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Invest L.A. Regional Center, LLC

Street Address/P.O. Box: 25 E. Foothill Blvd., Third Floor

City: Arcadia	State: CA	Zip Code: 91006

Web site Address: www.investlaeb5.com	Fax Number *(include area code)*: (626) 898-9688	Telephone *(include area code)*: (888) 968-8899

B. Name of Managing Company/Agency: Invest L.A. Regional Center, LLC

Street Address/P.O. Box: 25 E. Foothill Blvd., Third Floor

City: Arcadia	State: CA	Zip Code: 91006

Web site Address: www.investlaeb5.com	Fax Number *(include area code)*: (626) 898-9688	Telephone *(include area code)*: (888) 968-8899

C. Name of Other Agent: Not applicable.

Street Address/P.O. Box:

City:	State:	Zip Code:

Web site Address:	Fax Number *(include area code)*:	Telephone *(include area code)*:

RCW1134250376

C30056

Part 3. Information About the Regional Center *(Continued)*

Answer the following questions for the time period identified in **Part 2** of this form. **Note:** If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1. Identify the aggregate EB-5 capital investment and job creation has been the focus of EB-5 capital investments sponsored through the regional center. (**Note:** Separately identify jobs maintained through investments in "troubled businesses.")

Aggregate EB-5 Capital Investment	Aggregate Direct and Indirect Job Creation	Aggregate Jobs Maintained
$500,000 (see page 8)	0 (see page 8)	Not applicable.

2. Identify each industry that has been the focus of EB-5 capital investments sponsored through the Regional Center, and the resulting aggregate EB-5 capital investment and job creation. (**Note:** Separately identify jobs maintained through investments in "troubled businesses".)

a. Industry Category Title: Nonresidential Building Construction		NAICS Code for the Industry Category: 2 3 6 2 0 0
Aggregate EB-5 Capital Investment: $500,000 (see page 8)	Aggregate Direct and Indirect Job Creation: 0 (see page 8)	Aggregate Jobs Maintained: Not applicable.
b. Industry Category Title: Lessors of Real Estate		NAICS Code for the Industry Category: 5 3 1 1 0 0
Aggregate EB-5 Capital Investment: $0 (see page 8)	Aggregate Direct and Indirect Job Creation: 0 (see page 8)	Aggregate Jobs Maintained: Not applicable.
c. Industry Category Title: Not applicable.		NAICS Code for the Industry Category: — — — — — —
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:

3. Provide the following information for each job creating commercial enterprise located within the geographic scope of your regional center that has received EB-5 investor capital:

a. Name of Commercial Enterprise: Park Place EB5, LP		Industry Category Title: Nonresidential Building Construction	
Address (Street Number and Name): 25 E. Foothill Blvd., 3/F	City: Arcadia	State: CA	Zip Code: 91006
Aggregate EB-5 Capital Investment: $500,000 (see page 8)	Aggregate Direct and Indirect Job Creation: 0 (see page 8)	Aggregate Jobs Maintained: Not applicable.	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes?		☐ No	☒ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Park Place Commercial, LP		Nonresidential Building Construction	
Address (Street Number and Name):	City:	State:	Zip Code:
25 E. Foothill Blvd., 3/F	Arcadia	CA	91006
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
$500,000	0 (see page 8)	Not applicable.	

(2) Business Name		Industry Category Title:	
None.			
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

b. Name of Commercial Enterprise:		Industry Category Title:	
None.			
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Not applicable.			
Address (Street Number and Name):	City:	State:	Zip Code
EB-5 Capital Investment	Direct and Indirect Job Creation	Jobs Maintained	

Part 3. Information About the Regional Center *(Continued)*

(2) Business Name: Not applicable.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

c. Name of Commercial Enterprise: None.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name: Not applicable.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name: Not applicable.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

Part 3. Information About the Regional Center *(Continued)*

d. Name of Commercial Enterprise: None.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name: Not applicable.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name: Not applicable.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

e. Name of Commercial Enterprise: None.		Industry Category Title:	
Address Street Number and Name:	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.			
(1) Business Name: Not applicable.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name: Not applicable.		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

4. Provide the total number of approved, denied and revoked Form I-526 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-526 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
1 (see page 8)	0	0

5. Provide the total number of approved, denied and revoked Form I-829 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-829 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
0	0	0

NOTE: USCIS may require case-specific data relating to individual EB-5 petitions and the job creation determination and further information regarding the allocation methodologies utilized by a regional center in certain instances in order to verify the aggregate data provided above.

