













## CONFIDENTIAL

GOVERNING DOCUMENTS. HEDGING TRANSACTIONS INVOLVING THE PREFERRED SHARES OR COMMON SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

THE PREFERRED SHARES ARE BEING OFFERED SUBJECT TO VARIOUS CONDITIONS, INCLUDING: (I) WITHDRAWAL, CANCELLATION OR MODIFICATION OF THE OFFER WITHOUT NOTICE; (II) THE RIGHT OF THE COMPANY TO REJECT ANY SUBSCRIPTION FOR PREFERRED SHARES, IN WHOLE OR IN PART, FOR ANY REASON; AND (III) THE APPROVAL OF CERTAIN MATTERS BY LEGAL COUNSEL. EACH PROSPECTIVE INVESTOR IS RESPONSIBLE FOR ITS OWN COSTS IN CONSIDERING AN INVESTMENT IN PREFERRED SHARES. THE COMPANY SHALL NOT HAVE ANY LIABILITY TO A PROSPECTIVE INVESTOR WHOSE SUBSCRIPTION IS REJECTED OR PREEMPTED.

AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A SIGNIFICANT DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT SUCH RISKS AND THE LACK OF LIQUIDITY THAT IS CHARACTERISTIC OF INVESTMENTS SUCH AS THE PREFERRED SHARES. THERE WILL BE NO PUBLIC MARKET FOR THE PREFERRED SHARES AND, SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THEY WILL NOT BE TRANSFERABLE. PLEASE REFER TO *SECTION III — "RISK FACTORS"* IN THIS MEMORANDUM FOR FURTHER DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH AN INVESTMENT IN PREFERRED SHARES.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY OTHER COMMUNICATION FROM THE COMPANY OR ANY OF ITS EMPLOYEES, AFFILIATES OR REPRESENTATIVES AS PROVIDING ASSURANCES, WHETHER EXPRESSED OR IMPLIED, THAT THE INVESTMENT OBJECTIVES OF THE COMPANY WILL BE REALIZED OR THAT ANY BENEFITS OR ADVANTAGES TO PROSPECTIVE INVESTORS OF AN INVESTMENT IN THE COMPANY SUGGESTED, IMPLIED OR ADVOCATED IN THIS MEMORANDUM WILL BE AVAILABLE OR ACCOMPLISHED. PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST OR PROJECTED PERFORMANCE IS NOT NECESSARILY INDICATIVE OF THE COMPANY'S FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT THE COMPANY WILL ACHIEVE COMPARABLE RESULTS OR THAT TARGETED RETURNS WILL BE MET.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, INVESTMENT OR OTHER ADVICE. EACH PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN INQUIRIES AND CONSULT HIS OR HER OWN ADVISORS AS TO THE APPROPRIATENESS AND DESIRABILITY OF AN INVESTMENT IN THE COMPANY AND AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE COMPANY.

ANY PRIOR JOB CREATION, I-526 PETITION OR CAPITAL RAISING RESULTS OF THE MANAGEMENT COMPANY OR PRIOR ENTITIES FORMED TO RAISE CAPITAL FOR THE COMPANY OR ANY OF ITS AFFILIATES CONTAINED IN THIS MEMORANDUM OR THE MEMORANDUM UPDATE ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY AND ARE NOT NECESSARILY INDICATIVE OF THE COMPANY'S POTENTIAL RESULTS. ALL PRIOR RESULTS ARE APPROXIMATES AND HAVE BEEN INTERNALLY PREPARED IN GOOD FAITH BY AFFILIATES OF THE MANAGEMENT COMPANY AND ARE NOT AUDITED. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

IN FURNISHING THIS MEMORANDUM, THE COMPANY RESERVES THE RIGHT TO SUPPLEMENT, AMEND OR REPLACE THIS MEMORANDUM AT ANY TIME, BUT HAS NO OBLIGATION TO PROVIDE THE RECIPIENT WITH ANY SUPPLEMENTAL, AMENDED, REPLACEMENT OR ADDITIONAL INFORMATION.

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TO INVEST IN PREFERRED SHARES, EACH PROSPECTIVE INVESTOR WILL BE REQUIRED TO EXECUTE A SUBSCRIPTION AGREEMENT FOR PREFERRED SHARES. IN THE EVENT THAT ANY TERMS, CONDITIONS OR OTHER PROVISIONS OF SUCH AGREEMENTS (OR ANY RELATED AGREEMENTS) ARE INCONSISTENT WITH OR CONTRARY TO THE DESCRIPTION OF TERMS SET FORTH IN THIS MEMORANDUM, THE TERMS, CONDITIONS AND OTHER PROVISIONS OF SUCH AGREEMENTS SHALL CONTROL.

