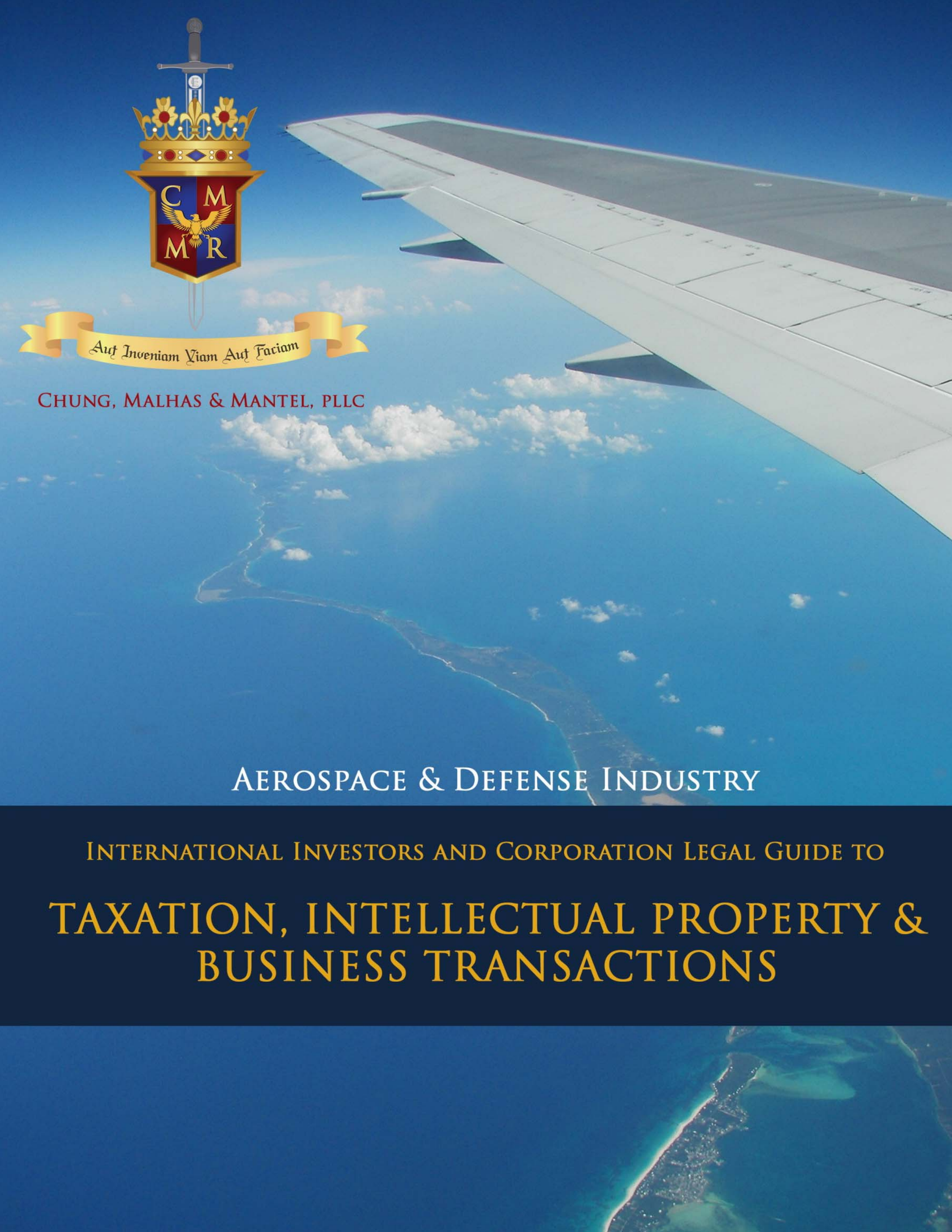

CHUNG, MALHAS & MANTEL, PLLC

Aut Inveniam Viam Aut Faciam

AEROSPACE & DEFENSE INDUSTRY

INTERNATIONAL INVESTORS AND CORPORATION LEGAL GUIDE TO

TAXATION, INTELLECTUAL PROPERTY & BUSINESS TRANSACTIONS

INTERNATIONAL INVESTORS AND CORPORATION LEGAL GUIDE TO TAXATION, INTELLECTUAL PROPERTY & BUSINESS TRANSACTIONS

This publication is the property of CHUNG, MALHAS & MANTEL, PLLC and does not constitute legal advice. This document introduces tools available to international investors, entrepreneurs and corporations seeking to invest, trade, establish a business and acquire or merge with a business in the United States.

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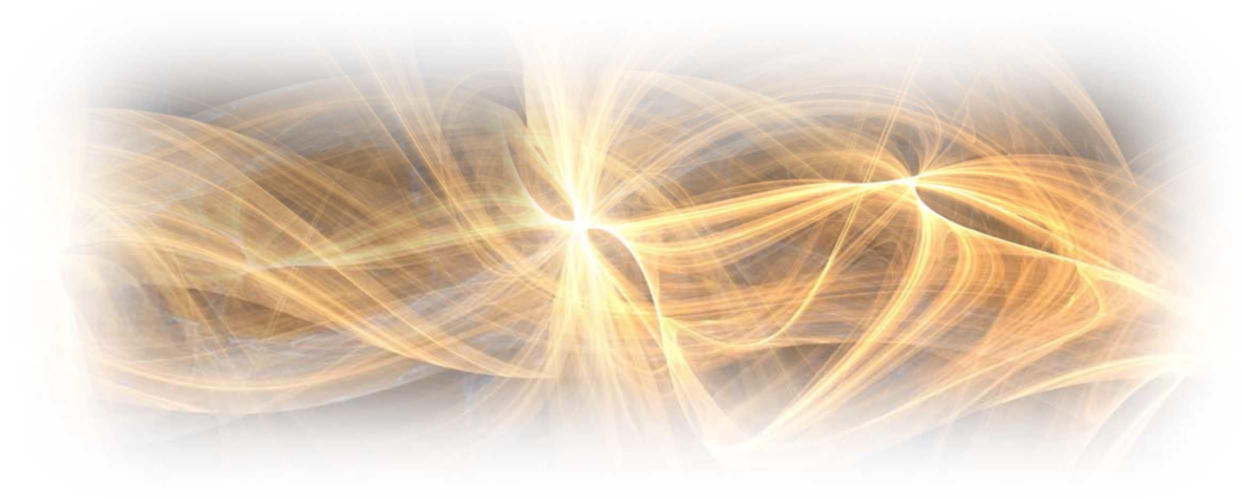
EXECUTIVE SUMMARY

Time is valuable. If you have invested your time in opening this brochure on international joint ventures, mergers & acquisitions, then chances are that you are part of an elite class of entrepreneur or business executive that recognizes that opportunity has no borders. This visionary trait is an attribute adopted by many of the individuals and businesses that seek our guidance in establishing profit over international waters.

CHUNG, MALHAS & MANTEL, PLLC is a Washington State law firm recognized throughout the international business community for its understanding of worldwide markets and its commitment to seeing their clients achieve their objectives overseas. With the variances in global economies, worldwide partnerships (joint ventures), mergers and acquisitions not only make sense, but also are an economic necessity for some industries. That said, international joint ventures, mergers & acquisitions oftentimes involve a complex concoction of U.S. import/export laws, treaties, SEC regulations, tax and intellectual property issues. This is why it is imperative to any business to have sound legal counsel in the planning and structuring of a joint venture, merger or acquisition.