Part 4. Applicant Signature *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete* ***Part 5.***

I certify, under penalty of perjury under the laws of the United States of America, that this supplemental form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant	**Printed Name of Applicant**	**Date** *(mm/dd/yyyy)*
	William H. Chu	12/06/2011
Daytime Phone Number *(Area/Country Codes)* (888) 968-8899	**E-Mail Address** wchu@singpoli.com	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.) President		

Part 5. Signature of Person Preparing This Form, If Other Than Above *(Sign Below)*

I declare that I prepared this form using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information are those provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☐ Yes

Signature of Preparer	**Printed Name of Preparer**	**Date** *(mm/dd/yyyy)*
	Not applicable.	
Firm Name and Address		
Daytime Phone Number *(Area/Country Codes)*	**Fax Number** *(Area/Country Codes)*	**E-Mail Address**

FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011

ATTACHMENT TO FORM I-924A, PART 3, ITEMS 1, 2, 3

Invest L.A. Regional Center, LLC was designated by USCIS as a Regional Center on 12/02/10 (see attached approval notice.) The first commercial enterprise organized by Invest L.A. Regional Center, LLC was Park Place EB-5, LP which serves as a vehicle for investment into other business entity, namely Park Place Commercial, LP. Park Place Commercial, LP is the owner-developer of a mixed-use commercial center in Pasadena, California, which involves the renovation/construction of a hotel, retail space, restaurants, and parking facilities. On 8/15/11, the I-526 petition of Park Place EB-5, LP's first investor was approved by USCIS. The EB-5 capital ($500,000) from this first investor was subsequently released from escrow and transferred to Park Place EB-5, LP just before the end of the fiscal year for this report. As a result, there was no aggregate job creation resulting from this first EB-5 capital.

ATTACHMENT TO FORM I-924A, PART 3, ITEM 4

Invest L.A. Regional Center, LLC was designated by USCIS as a Regional Center on 12/02/10. The I-526 petition of the first EB-5 investor was approved near the end of the fiscal year on 8/15/11 (Receipt No. WAC-11-900-91982).

INVEST LA
REGIONAL CENTER

December 6, 2011

U.S. Citizenship and Immigration Services
California Service Center
Attn: EB-5 Processing Unit
P.O. Box 10526
Laguna Niguel, CA 92607-0526

Re: Submission of Form I-924A, Supplement to Form I-924,
For Fiscal Year Ended September 30, 2011

Dear Sir/Madam,

We respectfully submit, timely, Form I-924A, Supplement to Form I-924, together with attachments, for the fiscal year ended September 30, 2011 for Invest L.A. Regional Center, LLC, a regional center approved and designated by USCIS on December 2, 2010 to participate in the Immigrant Investor Pilot Program.

Please feel free to contact us if you have any questions.

Sincerely,

William H. Chu
President

Enclosure

25 E. FOOTHILL BLVD., THIRD FLOOR, ARCADIA, CA 91006 TEL: 888.968.8899 FAX: 626.898-9688
WWW.INVESTLAEB5.COM

U.S. Department of Homeland Security
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

U.S. Citizenship and Immigration Services

December 2, 2010

Kin Hui
Invest LA Regional Center, LLC
25 East Foothill Boulevard
Arcadia, CA 91006

Application:	Request for Designation as a Regional Center
Applicant(s):	Kin Hui
Re:	Invest LA Regional Center, LLC W09001740

Pursuant to Section 610 of the Appropriations Act of 1993, on April 15, 2010, Kin Hui submitted a proposal seeking approval and designation by U.S. Citizenship and Immigration Services (USCIS) of the Invest LA Regional Center, LLC.

Based on its review and analysis of your proposal, and of your response to the USCIS Request For Evidence, USCIS hereby designates the Invest LA Regional Center, LLC as a Regional Center within the Immigrant Investor Pilot Program and approves the request as described below:

GEOGRAPHIC AREA:

The Invest LA Regional Center, LLC shall have a geographic scope which includes the counties of Los Angeles and Orange in the State of California.

FOCUS OF INVESTMENT ACTIVITY:

As depicted in the economic model, the general proposal and the economic analysis, the Regional Center will engage in the following economic activities: Loans and equity investments to 3rd party enterprises, Real Estate Construction for business and residential, hotels and restaurants. The Regional Center for EB-5 Immigrant purposes shall focus investments into new commercial enterprises and expansion of existing enterprises in the following target industry economic cluster:

1. NAICS 2362 and 5311 – Commercial Real Estate Development

If any investment opportunities arise that are beyond the scope of the approved industry clusters, then an amendment would be required to add that cluster.