ALL REFERENCES TO “\$” MEANS THE OFFICIAL CURRENCY OF THE UNITED STATES OF AMERICA.

### **LEGAL CONSIDERATIONS**

KLASKO, RULON, STOCK & SELTZER, LLP SERVES AS IMMIGRATION COUNSEL TO THE COMPANY AND THE MANAGEMENT COMPANY. BURR AND FORMAN LLP SERVES AS CORPORATE LEGAL COUNSEL TO THE COMPANY AND THE MANAGEMENT COMPANY. SUCH COUNSEL WILL NOT BE ENGAGED TO PROTECT THE INTERESTS OF PROSPECTIVE INVESTORS OR HOLDERS OF PREFERRED SHARES (“PREFERRED SHAREHOLDERS”) AND SHOULD NEVER BE VIEWED AS REPRESENTING ANY PROSPECTIVE INVESTOR OR ANY PREFERRED SHAREHOLDER. PROSPECTIVE INVESTORS AND PREFERRED SHAREHOLDERS SHOULD CONSULT WITH AND RELY UPON THEIR OWN COUNSEL CONCERNING INVESTMENT IN THE COMPANY, INCLUDING, WITHOUT LIMITATION, TAX AND CURRENCY EXCHANGE CONSEQUENCES TO THEM AND OTHER ISSUES RELATING TO ANY INVESTMENT IN THE COMPANY. THIS MEMORANDUM AND THE MEMORANDUM UPDATE ARE WRITTEN IN THE ENGLISH LANGUAGE ONLY, WHICH LANGUAGE SHALL BE CONTROLLING IN ALL RESPECTS. ANY VERSION OF THIS MEMORANDUM AND THE MEMORANDUM UPDATE IN ANY LANGUAGE OTHER THAN ENGLISH IS NOT AUTHORIZED.

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

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THE PURCHASE OF PREFERRED SHARES OFFERED HEREBY TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THE PREFERRED SHARES OFFERED HEREBY, AND ANY FOREIGN EXCHANGE OR OTHER NON-U.S. RESTRICTIONS THAT MAY BE RELEVANT THERETO. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE SECURITIES LEGENDS SET FORTH IN *SECTION XI — “SECURITIES LAW LEGENDS.”*

### **IRS CIRCULAR 230 NOTICE**

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE UNITED STATES INTERNAL REVENUE SERVICE, WE INFORM YOU THAT ANY TAX ADVICE CONTAINED IN THIS MEMORANDUM WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE CODE. TAX ADVICE CONTAINED IN THIS MEMORANDUM WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION(S) OR MATTER(S) ADDRESSED BY THIS MEMORANDUM. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

### **MATERIALS RELATED TO THE OFFERING**

CERTAIN MATERIAL INFORMATION HAS BEEN OMITTED FROM THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM BECAUSE OF THE SENSITIVE NATURE OF THAT INFORMATION. THE OMITTED INFORMATION MUST BE REVIEWED BY POTENTIAL INVESTORS

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PRIOR TO THEIR SUBSCRIPTION FOR PREFERRED SHARES AND IS AVAILABLE IN THE FORM OF A CONFIDENTIAL MEMORANDUM UPDATE FOR CONFIDENTIAL VIEWING BY INVESTORS AT THE MANAGEMENT COMPANY'S BEIJING OFFICE, UNIT 1712, TOWER E1, ORIENTAL PLAZA, NO.1, EAST CHANG AN AVE., DONG CHENG DISTRICT, BEIJING, 100738, PEOPLE'S REPUBLIC OF CHINA (TEL: 86-10-85189580) OR AT THE MANAGEMENT'S COMPANY'S VIRGINIA OFFICE, 1600 TYSONS BLVD, SUITE 1150, MCLEAN, VA 22102 (TEL: (571) 765-3500). PLEASE CONTACT THE BEIJING OFFICE OF THE MANAGEMENT COMPANY IF YOU SEEK ALTERNATIVE VIEWING ARRANGEMENTS AND RESIDE IN CHINA. ALL OTHER INVESTORS SHOULD CONTACT THE U.S. OFFICE OF THE MANAGEMENT COMPANY IF YOU SEEK ALTERNATIVE VIEWING ARRANGEMENTS. PROSPECTIVE INVESTORS MUST REVIEW THE MEMORANDUM UPDATE AND SIGN AN ACKNOWLEDGEMENT TO THE COMPANY THAT SUCH INVESTOR HAS REVIEWED THE MEMORANDUM UPDATE BEFORE THE INVESTOR'S SUBSCRIPTION FOR PREFERRED SHARES WILL BE ACCEPTED.