At CHUNG, MALHAS & MANTEL, PLLC, our attorneys and staff make it their mission to insure that the transactional element for our clients is navigated with unfaltering precision, wise forethought, and most important of all, clear vision. Our team of talented attorneys and staff are dedicated and trained to providing first class legal representation to our clients, and are committed to setting the standard of excellence globally through personalized service. Because we seek to represent the bold ones, the visionaries, dreamers and doers, we stand beside our clients and put our name in ink beside theirs as they venture forth to unlock the door to the remarkable.

This brochure provides a capsule summary of taxation, intellectual property, joint ventures, mergers and acquisitions. Additionally, it delineates various methods and opportunities to trading and investing in the United States, whether you are a manufacturer, supplier, investor or entrepreneur. By reading this brochure you will have a solid foundation to understanding the basic business structures, the registration of your business, and licensing it properly.



CHAPTER 1 – TAX INCENTIVES & BUSINESS OPPORTUNITIES

A. WASHINGTON STATE OFFERS A WIDE RANGE OF TAX INCENTIVES FOR THE AEROSPACE INDUSTRY

Washington State offers a number of tax credits for business entities and individuals to conduct business in the state. These incentives may be claimed by manufacturers in the aerospace industry or those involved in the research, design, and engineering of aerospace products or services. These incentives are amplified as a result of Washington State's lack of a state imposed income tax. These tax incentives include but are not limited to:

- Reduced Business and Occupation (B&O) tax rates for the aerospace industry.
- B&O credits for new employees.
- Sales & use tax exemptions for aerospace manufacturers for computer hardware and software.
- B&O credits for expenditures for aerospace preproduction development.
- Special cost recovery Programs for business renewable energy systems.

B. INTERNATIONAL COMPANIES STRUCTURING THEIR U.S. INVESTMENT

Each business is different and requires a complete weighing of the pros and cons in choosing the business entity structure most conducive to their business. These concerns are amplified in the aerospace and defense industry where costs and risks are greater as a result of the industry's international nature. For foreign businesses looking to do business in the United States, the challenges may seem daunting in weighing the pros and cons of selecting the right entity.

Chung, Malhas, & Mantel, PLLC has a wide range of experience planning and structuring the right type of entity for your venture. The chart below provides a few of the main considerations businesses should think about in structuring their affairs.

<u>U.S. Subsidiary</u>

i. Positives:

   a. Foothold in a new market and potential for future growth
   b. Access to an advanced transportation infrastructure and access to high-tech labor market
   c. Foreign parent insulated from liability

ii. Challenges:

a. Heavy regulation of foreign investments in sensitive industries
b. Tax consequences of a change of ownership

Joint Ventures

i. Positives

a. Shared costs and risks of the venture.
b. Outside and specialized expertise.

ii. Challenges

a. Selection of a good business partner.
b. Heavy regulation of foreign investments in sensitive industries.
c. Structure of the entity and the tax consequences.

Subcontracting to a U.S. Entity

i. Positive:

a. Limited Investment and no shared costs or risks.
b. Supply Chain flexibility.

ii. Challenges

a. Challenges stemming from an International Arms-Length transaction.
b. Limited Quality Control management.

C. SALES AND USE TAX: PURCHASING COMMERCIAL AND PERSONAL USE AIRCRAFTS

Individuals and Businesses looking to minimize the costs of acquiring new or used aircrafts can structure their purchasing contracts to minimize their tax liability. The sale of an aircraft, parts, or respective research, design or engineering materials can be structured to diminish Washington or other states' sales tax.

However, while business arrangements can be structured to curtail the sales tax, many states have enacted a "Use Tax" for the sale of certain items. The Use Tax is meant and designed to recapture taxes that would have otherwise been paid to the state via the Sales Tax. Generally, the Use Tax can also be avoided depending on the location of its use, and how often the product is used in the state with the Use Tax.

D. LEASING AN AIRCRAFT

A lease arrangement may be more flexible that the purchase of an aircraft. A lease can enable a company to get in and out of aircraft use more easily through shorter-term commitments and without the prepayment penalties that might be triggered upon sale of a mortgaged aircraft and the risks and responsibilities of aircraft ownership. A business can structure its lease based on short-term or long term expected use without the burdens of ownership.

However, leases will have certain unfavorable tax consequences. Leasing of an aircraft will generally not give you the right to depreciate it for tax purposes, unless the lease extends beyond a year and is capitalized. As a result, most leases are limited to interest deductions paid on the lease. For some companies facing the Alternative Minimum Tax, depreciations or certain leases with fully deductible payments could present serious advantages.

Leasing could be advantageous for businesses if there are no tax liabilities to be offset by ownership depreciation deductions. In such cases, leasing is clearly the more superior position. Also, a company with international operations may have options, in terms of structuring the acquisition of an aircraft, that make the option of leasing more desirable than purchase.

CHAPTER 2 – JOINT VENTURES, MERGERS & ACQUISITIONS

A. UNDERSTANDING AN INTERNATIONAL JOINT VENTURE

An international joint venture is a strategic alliance that occurs when two or more businesses outside U.S. borders seek to mutually form a joint enterprise or partnership. These strategic alliances allow companies to gain economic advantage through access to a partner's resources, including markets, technologies, capital and clientele. International joint ventures are viewed as a practical medium for knowledge transfer, such as technology transfer, from multinational expertise to local companies, and such knowledge transfer can contribute to the performance improvement of local companies.

The rights and obligations of each respective joint venture partner often differ and tend to be specified, based on the capabilities of each partner and the nature of the venture. The benefits of entering into an international joint venture are numerous. A foreign entity would gain access to a particular market, limit its risk and liability, and gain the valuable experience and expertise of the co-venture. It is the ideal mechanism for acquiring experience in a market and the first step to building a mutually beneficial relationship that may result in a future merger.

An international joint venture involves a lower level of commitment from the two parties than a merger. A joint venture can be a good way to test the waters to see how well two businesses will work together. It can also be used for a temporary arrangement to work on a short-term project. A merger, in contrast, involves a virtually permanent commitment wherein two businesses merge and they cease to exist as independent businesses. A joint venture is usually organized as a corporation or as a flow-through entity such as a partnership, or limited liability company. Consequently, the prospective tax liability differs depending on the corporate model elected.

B. UNDERSTANDING THE DIFFERENCE BETWEEN A MERGER & AN ACQUISITION

One of the quickest methods of gaining a presence in any given market is to acquire or merge with an existing business entity in that particular market. Mergers and Acquisitions (M&A) is one of the most direct methods of foreign investment in the United States. However, U.S. law regarding M&A transactions is complex and requires the same, if not more extensive, corporate formalities required when setting up the structure. The complexity of the transaction is a result of the constant need to assess the tax implications of methods used in merging or acquiring a U.S. business entity, in addition to maintaining and keeping in compliance with the Internal Revenue Service reporting requirements.

The distinction between what constitutes a "merger" and what constitutes an "acquisition" from a legal point of view is relatively simple. A merger is a legal consolidation of two companies into one entity, while an acquisition is one entity's legal absorption of another entity.

There are two main types of M&A transactions that take place, an asset purchase and a stock purchase, with different vehicles or methods within those transactions depending on the industry and aim of the M&A transaction.

Asset Purchase M&A

An asset purchase is when one business sells its assets to the buying business. While this may seem relatively simple, the tax consequences to the business selling the assets quickly erode the benefits of conducting such a transaction. The business selling the assets triggers a tax at the corporate level of up to 35%. Additionally, the gains from the sale will be subject to an additional tax at the shareholder level of up to 23.8%.

The benefits of an asset purchase exist on the buyer's side of the transaction. The buying entity receives the assets with no tax adverse tax consequences. In fact, the transaction results in two benefits that is invaluable in any business. First, the buying entity's basis in the assets is the purchase price agreed to in the acquisition. The new basis in the property will allow the buying entity to amortize and take depreciation deductions against the assets to lower its tax liability over time. Second, the buying entity receives the assets it desires without incurring the liabilities the selling entity may have.