The geographic focus of this area may contain some High Unemployment Targeted Employment Areas (TEAs) as designated by the State of California and rural TEAs as defined in 8 CFR 204.6(e). Therefore, the minimum capital investment threshold for any individual immigrant investment into an approved commercial enterprise throughout the Regional Center shall be not less than $500,000, if the investment target is located within a TEA or $1,000,000 if it is located outside of a TEA. No debt arrangement will be acceptable unless it is secured by assets owned by the alien entrepreneur. A full capital investment must be made and placed at risk.

Aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these commercial enterprises located within the approved Regional Center area.

For any alien requesting the reduced threshold of $500,000 based upon an investment in a Targeted Employment area, the alien must establish at the time of filing of the I-526 petition that either the investment will be made in a TEA designated area or was in a TEA designated area at the time of the alien's initial investment into the enterprise.

EMPLOYMENT CREATION

Immigrant investors who file petitions for commercial enterprises located in the Regional Center area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprises created ten new jobs indirectly as a result of the immigrant investor's investment. This determination has been established by way of USCIS' acceptance of the final economic analysis that is contained as part of the approved Regional Center proposal and its indirect job creation model and multipliers contained within the final approved Regional Center application package. Rather, the investor must show at the time of removal of conditions that they performed the activities described in the model and on which the approved methodology is based. In the case the IMPLAN methodology was used.

Multiplier based on underlying new "direct jobs"

In addition, where job creation or preservation of existing jobs is claimed based on a multiplier rooted in underlying new "direct jobs", the immigrant investor's individual I-526 petition affiliated with your Regional Center, should include as supporting evidence:

- A comprehensive detailed business plan with supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

An alien investor's I-829 petition to remove the conditions which was based on an I-526 petition approval that involved the creation of new direct jobs or the creation of new indirect jobs based on a multiplier tied to underlying new direct jobs needs to be properly supported by evidence of job creation. To support the full number of direct and indirect new jobs being claimed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Preservation or creation of direct jobs

Where preservation or creation of "direct jobs" is claimed in support of an immigrant investor's I-526 petition affiliated with the Regional Center, then:

- To be credited with projected creation of new "direct" jobs for "qualifying employees" upon filing the I-526 petition, then the petition must be supported by a comprehensive detailed business plan and supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

- For the purposes of an alien investor's filing of a subsequent I-829 petition to remove the conditions wherein the investment through the Regional Center involved the creation of new direct jobs or the creation of new indirect jobs based upon a multiplier tied to underlying new direct jobs, then to support the full number of direct and indirect new jobs being claimed, an alien's subsequent I-829 petition filed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Additional Guidelines for individual Immigrant Investors Visa Petition (I-526)

Each individual petition, in order to demonstrate that it is associated with the Regional Center, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain as supporting evidence relating to this Regional Center designation, the following:

1. A copy of this letter, the Regional Center approval and designation.

2. A copy of the USCIS approved Regional Center narrative proposal and business plan.

3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the final Regional Center economic analysis which has been approved by USCIS, which reflects that investment by an individual immigrant investor will create not fewer than ten (10) full-time employment positions, either directly or indirectly, per immigrant investor.

4. A legally executed copy of the USCIS approved:

a.	Operating Agreement	(Copy dated 4-18-10, submitted)
b.	Private Placement Memorandum	(Sample submitted 4-15-10)
c.	Subscription Agreement; and	(Sample submitted 11-3-10)
d.	Limited Partnership Agreement.	(Sample submitted 11-3-10)
e.	Escrow Agreement and Instructions	(Sample submitted 4-15-10)

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic

capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year[1], commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the Regional Center responsible for the normal operation, management and administration of the Regional Center.

2. Be prepared to explain how you are administering the Regional Center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.

3. Be prepared to explain the following:

    a. How the Regional Center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.

    b. How the Regional Center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the Regional Center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the Regional Center.

4. Be prepared to provide:

    a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:

        i. the petition was filed,

        ii. was approved,

        iii. denied, or

        iv. withdrawn by the petitioner, together with the date(s) of such event.

    b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.

    c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

    e. For each alien investor listed in item 4.a., above, identify the following:

[1] A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

i. the date(s) of investment in the commercial enterprise;

ii. the amount(s) of investment in the commercial enterprise; and

iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or Regional Center from when the investment was initiated to the present.

5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your Regional Center that have:

   a. received alien investors' capital, and in what aggregate amounts;

   b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;

   c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:

      i. The name and address of each "direct" job creating commercial enterprise.

      ii. The industry category for each indirect job creating investment activity.