THIS MEMORANDUM AND THE MEMORANDUM UPDATE SUPERSEDES AND REPLACES IN THEIR ENTIRETY ANY AND ALL PRIOR OFFERING MATERIALS AND PRIOR CORRESPONDENCE RELATED TO AN OFFERING OF PREFERRED SHARES. NO PERSON OTHER THAN THE COMPANY HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION OR PROVIDE ANY INFORMATION REGARDING PREFERRED SHARES OR THE COMPANY.

### **FORWARD-LOOKING STATEMENTS**

This Memorandum contains forward-looking statements. All statements other than statements of historical facts contained in this Memorandum, including statements regarding our future results of operations and financial position, business strategy and plans, and our business objectives including, without limitation, the design, quality and production of our vehicles, component production, construction of our factories, our production timeline, employment and sales, are forward-looking statements. The words "believe," "target," "plan," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in *Risk Factors* beginning on page 10. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Memorandum may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update any forward-looking statements for any reason after the date of the Memorandum to conform these statements to actual results or to changes in our expectations.

### **MARKET AND INDUSTRY DATA**

The statistical and market data about our industry and the markets in which we plan to operate contained in this Memorandum comes from information published by or made available by third-parties.

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Although we believe that this data is generally reliable, there is no assurance as to its accuracy. We caution you not to place undue reliance on this data.



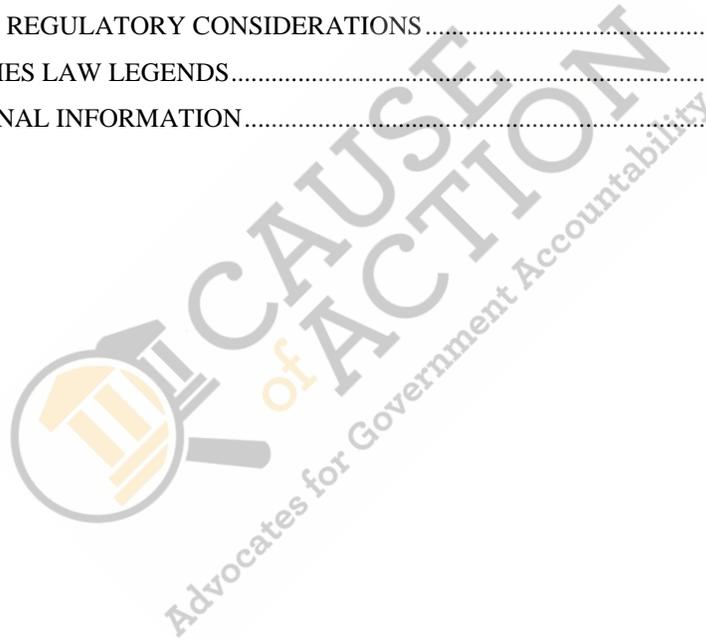
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**GREENTECH AUTOMOTIVE, INC.**

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# GREENTECH AUTOMOTIVE, INC.

## I. EXECUTIVE SUMMARY

### INTRODUCTION

#### The Offering

We are offering up to \$60.0 million of Preferred Shares (the “Offering”) primarily to prospective investors desiring to participate in the Employment Based Fifth Preference (EB-5) Program (described below). The Company is not required to obtain a minimum amount of commitments before it may consummate the initial closing of the purchase and sale of Preferred Shares. Preferred Shares will be issued to an investor only after the purchase price for the Preferred Shares has been paid to the Company on behalf of such investor and a \$60,000 administrative fee (inclusive of \$15,000 legal and processing fees) has been paid to the Management Company or its designee on behalf of such investor for each capital contribution of \$500,000.

We have begun initial preparations for an initial public offering of our Common Shares which we expect to occur on one of the Nasdaq Stock Market exchanges, the Hong Kong exchange, or both. We anticipate completing an initial public offering in the second half of 2013, subject to a favorable business environment.

The Company’s headquarters is located at 1600 Tysons Boulevard, Suite 1150, McLean, Virginia 22102. The Company’s telephone number is (703) 666-9001; the Company’s facsimile number is (703) 666 9008.

#### The Company

GreenTech Automotive, Inc. (“GTA”) is a Mississippi corporation established by Terence R. McAuliffe and Charles Wang to design, manufacture and sell electric vehicles. GTA’s launch vehicle is MyCar (“MyCar”), an all-electric vehicle designed to have a 50 to 115 mile range on a single battery charge, dependent on battery pack variant, and a speed of up to 50 mph. The original model of MyCar, designed by world-renowned Italian designer, Giorgetto Giugiaro, was named Electric Vehicle of the Year at the 2008 European GreenFleet Awards. The updated MyCar has been engineered by GTA and our engineering partners (i) Panoz Auto Development Company, known for its development of the Panoz Esperante and Panoz Abruzzi, and (ii) Lotus Engineering, Inc., an internationally renowned engineering services company that has performed engineering work for the majority of large automobile manufacturers, including design work for Tesla’s Roadster. For the first year of our operations, we plan to produce only MyCars and develop model variants off the MyCar platform for customized usages including an urban or micro work truck and urban box van suitable for commercial applications.