An asset purchase clearly benefits the buying entity as a result of the benefits and drawbacks associated with an asset purchase M&A transaction.

Stock Purchase M&A

While an asset purchase clearly benefits the buying entity, a stock purchase greatly favors the selling entity. A stock purchase occurs when one business entity, rather than acquire the assets of the company individually, seeks to acquire the stock of the company itself.

There are three important points to keep in mind when dealing in a stock purchase transaction. First, the stock purchase does not affect the selling entity's corporate finances. No gain or loss would be triggered at the corporate level and the entity would therefore, not be subject to the 35% tax rate as in an asset purchase. Rather the individual shareholders of the company would sell their shares at a loss or gain and be subject to one tax at 15% to 23.8% (assuming it is a long-term capital gain).

Second, unlike an asset purchase, the purchase price in a stock purchase M&A is not deductible. The buying entity would receive the same adjusted basis in the assets as if it were in the hands of the selling entity.

Lastly, the buying company should also keep in mind of the liabilities the selling U.S. entity may have, whether in the form of debt, tort, contract, or other legal liabilities. A stock purchase, in addition to the transfer of control over assets, transfers the selling entity's liability.

As a result of the limited tax consequences of the selling entity, the transfer of adjusted basis of assets and liabilities to the buying entity, a stock purchase M&A tends to favor the selling entity.

C. FOREIGN CORPORATION ACQUIRING A U.S. CORPORATION OR ASSET

In some cases, foreign corporations looking to acquire or gain a controlling interest in a U.S. corporation or asset may be subjected to scrutiny as a result of national and security concerns. This is especially true in the aerospace technology and defense industry.

The government agency central to reviewing the national security implications of foreign investment in the United States is the Committee on Foreign Investment in the United States (CFIUS). Companies looking to acquire U.S assets can voluntarily submit to the CFIUS review process. While the CFIUS reviews voluntary submissions, it may also review transactions not submitted voluntarily.

By submitting to the CFIUS voluntary review process, firms can get a green light on the international transaction in a relatively short time, usually within 30 days. Transactions that are scrutinized more thoroughly, about 40% of the time, go through an investigation that focuses on the national security implications.

While the process is generally voluntary, CFIUS is not restricted to reviewing submitted proposals and may review transactions not voluntary submitted. The review process is a requirement for state-controlled or state-owned foreign corporations attempting to acquire a U.S. corporation or Asset.

D. REFORMS IN EXPORT CONTROLS WILL HAVE A MAJOR EFFECT ON THE AEROSPACE INDUSTRY

U.S. export controls are primarily comprised of two major regulatory regimes, the International Traffic in Arms Regulations (“ITAR”) and the Export Administration Regulations (“EAR”).The ITAR regulates the export of military commodities, technical data and services and requires authorization (either a license or an exemption) for all exports. The EAR regulates the export of commodities, software and technologies that have a commercial and some other strategic application (e.g., military, terrorism, etc.)—often referred to as “dual-use”—and requires licensing based on the classification of the item under the EAR, its destination, end use and end user.

New rules and regulations were promulgated by the Department of State and Department of Commerce as a result of the Export Control Reform (ECR) Initiative. Under the initiative, certain items from the ITAR will be transferred to the EAR, resulting in the need to keep up-to-date and in compliance within the rules. These reforms will have a major impact on regulated companies, particularly in the aerospace industry. Businesses in the industry will have to adjust their compliance programs to account for the new export jurisdiction, classification and licensing requirements. This is especially true for businesses that fall under both the EAR and ITAR.

CHAPTER 3 – INTELLECTUAL PROPERTY PROTECTION

A. PATENTS & TRADEMARKS IN THE UNITED STATES

Patents

Utility patent

A patent is an exclusive property right granted to an inventor, which exclude others from making, using, selling the invention for limited time. Utility patents are issued for any:

- Process
- Machine
- Article of manufacture
- Composition of matter
- Improvement of any of the above.

Design patent

In addition to the utility patents, patent protection is available for ornamental design of an article of manufacture.

In 2011, President Barack Obama signed the America Invent Act. Under this act, the United States of America adopted the first-to-file system, and in this way America harmonized its legislation with the rest of the world.

Trademarks

Protection in the USA

The name of your business is your signature! Think in advance on how to protect your trademark!

Federal registration is beneficial for any business that participates in the interstate commerce because it is a notice to the public about the owner's claim of ownership of the mark and gives an exclusive right to use the mark nationwide. Federal registration gives an exclusive right to use the mark on or in connection with the goods or services that the owner of the mark provides on the market.

The most important characteristic of the United States trademark law regulation is, that it is based on the use of the mark on the local market. This differs from the rest of the world where protection could be grant based only on registration.

B. FEDERAL REGISTRATION

Registration Based on Actual Existing Use

That means that the mark is used in interstate commerce in connection with certain goods and/or services. The applicant should declare under oath that the mark is in use, the first date that the mark was first used and the first date of use in commerce.

Some of the most common substantive grounds for refusal of a trademark registration are:

- if the mark is merely descriptive or deceptively misdescriptive of the applicant's goods and/or services;
- if the mark is the generic name for the goods or services;
- if the proposed mark comprises a name, portrait, or signature identifying a particular living individual without the individual's written consent;
- if the mark is primarily merely a surname;
- the mark is similar to another registered mark and the use of the junior mark may cause confusion, mistake or deceive the consumers.

Registration Based on Bona Fide Intend to Use

Since November 1989 intent-to-use (ITU) trademark application has been allowed. Once the application is filed with intent to use, and the intended mark has been approved, published for opposition and indicated as allowed, you will have six (6) months in which to verify actual use and submit specimen of use. This six month period can, under proper circumstances, be extended up to a maximum of two years.