6. Be prepared to provide:

   a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your Regional Center.

   b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your Regional Center.

7. The total aggregate sum of EB-5 alien capital invested through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

8. The combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

9. If applicable, the total aggregate of "preserved" or saved jobs by EB-5 alien investors into troubled businesses through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

10. If for any given Federal Fiscal Year your Regional Center did or does not have investors to report, then provide:

    a. a detailed written explanation for the inactivity,

    b. a specific plan which specifies the budget, timelines, milestones and critical steps to:

       i. actively promote your Regional Center program,

       ii. identify and recruit legitimate and viable alien investors, and

iii. a strategy to invest into job creating enterprises and/or investment activities within the Regional Center.

11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your Regional Center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your Regional Center's hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.

12. Finally, please be aware that it is incumbent on each USCIS approved and designated Regional Center, in order to remain in good standing, to notify the USCIS within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:

- the name and contact information of the responsible official and/or Point of Contact (POC) for the RC
- the management and administration of the RC,
- the RC structure,
- the RC mailing address, web site address, email address, phone and fax number,
- the scope of the RC operations and focus,
- the RC business plan,
- any new, reduced or expanded delegation of authority , MOU, agreement, contract, etc. with another party to represent or act on behalf of the RC,
- the economic focus of the RC, or
- any material change relating to your Regional Center's basis for its most recent designation and/or reaffirmation by USCIS.

If you have any questions concerning the Regional Center approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,

Rosemary Langley Melville
Director
California Service Center

cc: Lincoln Stone, Esq.

REGIONAL CENTER
25 E. Foothill Blvd., Third Floor
Arcadia, CA 91006

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U.S. Citizenship and Immigration Services
California Service Center
Attn: EB-5 Processing Unit
P.O. Box 10526
Laguna Niguel, CA 92607-0526

Summary Review of Form I-924A

Invest L.A. Regional Center, LLC
RCW1134250376
RCW1031910016 (Form I-924)

Filing and Project History:

- The initial Regional Center Proposal was approved on December 2, 2010. One (1) amendment has been filed; however, this amendment remains pending adjudication. iCLAIMS records indicate only one (1) current new commercial enterprise is being funded (Park Place EB5 LP).

Capital Investment:

- The applicant has indicated on the Form I-924A $500,000 in aggregate capital investment into the Regional Center.

Job Creation:

- The applicant has indicated on the Form I-924A that no jobs (either direct or indirect) have been created by the Regional Center, and no jobs have been maintained by the Regional Center.

Industry Categories and NAICS Codes:

- The Regional Center was approved for investment into the following two (2) industry categories:
  - NAICS 2362 and 5311 – Commercial Real Estate Development
- It appears that only $500,000 has been invested into these categories thus far.

Reported Data and iClaims Verification:

- The applicant reported one (1) Form I-526 approved, and zero (0) Form I-526 denials or revocations. iCLAIMS data reflects the same information.
- The applicant reported zero (0) Form I-829 approvals denials or revocations. iCLAIMS reflects the same information.

Conclusion:

(b) (4)

(b) (4)

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RECEIPT NUMBER RCW1134250376		CASE TYPE I924A Supplement to Form I-924
RECEIVED DATE December 08, 2011		APPLICANT HUI, KIN
NOTICE DATE December 08, 2011	PAGE 1 of 1	
INVEST L A REGIONAL CENTER LLC 25 E FOOTHILL BLVD THIRD FLOOR ARCADIA CA 91006		NOTICE TYPE: Receipt Notice

Receipt Notice - This notice confirms that USCIS received your application or petition as shown above. Please reference the receipt number, above, on any correspondence with USCIS. If any of the above information is incorrect, please immediately contact us at USCIS.ImmigrantInvestorProgram@dhs.gov to let us know. This will help avoid future problems.

This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing time – Processing times vary by kind of case. You can check our website at www.uscis.gov for our current processing times for this kind of case at the particular office to which this case is or becomes assigned. If you do not receive an initial decision or update from us within our current processing time, email us at USCIS.ImmigrantInvestorProgram@dhs.gov. Save this notice, and any other notice we send you about this case, and please make and keep a copy of any papers you send us by any means along with any proof of delivery to us. Please have all these papers with you if you contact us about this case.

If your address changes – If your mailing address changes while you case is pending, notify us at USCIS.ImmigrantInvestorProgram@dhs.gov, otherwise you may not receive notice of our action on this case.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
P.O. BOX 30111
LAGUNA NIGUEL CA 92607-0111
Customer Service Telephone: (800) 375-5283