On July 6, 2012, GTA unveiled MyCar at a ceremony at our production facility in Horn Lake, Mississippi (the “Pilot Production Facility”) with former President Bill Clinton, former Mississippi Governor Haley Barbour, and current Assistant Secretary of Department of Homeland Security Douglas Smith as guest speakers.

We are currently developing a full speed version of MyCar which we expect to produce in mid-2014 (“MyCar EV”). We also plan to develop other energy efficient automobiles (together with MyCar and MyCar EV, our “Vehicles”) in keeping with our corporate motto that no technology is green unless it is affordably green.

MyCar and MyCar EV are designed to be completely electric with no exhaust emissions. We provide our customers with a selection of battery configurations allowing them to choose their preferred tradeoff between battery price and range performance. MyCar and MyCar EV have been designed to recharge their batteries through a common wall outlet as well as Level 2 and Fast Charging options, with full recharging time between three to twelve hours, depending upon battery and charger specifications. The Vehicles are designed with mainstream amenities and the platforms are adaptable for certain customized requirements of fleet customers.

We believe our energy efficient Vehicles, our lack of legacy costs, our low production costs, and our attractive pricing will differentiate us from the competition.

We have one manufacturing facility in operation in Mississippi, the Pilot Production Facility, and are building a second facility (the "Facility") on 100 acres of land owned by GTA in Tunica, Mississippi. We expect to complete the Facility in the second half of 2013. The production capacity of the Pilot Production Facility is 16,000 vehicles per year and the initial production capacity of the Facility is expected to be 50,000 vehicles per year.

In July 2011, the Mississippi Development Authority (the "MDA") provided us with a business incentive package to encourage us to locate the Facility in Tunica, Mississippi. Under a Memorandum of Understanding between GTA, the MDA and the County of Tunica ("MOU"), Mississippi state and local authorities agreed to provide GTA with (i) title to the Land, (ii) a \$3.0 million general purposes loan (the "Mississippi Loan") and (iii) certain tax and business incentives, subject to our achieving certain investment and employment targets. We estimate that the value of these tax and other business incentives will measure up to \$25.0 million over 10 years assuming the Land, building and equipment is valued at \$50.0 million and that we generate annual net income of at least \$32.0 million. The County of Tunica also agreed to include GTA in a Foreign Trade Zone ("FTZ") which the County of Tunica seeks to establish. The transfer of the Land from the County of Tunica to GTA was recorded on September 26, 2011. See *Our Business Mississippi Incentive Agreements* for more information about the terms and conditions of the various state and local grants and incentives given to us.

In August 2011, GTA entered into a distribution agreement with Greenabout A/S, a Danish distributor of energy efficient vehicles ("Greenabout"), for the sale of MyCars pursuant to which Greenabout agreed to distribute MyCars in Denmark and potentially other countries in Europe. In February 2013, GTA entered into distribution agreement with Spijkstaal Elektro B.V. ("Spijkstaal"), for the sale of MyCars pursuant to which Spijkstaal will sell MyCars in Netherland, Belgium, Germany, France, Sweden, Switzerland, Norway, Austria, Italy, Spain, Greece, and Portugal. In addition, GTA is in negotiations with distributors for sales in the United Kingdom, Israel and Luxemburg as well as Canada.

Additionally, GTA is in discussions with various governments and corporations for sale of MyCar for use in their fleets. In May 2012, Domino's<sup>®</sup> Pizza showcased MyCar to over 6,000 franchises attending the Domino's<sup>®</sup> Worldwide Rally and Exposition in Las Vegas. Based on our subsequent discussions with Domino's<sup>®</sup> franchise owners, we expect to sell MyCar to Domino's<sup>®</sup> franchise owners in the United States, Europe, Australia, and the Middle East. According to a franchise industry website, Entrepreneur Magazine has ranked Domino's<sup>®</sup> Pizza as the #3 Global Franchise Brand and #1 in the Pizza category in the past. On November 26, 2012 GTA sold 5 cars to the Qatar MICE Development Institute for use at the UN Conference on Climate Change in Doha, Qatar. In December 2012, GTA was listed as a United States Department of Defense supplier for the MyCar product under NAICS code 336111 and 42311.

GTA has begun discussions with LG Chem, an established lithium-ion battery producer, to supply a complete powertrain system, including motor, controller, battery cells, battery management system, powertrain control module and charger, for GTA vehicles.