C. REGISTRATION WITH THE WASHINGTON SECRETARY OF STATE

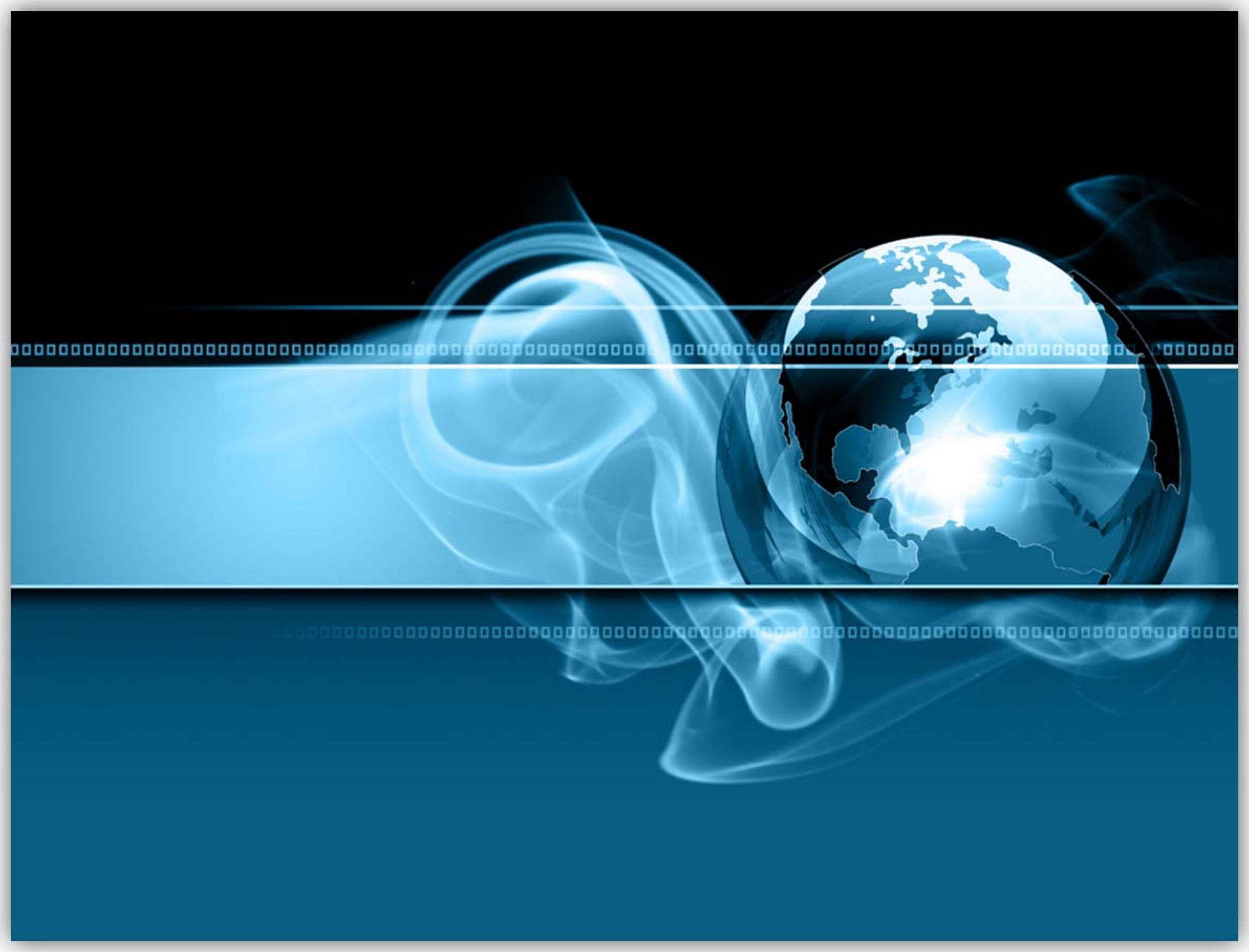
The registration with the Washington Secretary of State is recommended for trademarks used exclusively within the state or region.

The Secretary of the State does not examine the applications for registration of trademarks. The registration puts the rest of the businesses and consumers in the State of Washington on notice that there is a claim on the ownership of the mark in connection with a relevant goods or services.

D. INTERNATIONAL COVERAGE: THE MADRID PROTOCOL

The United States of America is a state member of the Madrid protocol. This international treaty provides a mechanism for trademark protection in all member states which is the following:

- If your trademark is registered in a member state, you may apply for extension of protection in the United States.
- The United States Patent and Trademark Office (USPTO) will then examine your request for extension.
- If the examining attorney determines that the U.S. law permits, the registration a certificate of registered extension of protection will be issued.
- Between the 5th and the 6th year after the date on which the USPTO issues the U.S. registration, the holder of the international registration must file directly with the USPTO Affidavit of Use or Excusable Non-use.
- Failure to file this declaration will result in the cancellation of the U.S. registration.



CHAPTER 4 – STATE LICENSING FOR BUSINESSES OPERATING IN AEROSPACE & DEFENSE INDUSTRY

A. CHOOSING THE RIGHT BUSINESS STRUCTURE

When seeking to do business in the United States, and especially to Washington State, there is a number of business structures that yourself as an owner, manufacturer, supplier or investor may choose depending on the size of your company, the taxation bracket you intend to be categorized in, the amount of liability you agree to share, and very importantly, which ownership structure you wish to build your business upon.

These factors among many should help you figure out what is the right path for your business entity. You should always seek the legal advice of an attorney before engaging in a business structure, without being aware of the many tax benefits or pitfalls of choosing an entity structure, over another.

Sole Proprietorship

A Sole Proprietorship is one individual or married couple in business alone. It is simple to form and operate, and may enjoy fewer legal controls, and fewer taxes. The business owner is personally liable for all debts incurred by the business.

General Partnership

A General Partnership is composed of 2 or more persons who agree to contribute money, labor, or skill to a business. Each partner shares the profits, losses, and management of the business and each partner is personally and equally liable for debts of the partnership.

Formal terms of the partnership are usually contained in a written partnership agreement.

Limited Partnership

A Limited Partnership is composed of one or more general partners and one or more limited partners. The general partners manage the business and share fully in its profits and losses. Limited partners share in the profits of the business, but their losses are limited to the extent of their investment. Filing with the Washington Secretary of the State is required.

Limited Liability Partnership (LLP)

A Limited Liability Partnership (LLP) is similar to a General Partnership except that normally a partner doesn't have personal liability for the negligence of another partner. This business structure is used most by professionals, such as accountants and lawyers. Filing with the Washington Secretary of State is required.

Limited Liability Limited Partnership (LLLP)

A Limited Liability Limited Partnership is a Limited Partnership that chooses to become an LLLP by including a statement to that effect in its certificate of limited partnership. This type of business structure may shield general partners from liability for obligations of the LLLP. Filing with the Washington Secretary of State is required.

Corporation

A Corporation is a complex business entity. Doing business as a corporation may have some advantages because of tax benefits, but at the same time may have high fees related with requirement for license to be run particular business. Corporations could be established for profit or nonprofit purposes. Filing with the Washington Secretary of State is required.

Non-profit Corporation

A Non-profit Corporation is an entity incorporated for an ideal or goal rather than for profit. Many nonprofits serve the public interest, but some engage in private sector activities. Non-profit organization which raises funds from the public should be registered with the Charities Program of the Washington Secretary of State.

Limited Liability Company (LLC)

A Limited Liability Company (LLC) is formed by 1 or more individuals or entities based on a special written agreement. The agreement includes provisions for management, assignability of interests, and distribution of profits and losses. LLCs could be engage in any lawful, for-profit business or activity other than banking or insurance. Should be registered with the Washington Secretary of State

Trust

A Trust is a legal relationship in which one person, called the trustee, holds property for the benefit of another person, called the beneficiary.

Joint-Venture

A Joint Venture is formed for a limited length of time to carry out a business transaction or operation.

Association

An association is an organized group of people who share in a common interest, activity, or purpose.

B. LICENSING YOUR BUSINESS WITH THE WASHINGTON DEPARTMENT OF TRANSPORTATION (WSDOT)

Under the Washington State Law, a business entity operating in one of the following areas need to be licensed by the Washington Department of Transportation (WSDOT):

Aircraft Dealer

An "Aircraft Dealer" means a person engaged in the business of selling, exchanging, or acting as a broker of aircraft within a calendar year. Everyone who operates as an aircraft dealer needs to submit an application for an Aircraft Dealer's License. One part of the requirements consists in submitting a surety bond in the amount of $25,000.

Aircraft Registration

If this is your first time registration:

- First, you must pay any sale taxes due on the aircraft to the Washington State Department of Revenue. They will issue a Declaration of Use Tax.
- Second, you should contact the WSDOT to find out how much the registration fee is. It depends of the aircraft category.
- The registration should be renewed every year in December.

If you move in Washington State, you have 90 days to register your aircraft with the WSDOT, and 30 days if you buy a new aircraft.

WSDOT Aviation must be notified within 30 days of any changes to the registration information.

Pilot and Mechanic Registration with WSDOT are no longer required in Washington State.

Aircraft fuel distribution

If your business distributes jet fuel and aviation gasoline for sale you should be licensed by the Washington State Department of Licensing (WSDL), and you must be bonded. Bonding amounts are based on your estimated monthly fuel tax liability and it is between $5,000 and $50,000.

Fuel Tax Return

If your company is a licensed special fuel distributor and sold at least 54 gallons of tax-exempt, non-dyed diesel to exempt public entities in the past 13 months may be eligible for a refund of the Washington State fuel tax.