### **Joint Venture Opportunities in China**

GTA is currently exploring opportunities to partner with a Chinese partner to manufacture and sell MyCar, MyCar EV and other electric vehicles and automotive parts in China ("China Joint Venture"). In such joint venture arrangement, GTA would provide technology and know-how to manufacture electric vehicles and the Chinese joint venture partner would contribute a manufacturing facility. The China Joint Venture will aim to take advantage of the numerous incentives provided by China to develop, manufacture and sell electric vehicles.

## *China Electric Vehicle Market*

Some automotive analysts predict China will have the fastest growing electric vehicle market in the world by the end of 2013. The Chinese government views the development of electric vehicles as a key component of China's industrial development and has already implemented policies to speed up the development of the electric vehicle market and make electric vehicles more attractive to consumers in China. Under a national incentive program, consumers may receive a subsidy of up to 60,000 RMBs for each electric vehicle purchased. Below are other programs being implemented in China that will assist the sales, development and manufacturing of electric vehicles.

### *State Council's Development Plan*

The State Council's Energy-Saving and New Energy Vehicles Development Plan (2012-2020) issued in 2012 ("State Council Directive") calls for substantial investment in China's electric vehicle market and considers "pure electric vehicles" as a top priority for national investment. The State Council Directive calls for investment in alternative energy vehicle generally, but prioritizes investment in pure electric vehicles after 2015.

### *Ministry of Science and Technology's 12th Five Year Plan*

Guided by the State Council Directive, the Ministry of Science and Technology (the "MOST")'s 12th Five Year Plan (2011-2015) (the "MOST Plan") allocates a 100 billion RMB investment to make China the largest market for electric vehicles in the world with targets of one million energy efficient vehicles by 2015 and five million by 2020. The MOST Plan not only includes investments in electric vehicles, but the whole chain of their production and use. Since the MOST Plan's implementation in 2011, the MOST has invested 780 million RMBs into an electric vehicle fund allocated to 77 projects.

### *Provincial and Local Electric Vehicle Incentive Programs*

In addition to the national program, many provinces and major cities enacted local incentive policies. For example, Beijing provides a local subsidy of up to 60,000 RMBs for each electric vehicle purchase, thus making the total subsidy each electric vehicle consumer can receive up to 120,000 RMBs. In Beijing, electric vehicles are not subject to the license plate lottery. Beijing's goal is to build 36,000 charging poles and 100 fast charging stations by the end of 2012, and to have 100,000 of its vehicles to be electric vehicles by 2015. Shanghai provides a local subsidy of up to 40,000 RMBs for each electric vehicle purchase and a waiver of a very expensive vehicle licensing fees. Its goal is to build 13,000 charging poles and 15 fast charging stations, and to have 10,000 of its vehicles to be electric vehicles by the end of 2012. Other cities like Shenzhen, Changchun and Hangzhou have also enacted their own electric vehicle incentives.

### **New Market Tax Credits**

In 2000 the United States Congress established the New Markets Tax Credit Program (the "NMTC Program") to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The NMTC Programs permits individual and corporate taxpayers to receive a credit against federal income taxes for making certain qualifying investments in community development entities ("CDEs"). For each dollar of new market tax credit received, an investor can offset \$0.39 of federal income tax.

GTA has signed a letter of intent with US Bank to act as an investor in a new market tax credit transaction for up to \$88.0 million worth of Credits. GTA has retained legal counsel and accountants with extensive NMTC Program experience to assist in this transaction. GTA intends to close one or more new market tax credit transactions for up to \$88.0 million worth of credits in 2013 with either US Bank or JPMorgan Chase as the investor. See *Our Business – New Market Tax Credits*.

## Use of Proceeds

We intend to use the \$60.0 million proceeds from the Offering to increase production of our vehicles, further the development of newer, energy efficient vehicles, expand our markets in the United States and other countries, create new assembly line jobs and for other general corporate purposes.

## Escrow Account

The Subscribers to this Offering will have the election to have their investment held in escrow by the Escrow Agent pursuant to the terms of the Escrow Agreement among the Company, the Management Company acting as the subscriber's representative (the "**Subscriber's Representative**"), and **Chain Bridge Bank N.A.** acting as the Escrow Agent (the "**Escrow Agent**"). Except as may be otherwise provided in the Subscription Agreement, all investment earnings on the subscription proceeds shall inure to the benefit of the Company.

## Dividend Policy

We are a development stage company and have never paid or declared any dividends on our Common Shares. We intend to offer dividends to holders of Preferred Shares subject to future cash flows. Other than dividends payable on Preferred Shares, we intend to retain future earnings, if any, to finance the development and expansion of its business and, therefore, do not anticipate paying any cash dividends on our Common Shares in the foreseeable future.

## Economic Study

Dr. Michael K. Evans of Evans Carroll & Associates was engaged to review the economic impact of the Company. The objective job impact study determined that prior financings and the current investment will generate a combination of thousands of direct full time jobs at the Company as well as indirect and induced jobs to be created nationally and regionally. It is estimated that there will be 426 direct jobs, 3,584 indirect jobs, and 3,422 induced jobs, for a total of 7,432 total jobs generated by the projected automobile manufacturing activity at the Tunica plant in 2014. These job numbers are based on Dr. Evan's analysis of the economic impacts derived from the automobile manufacturing activity. For calculating indirect and induced jobs, the economist used a national multiplier. The reasoning behind the use of this multiplier is defined in the analysis and is available for review by the investors.

## EB-5 Financings

We have received an aggregate of approximately \$46.0 million in cash from the purchase of our Series A-1 Preferred Shares ("Series A-1 Preferred Share Offerings") by two affiliated investment funds -- Gulf Coast Automotive Investment Fund A-I, LLC, a Mississippi limited liability company (the "A-1 Fund") and GTA Fund A-2, LLC, a Virginia limited liability company (the "A-2 Fund" and together with the A-1 Fund, the "A-1 and A-2 Funds") -- which were formed to facilitate investments by EB-5 Investors in GTA. These investment funds hold all of our outstanding Series A-1 Preferred Shares on behalf of 92 EB-5 investors. A third affiliated investment fund, GreenTech Automotive Partnership A-3, L.P. (the "A-3 Fund"), has raised \$21.5 million through the sale of its limited partnership interests to EB-5 Investors ("A-3 Offering"), the proceeds of which are applied to a construction loan to GTA (the "Construction Loan"). An additional 11 investors are in the process of investing in the A-3 Fund and we anticipate receiving an additional \$5.5 million in the first quarter of 2013 from such investors. The Construction Loan may be used for (i) our Facility design and construction and (ii) installation of certain fixtures (including equipment and machinery) to be used at the Facility. See *Our Business - Our Construction Loan*. See **Risk Factors -- EB-5 Financings in the Memorandum Update for more information relating to our Series A-1 Preferred Share Offerings.**



# GREENTECH AUTOMOTIVE, INC.

## II. SUMMARY OF THE OFFERING OF PREFERRED SHARES

The following is a summary of the principal terms of this Offering of Series A-2 Preferred Shares by the Company. This summary is qualified in its entirety by reference to the subscription agreement between the investor and the Company (“Subscription Agreement”) and the Articles of Incorporation of the Company dated August 14, 2009, as amended (the “Articles of Incorporation” and together with the Subscription Agreement, the “Subscription Documents”), all of which are available upon request and should be reviewed carefully prior to making an investment decision. If the terms described in this summary or this Memorandum are inconsistent with or contrary to the terms described in the Subscription Documents, the terms of the Subscription Documents will control.

<b>Issuer</b>	GreenTech Automotive, Inc., a Mississippi corporation (the “ <u>Company</u> ”).
<b>Securities</b>	Series A-2 Preferred Shares (“ <u>Preferred Shares</u> ”).
<b>Purchase Price</b>	\$500,000 per share
<b>Aggregate Investment Amount</b>	Up to \$60,000,000.
<b>Administrative Fee</b>	In addition to each investor’s minimum commitment of \$500,000, each investor will be required to pay a one-time Administrative Fee of \$60,000 (inclusive of a \$15,000 legal and processing fees) (“ <u>Administrative Fee</u> ”) for each commitment of \$500,000 of that investor. The investor will be required to wire transfer the Administrative Fee to an account designated by the Management Company concurrently with the investor’s subscription.
<b>Offering Period</b>	The offering period will terminate on December 31, 2013, but may be extended by us in our sole discretion to a date not later than December 31, 2014.
<b>Conversion</b>	Upon the earlier to occur of (i) an initial public offering of shares of common stock of the Company (“ <u>Common Shares</u> ”) and (ii) five years from the date of issue (the “ <u>Conversion Date</u> ”), each Preferred Share will automatically convert into that number of Common Shares having a “fair market value” of \$525,000 pursuant to the terms and conditions of the Articles of Incorporation (“ <u>Converted Shares</u> ”). Fair market value will be determined by averaging the closing sale price of a Common Share for the 30 trading days immediately preceding the date of conversion on the major U.S. stock exchange on which Common Shares are publicly traded or, if the Common Shares are not listed for trading on a major U.S. stock exchange, by an investment banking firm of national U.S. reputation chosen by mutual agreement of the board of directors of the Company.
<b>Ranking</b>	The Preferred Shares shall, with respect to rights upon payment of any liquidation, dissolution and winding up, rank pari passu to the Common Shares and Series A-1 Preferred Shares, on an as-converted basis for Preferred Shares and Series A-1 Preferred Shares.
<b>Liquidation Rights</b>	In a liquidation, dissolution or winding up of the Company, the Preferred Shares shall rank pari passu with the shares of the Common Shares and

Series A-1 Preferred Shares (on an as-converted basis for Preferred Shares and Series A-1 Preferred Shares). The conversion rate for Preferred Shares shall be determined in the manner set forth in *Conversion* above. If upon any liquidation, dissolution or winding up the assets available for distribution to Preferred Shareholders then outstanding shall be insufficient to pay in full the liquidation distributions to Preferred Shareholders, holders of Series A-1 Preferred Shares and Common Shares, then the holders of all such shares shall share ratably in such distribution.