C. AEROSPACE & DEFENSE: THE U.S. FOREIGN INVESTMENT AND NATIONAL SECURITY ACT (2007)

The U.S. Foreign Investment and National Security Act (FINSA) is a law which allows the United States Government to review foreign investment especially transactions in certain sectors, for example critical infrastructure and technologies, as well as transactions involving an entity controlled by a foreign government.

The Committee on Foreign Investment in the United States (CFIUS) is an inter-agency committee authorized to review transactions ("covered transactions"), in order to determine the effect of such transactions on the national security of the United States.

Therefore, before entering into any business transactions related to manufacturing, supplying or investing in the Aerospace & Defense industry, you should consult with an attorney to assess your strategies and your potential options, in order to successfully take your business to new heights.

CHAPTER 5 – INVESTMENT IMMIGRATION OPTIONS

A. EB-5 PROGRAM OVERVIEW

On September 28th, 2012, United States President Obama signed Senate Bill 3245 into law {Public Law112-176} , thereby providing a three year reauthorization of the EB-5 Regional Center Program. This law extends the Program through September 2015. Originally created by the Immigration Act of 1990, the Fifth Employment-Based Preference ("EB-5") Immigrant Investor Program for International Investors and/or Entrepreneurs offers a unique opportunity to obtain United States Permanent Residency (Green Card) for International Investors and/or Entrepreneurs who invest in the United States.

Every year, Congress allocates 10,000 visas for the EB-5 Program for investors seeking to invest in the United States economy and create at least 10 full-time jobs. To qualify for the EB-5 Immigrant Investor Program, an investor must invest $1,000,000 or at least $500,000 in a targeted employment area (TEA) in the form of cash, cash equivalents, equipment, inventory or other tangible property, thereby creating at least 10 full-time jobs for legal U.S. workers within two years.

Upon approval of an investor's petition, the investor, the investor's spouse, and all their children under the age of 21 will be granted conditional permanent residence status (Green Card) for two years, with all the benefits of a permanent green card holder. During the required two-year investment period, an investor may obtain any profit on his or her investment.

In the 90-day period prior to the expiration of the required two-year investment period, the investor, the investor's spouse, and their children under the age of 21 must submit documents demonstrating that the required investment has been made and that at least 10 full-time jobs have been created, or else demonstrate with appropriate evidence that those criteria will be satisfied within a reasonable time period.

Beginning 90 days prior to the five-year anniversary of receiving their initial green card, the investor, the investor's spouse, and their children under the age of 21 may file for U.S. Citizenship & obtain a U.S. Passport.

B. STEPS TO QUALIFY UNDER THE EB-5 PROGRAM

1. Eligibility – Check your eligibility;

2. Legal Counsel – Retain Legal Counsel and Team to prepare and file I-526 Petition along with supporting documentation;

3. Due Diligence - Choose the "best" path for your investment in the United States under the EB-5 Program [New Enterprise, Existing Enterprise, or Regional Center];

4. Supporting Documents - Collect supporting documents [Biographic, Financial (net worth), Clearances];

5. Source of Funds - Gather evidentiary documents in support of Legal Acquisition of Capital;

6. Petition Preparation - Prepare petition for Investor's signature;

7. Capital Transfer – Wire Transfer of Capital (USD $500,000 or USD $1,000,000) into Escrow Account or directly into Investment;

8. 2-Year U.S. Conditional Permanent Residence Green Card - Upon I-526 Petition Approval:

   - If Investor and/or investor's family is in the United States, Legal Counsel files for Adjustment of Status (I-485) for investor and family member(s) who thereby receive U.S. Permanent Residence conditioned upon the two-year investment (Conditional Green Card); or

   - If Investor and/or investor's family is outside the United States, the investor and family undergo a U.S. Consular Interview at the U.S. Embassy and thereby receive the Conditional Green Card;

9. U.S. Permanent Residence (Green Card) - In the 90 days immediately prior to the two-year anniversary of receiving a conditional green card, Legal Counsel prepares and files Form I-829 to remove the two-year condition on permanent residency. If the requirements for investment and job-creation are fulfilled, investor and family receive U.S. Lawful Permanent Resident status (Permanent Green Card); and

10. U.S. Citizenship & Passport - Investor and family may apply for U.S. Citizenship beginning 90 days prior to the five-year anniversary of the date they received their conditional green card. Upon approval, investor and family receive U.S. Citizenship and Passports.

C. EB-5 PROGRAM BENEFITS

- Obtain United States Green Card or Citizenship for the Investor and/or Entrepreneur, spouse, and ALL their children under 21 years of age;
- No education, business, or special training required;
- Any nationality may apply;
- No language requirement;
- Live and travel anywhere in the United States;
- No work limitation: take any job, run or start any business, even retire;

- No education limitations: students may apply to any U.S. school and avoid paying the international student rates;
- Wider job market for your children in the future;
- Property tax savings in some states; and
- Citizenship after five years – the two years spent as a conditional resident is counted towards the 5year requirement.

D. E-1 TREATY TRADER & E-2 TREATY INVESTOR VISA

Overview

The E visa category is designed for foreign business owners with substantial trade and investment interests in the United States. The E visa category is available for foreign nationals of a country that maintains a treaty of friendship, commerce and navigation with the United States. The category is divided into the E-1 visa, based on substantial trade relationships, and the E-2 visa, based on substantial investment.

Requirements

Treaty Trader (E-1)

The Applicant must be a national of a treaty country. The trading firm for which the applicant is coming to the U.S. must have the same nationality (nationality of the foreign entity) of the treaty country.

The international trade must be “substantial” in the sense that there is a sizable and continuing volume of trade between the countries and that more than 50% of the total volume of the company’s international trade must be between the U.S. and the treaty country.

The applicant must be employed in a supervisory or executive capacity, or possess highly specialized skills essential to the efficient operation of the firm. Ordinary skilled or unskilled workers do not qualify.

At least 50% of the company must be owned by nationals of the treaty country.

Treaty Investor (E-2)

- The investor must be a national of treaty country.
- The investment must be substantial (it must be sufficient to ensure the successful operation of the enterprise).
- The investment must be a real operating enterprise.
- Speculative or idle investments do not qualify.

- Uncommitted funds in a bank account or similar security are not considered an investment.

- The investment enterprise may not be marginal. It must generate significantly more income than just to provide a living to the investor and family, or it must have a significant economic impact on the U.S. economy.

- The investor must have control of the funds, and the investment must be at risk in the commercial sense.

- Loans secured with the assets of the investment enterprise are not allowed.

- The investor must be coming to the U.S. to develop and direct the enterprise. If the applicant is not the principal investor, he or she must be employed in a supervisory or executive role, or possess special skills which make the employee's services essential to the efficient operation of the business.

Substantial Investment

1. Substantial in a proportional sense (the application of the proportionality test) i.e., substantial in relationship to the total cost of either purchasing an established enterprise, or creating the type of enterprise under consideration;

2. Sufficient to ensure the treaty investor's financial commitment to the successful operation of the enterprise and;

3. Of a magnitude to support the likelihood that the treaty investor will successfully develop and direct the enterprise. No set dollar figure constitutes a minimum amount of investment to be considered substantial for E-2 visa purposes.

E. L-1 NON-IMMIGRANT INTRA-COMPANY TRANSFEREE VISA

Overview

L-1 Visa is a non-immigrant visa that allows companies operating in the United States and overseas to transfer certain employees to work for its business in the United States. Two types of L-1 visa classifications are available:

- L-1A visas for managers or executives; and
- L-1B visas for employees with key knowledge of the business's products or processes.

L-2 visa is for the spouse or children of an L-1 visa holder.

Qualification Requirements

Employer:

- Have a qualifying relationship with a foreign company (parent company, branch, subsidiary, or affiliate, collectively referred to as "qualifying organizations"); and

- Currently be, or will be, doing business as an employer in the United States and in at least one other country directly or through a qualifying organization for the duration of the beneficiary's stay in the United States as an L-1. While the business must be viable, there is no requirement that it be engaged in international trade.

Employee:

- Generally have been working for a qualifying organization abroad for one continuous year within the three years immediately preceding his or her admission to the United States; and

- Be seeking to enter the United States to provide service in an executive/managerial* capacity or as an employee with "specialized knowledge" for a branch of the same employer or one of its qualifying organizations.

Branch:

An operating division or office of the same organization housed in a different location. A U.S. organization with a branch office abroad qualifies, as does a foreign organization with a U.S. branch; however, the branch must be more than simply an agent or representative.

Subsidiary:

A firm, corporation, or other legal entity that is owned by a parent company. Ownership may be direct or indirect. Ownership can be in any of the following forms:

- The parent owns, directly or indirectly, 50% or more of the subsidiary;

- The parent owns, directly or indirectly, 50% of a 50-50 joint venture and has equal control and veto power over the entity; and

- The parent owns, directly or indirectly, less than half of the entity, but in fact controls the entity.

Parent:

- A firm, corporation, or other legal entity which has subsidiaries;

- A foreign parent must own at least 50% of a U.S. subsidiary and have veto powers over the subsidiary's actions;

- A U.S. parent must own at least 50% of the foreign subsidiary and have veto powers over the subsidiary's actions; and
- Affiliate U.S. and foreign companies must each be at least 50% owned by the same ultimate parent.

Affiliate:

- One of two subsidiaries, both of which are owned and controlled by the same parent or individual; or
- One of two legal entities owned and controlled by the same group of individuals, each individual owning and controlling approximately the same share or proportion of each entity.

Restrictions

- The L-1A visa (manager or executive) is limited to seven consecutive years, and the L-1B visa
- (specialized knowledge employee) is limited to five consecutive years. The employee is ineligible for L status again until he or she has lived outside the U.S. for a total of one year;
- L -1 Visa Holder must be employed on a full-time basis with the company;
- Generally, L-2 children cannot work while L-2 spouses are permitted to work;
- All L-2 holders can attend schools while maintaining their L-2 status; and
- There is no numerical cap limitation for the L-1 visa.

After L-1

- L-1/L-2 visa holders may be eligible for a green card under the employment-based "first preference" category (EB-1 Multinational Managers and Executives*), if he or she was also a manager or executive abroad; and
- "Specialized knowledge"** employees may consider transferring to H-1B or apply for a green card under the employment-based "second preference" (EB-2) category.

* Executive capacity generally refers to the employee's ability to make decisions of wide latitude without much oversight.

* Managerial capacity generally refers to the ability of the employee to supervise and control the work of professional employees and to manage the entire organization or manage a department, subdivision, function, or component of the organization. It may also refer to the employee's ability to manage an essential function of the organization at a high level without direct supervision of others.

** Specialized knowledge means either special knowledge possessed by an individual of the petitioning organization's product, service, research, equipment, techniques, management, or other interests and its application in international markets, or an advanced level of knowledge or expertise in the organization's processes and procedures.

Blanket Petitions

Certain organizations may establish the required intra-company relationship in advance of filing individual L-1 petitions by filing for a blanket petition. Eligibility for blanket L certification may be established if the following criteria are met:

The petitioner and each of the qualifying organizations are engaged in commercial trade or services;

- The petitioner has an office in the United States which has been doing business for one year or more;
- The petitioner has three or more domestic and foreign branches, subsidiaries, and affiliates; and
- The petitioner, along with the other qualifying organizations, meets one of the following criteria:
    - Has obtained at least 10 L-1 approval during the previous 12-month period;
    - Has U.S. subsidiaries or affiliates with combined annual sales of at least $25 million; or
    - Has a U.S. work force of at least 1,000 employees.

The approval of a blanket L-1 visa petition does not guarantee that an employee will be granted L-1A classification. It does, however, provide the employer with the flexibility to transfer eligible employees to the United States quickly and on short notice without having to file an individual petition with USCIS. (Transferee needs only to be employed continuously for 6 months.)

ANNEXES

ANNEX 1: E-1 TREATY TRADER & E-2 TREATY INVESTOR VISA TREATY COUNTRIES

Country	Classification	Country	Classification
Albania	E-2	Kazakhstan	E-2
Argentina	E-1/E-2	Korea (South)	E-1/E-2
Armenia	E-2	Kosovo	E-1/E-2
Australia	E-1/E-2	Kyrgyzstan	E-2
Austria	E-1/E-2	Latvia	E-1/E-2
Azerbaijan	E-2	Liberia	E-1/E-2
Bahrain	E-2	Lithuania	E-2
Bangladesh	E-2	Luxembourg	E-1/E-2
Belgium	E-1/E-2	Macedonia (the Former Yugoslav Republic of [FRY])	E-1/E-2
Bolivia	E-1/E-2	Mexico	E-1/E-2
Bosnia and Herzegovina	E-1/E-2	Moldova	E-2
Brunei	E-1	Mongolia	E-2
Bulgaria	E-2	Montenegro	E-1/E-2
Cameroon	E-2	Morocco	E-2
Canada	E-1/E-2	Netherlands	E-1/E-2
Chile	E-1/E-2	Norway	E-1/E-2
China (Taiwan)	E-1/E-2	Oman	E-1/E-2
Colombia	E-1/E-2	Pakistan	E-1/E-2
Congo (Brazzaville)	E-2	Panama	E-2
Congo (Kinshasa)	E-2	Paraguay	E-1/E-2
Costa Rica	E-1/E-2	Philippines	E-1/E-2
Croatia	E-1/E-2	Poland	E-1/E-2
Czech Republic	E-2	Romania	E-2
Denmark	E-1/E-2	Serbia	E-1/E-2
Ecuador	E-2	Senegal	E-2
Egypt	E-2	Singapore	E-1/E-2
Estonia	E-1/E-2	Slovak Republic	E-2
Ethiopia	E-1/E-2	Slovenia	E-1/E-2
Finland	E-1/E-2	Spain	E-1/E-2
France	E-1/E-2	Sri Lanka	E-2
Georgia	E-2	Suriname	E-1/E-2
Germany	E-1/E-2	Sweden	E-1/E-2
Greece	E-1	Switzerland	E-1/E-2
Granada	E-2	Thailand	E-1/E-2
Honduras	E-1/E-2	Togo	E-1/E-2
Iran	E-1/E-2	Trinidad & Tobago	E-2
Ireland	E-1/E-2	Tunisia	E-2
Israel	E-1	Turkey	E-1/E-2
Italy	E-1/E-2	Ukraine	E-2
Jamaica	E-2	United Kingdom	E-1/E-2
Japan	E-1/E-2	Yugoslavia	E-1/E-2
Jordan	E-1/E-2		

ANNEX 2: INDIA – UNITED STATES DOUBLE TAXATION AVOIDANCE TREATY

Double taxation is the act of levying of tax by two or more jurisdictions on the same declared income (in the case of income taxes), asset (in the case of capital taxes), or financial transaction (in the case of sales taxes). The United States has many taxation treaties with countries worldwide, and India is one of them.

Please find a sample view of the signed Tax Convention in 1991 here:

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

"Whereas the annexed Convention between the Government of the United States of America and the Government of the Republic of India for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income has entered into force on the 18th December, 1990 after the notification by both the Contracting States to each other of the completion of the procedures required under their laws for bringing into force of the said Convention in accordance with paragraph 1 of Article 30 of the said Convention ;

Now, therefore, in exercise of the powers conferred by section 90 of the Income-tax Act, 1961 (43 of 1961) and section 24A of the Companies (Profits) Surtax Act, 1964 (7 of 1964), the Central Government hereby directs that all the provisions of the said Convention shall be given effect to in the Union of India.