## **Closings**

An initial closing of the purchase and sale of Preferred Shares (the “Initial Closing”) will be held as soon as practicable. There will be no minimum amount of subscriptions of Preferred Shares necessary to hold the Initial Closing. Subsequent closings may occur, at the discretion of the Company, until subscriptions for the entire Offering have been accepted by the Company. At each closing, the Company will indicate which subscriptions are accepted by delivering a countersigned acceptance page to the Subscription Agreement to the investor.

## **Transfers and Withdrawals**

Until an initial public offering, investors may not sell, assign, transfer or pledge their Preferred Shares, except with the consent of the Company. If the Preferred Shares are converted into Common Shares upon an initial public offering, each investor will be required to hold such Converted Shares until the date such shares may be transferred pursuant to USCIS regulations and applicable securities laws.

***Mandatory Withdrawal.*** The Company shall redeem all of an investor’s Preferred Shares if (a) the Company determines, in its discretion, that the investor (i) has made a material misrepresentation in his or her Subscription Agreement, (ii) is a “Prohibited Subscriber” (as defined in the Subscription Agreement) or (iii) has become the subject of an event of “Incapacity” (as defined in the Subscription Agreement); or (b) in the reasonable judgment of the Company, a significant delay, extraordinary expense, violation of law or material adverse effect on the Company or any of the Company’s affiliates is likely to result.

The Company shall redeem all of an investor’s Preferred Shares for any of the above reasons, as of the date specified in the notice provided to such investor to effectuate such mandatory redemption (“Mandatory Withdrawal Date”). Effective upon an investor’s Mandatory Withdrawal Date, such investor shall cease to own Preferred Shares and shall no longer be entitled to the rights of a Preferred Shareholder.

***Voluntary Withdrawal.*** An investor may require the Company to redeem any or all his or her Preferred Shares if his or her I-526 Petition is not approved by the USCIS ( a “Withdrawal Event”), subject to the delivery by the investor of certain waiver and release documents requested by the Company. The investor will have fifteen days following the occurrence of the Withdrawal Event to request that the Company redeem Preferred Shares. Concurrently with the redemption, the Management Company will return the investor’s Administrative Fee, without interest, provided, however, if such denial arises from or is related to the investor’s failure to disclose a material fact, the omission of a material fact, the misrepresentation of a material fact, or the inability or unwillingness to document and trace the lawful source of funds as required by the USCIS,

only \$45,000 of the Administrative Fee will be returned to the investor and the remaining \$15,000 of the Administrative Fee will be retained by the Management Company to offset certain administrative and legal fees (it being understood that all accrued and unpaid interest on the commitment will be released to the Company).

If the Subscriber's I-829 Petition is denied by the USCIS due to insufficient job creation solely resulting from the Company's gross negligence, the Company will return to the Subscriber the Accepted Commitment and cause the Management Company to return the Administrative Fee (without interest) within one-hundred and twenty (120) calendar days of the later to occur of (i) the Company's receipt of written notification from the Subscriber of such denial and the Subscriber's written request for the Company to return the Accepted Commitment and (ii) the Company's receipt of a waiver and release of claims in form and substance satisfactory to the Company in its sole discretion.

### **Voting Rights**

Each Preferred Shareholder may take part in the management of the Company by (a) exercising that Preferred Shareholder's voting rights as set forth in the Articles of Incorporation of the Company and (b) through an advisory board established by a majority of the Preferred Shareholders, advising the Company regarding corporate policies. Without limiting the generality of the foregoing, the Company may not take the following actions without a vote of Preferred Shareholders representing a majority of the commitments:

- the dissolution and unwinding of the Company;
- the disposal of all or substantially all of the Company's property outside the ordinary course of business;
- the implementation of a plan of conversion (or merger) of the Company with a non-affiliated company or amendment thereto or abandonment thereof;
- the cessation of all of the Company's operations in the automotive industry; and
- the appointment of a person to manage the dissolution and unwinding of the Company .

### **Reports to Preferred Shareholders**

The Company will provide annual audited or unaudited financial statements to Preferred Shareholders.

### **Investor Suitability**

Each prospective investor must meet certain minimum investor suitability requirements, including 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.