Further in exercise of the powers conferred by section 44A (b) of the Wealth-tax Act, 1957 (27 of 1957) and section 44(b) of the Gift-tax Act, 1958 (18 of 1958), the Central Government also directs that the provisions of Article 28 of the said Convention shall be given effect to in the Union of India."

Source: http://www.irs.gov/pub/irs-trty/india.pdf

ANNEX 3: WASHINGTON STATE AIRPORTS OVERVIEW

Key-findings

- There are 138 public use airports in Washington state that range from large commercial airline airports such as Seattle-Tacoma International, to remote mountain strips such as Stehekin. All of these airports provide access to business, pleasure, and emergency service aircraft.

- There are 8 military airports located in Yakima, Tacoma, Spokane, Port Angeles, Oak Harbor and Coupeville.

- There are 12 notable private-use airports located in Blakely Island, Center Island, Decatur, Lopez Island, Omak, Roche Harbor, Seattle, Sequim, Stuart Island, Trout lake, West sound and Yelm.

Focus on SEATAC Airport

- Sea-Tac Airport ranks 21st in air cargo volume in North America (2011)

- It is the 3rd largest airport for international cargo on the West Coast (excludes Alaska).

- The airport offers daily, non-stop service to 77 domestic and 17 international destinations. 11 of the international destinations are serviced with all-cargo main deck or wide-body carrier services.

- The Airport has approximately 680,000 square feet of leasable space in 15 airside buildings and more than three million square feet of aircraft ramp space.

ANNEX 4: SYNOPSIS OF TAX INCENTIVES – DEPARTMENT OF REVENUE WASHINGTON STATE (2010)

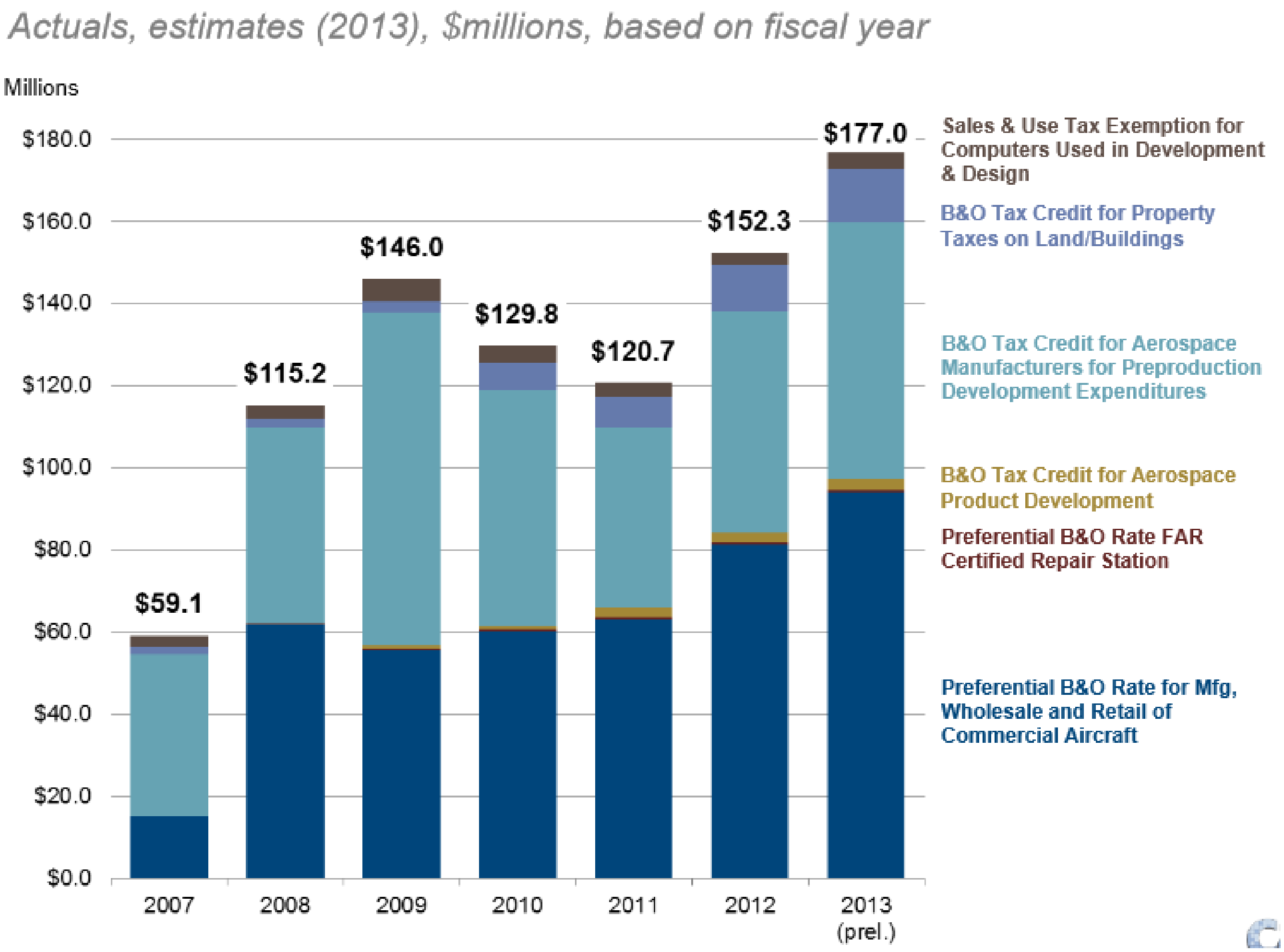
Type of Incentive	Eligibility	Rate
Preferential B&O tax rate	• Manufacturers & processors for hire • Aerospace product development businesses • Aerospace products • Certificated FAR part 145 repair stations	38-50% reduced rate
B&O tax credit for aerospace product development	• Supplies • Cost of FAA certification • Computer & processing expenses	Amount of qualified expenditures x 1.5%
Sales and use tax exemption on computer hardware and peripherals	• Hardware • Software • Plotters • Switches • Hubs	Full exemption
B&O tax credit for property taxes/leasehold taxes paid	• Manufacturers • Tooling manufacturers • Certified FAR part 145 repair stations • Aerospace product development businesses	B&O tax credit equal to leasehold taxes

cai community attributes inc   WASHINGTON AEROSPACE PARTNERSHIP

Source: Washington State Department of Revenue

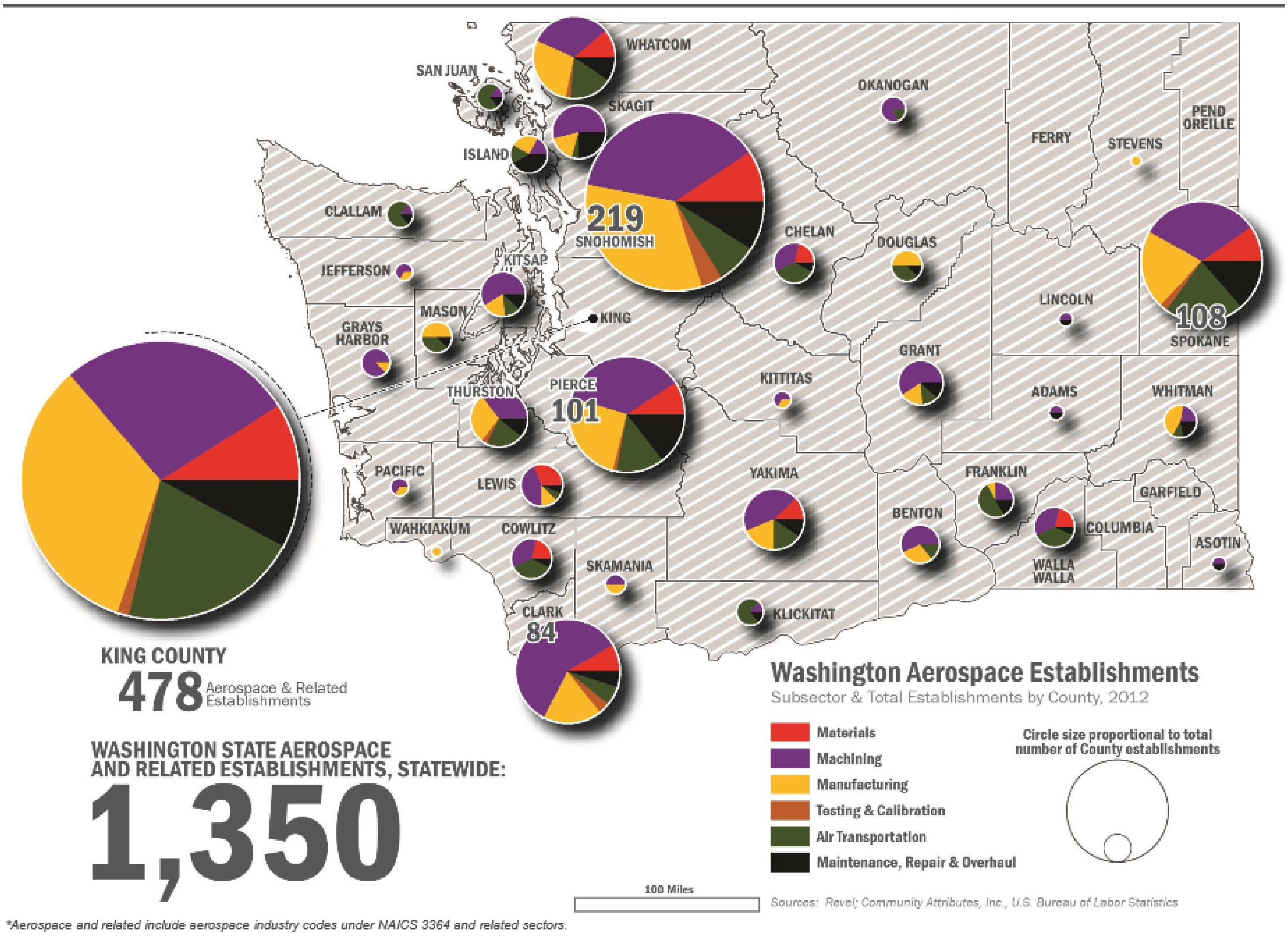
ANNEX 5: WASHINGTON STATE AEROSPACE INDUSTRY TAX INVESTMENTS

Between fiscal years 2004 and 2013, tax investments in aerospace from the State totaled more than $1 billion.



Source: Washington State Department of Revenue

ANNEX 6: MAP OF WASHINGTON STATE AEROSPACE ESTABLISHMENT LOCATIONS PER SERVICES



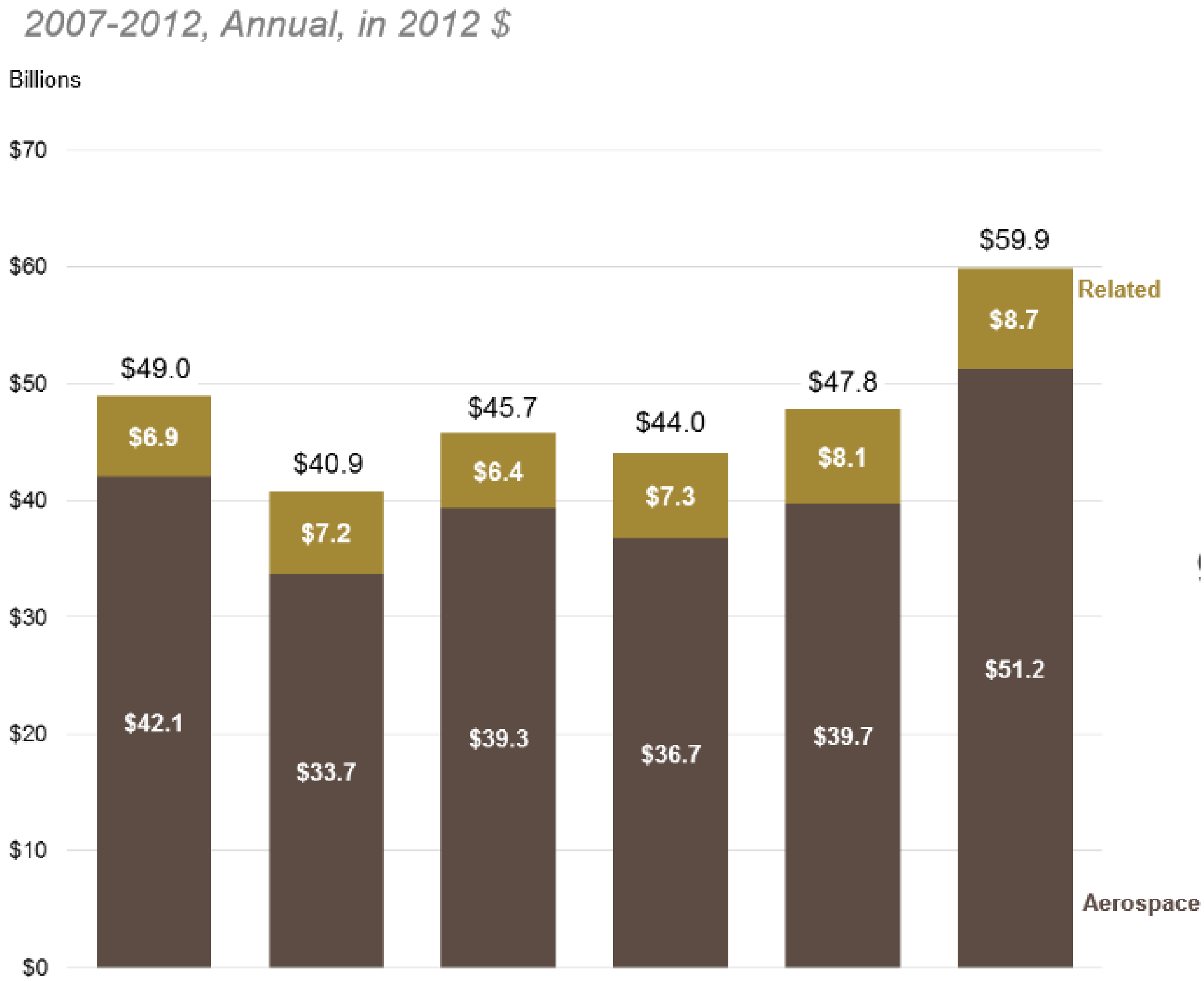
Source: Governor's Office of Aerospace

ANNEX 7: WASHINGTON STATE AEROSPACE INDUSTRY REVENUES

In 2012, the aerospace industry supported $76 billion in sales via direct, indirect, and induced impacts.

The 777 program alone contributes $20.1 billion in economic activity, generates 56,600 jobs, and yields $132.9 million in state tax revenues annually.

Total aerospace and supporting industry revenues grew by $15.9 billion dollars, representing 35% growth between 2010 and 2012.



Sources: Washington State Employment Security Department; Governor's Office of Aerospace; Washington State Department of Revenue; U.S. Bureau of Economic Analysis

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