With respect to Preferred Shares offered and sold within the United States, the Company will require each investor to represent in writing that the

investor is an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the Securities Act.

With respect to Preferred Shares offered and sold outside the United States, the Company will require each investor to represent in writing, among other things, that: (i) the investor is not a “U.S. person” as defined in Regulation S under the Securities Act and is not acquiring Preferred Shares for the account or benefit of any “U.S. person”; (ii) at the time the investor executes and delivers his or her subscription to purchase Preferred Shares, the investor is outside of the United States; and (iii) the investor will not engage in hedging transactions with respect to Preferred Shares unless in compliance with the Securities Act.

**Expenses**

The Company will pay its legal expenses in connection with the Offering. All expenses of the Management Company relating to the Offering (including immigration compliance) will be paid from the Administration Fee.

**Use of Proceeds:**

To provide funds for increase production of our vehicles, further the development of newer, energy efficient vehicles, expand our markets in the United States and other countries, create new assembly line jobs and for other general corporate purposes..

**Risk Factors**

An investment in the Company involves significant risks, certain of which are described in more detail in Section III, “Risk Factors.” Each prospective investor should carefully consider and evaluate such risks and conflicts prior to purchasing Preferred Shares.

**Immigration Counsel to the Company and Management Company**

Klasko, Rulon, Stock & Seltzer, LLP

**Corporate Counsel to the Company and Management Company**

Burr & Forman LLP

**Plan of Distribution**

This offering is being conducted by the Company on a best efforts basis. No sales commissions or any other form of compensation will be paid to the Management Company or any of their respective principals, managers or employees for introducing the Company to investors or negotiating the sale of Preferred Shares. However, the Company or the Management Company reserves the right to engage Financial Industry Regulatory Authority (“FINRA”) member broker-dealers or other lawful finders to offer and sell Preferred Shares on a “best efforts” basis. That is, if engaged by the Company or the Management Company, such broker-dealers or finders will use their best efforts to offer and sell Preferred Shares but will not commit to purchase Preferred Shares or to sell any minimum number of Preferred Shares. If the Company or the Management Company engages FINRA members or finders, the Company anticipates that the Company will cause the Management Company to pay such broker-dealers or finders a reasonable sales commission at a market rate.

# GREENTECH AUTOMOTIVE, INC.

## III. RISK FACTORS

An investment in the Company is highly speculative and entails a high degree of risk, including the risk of loss of an investor's entire investment. There can be no assurance that Preferred Shareholders will receive a return of their capital or create the number of jobs sufficient to satisfy the requirements of the EB-5 Program. As a result, an investment in the Company is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Company. Prospective investors should carefully consider the following description of certain risk factors. However, the following does not purport to be a complete examination of all of the risks involved in this offering, and other risks not discussed below may arise in connection with an investment in Preferred Shares. Prospective investors should read this Memorandum in its entirety and review the Subscription Agreement and the Memorandum Update hereto and the other related organizational documents of the Company before deciding whether to make an investment in the Company. EACH INVESTOR IS STRONGLY URGED TO CONSULT WITH THAT INVESTOR'S ATTORNEY AND/OR INVESTMENT ADVISORS PRIOR TO INVESTING IN THE COMPANY. See the Memorandum Update for a discussion of additional risks relating to our business.

### **Risks Related to our Business**

#### ***Limited Operating History; History of Losses***

We are an early stage business with limited operating history on which to base an evaluation of our business and prospects. Until recently, we have been focused on conducting pre-production activities for our Vehicles, equipping the Pilot Production Facility and pre-construction activities for the Facility and the Pilot Production Facility. In light of our limited operating history, our prospects should be considered in light of the risks that can be encountered by companies in their early stages of development. No assurance can be given that our operations will operate at a profit. No assurance can be given that we will successfully grow a successful joint venture with a suitable Chinese partner, which may impact our projections and estimates.

#### ***Electric Vehicle and Neighborhood Electric Vehicle Adoption***

Our growth is dependent upon consumer adoption of electric vehicles. If the market for electric vehicles or neighborhood electric vehicles does not develop as we expect or develops more slowly than we expect, our business, prospects, financial condition and operating results may be harmed. The market for alternative fuel vehicles is relatively new, and characterized by rapidly changing technologies, evolving government regulation and industry standards and changing consumer demands and behaviors. Consumer adoption could be slowed by concerns about the costs compared to conventional vehicles, media reports about battery safety, limited range of electric vehicles, early stage service and recharging infrastructure for electric vehicles and sensitivity of batteries to extreme temperatures. In addition, a decrease in the cost of oil and gasoline or alternative fuels may decrease consumer demand for electric vehicles.

#### ***Possibilities of Delays***

Any delay in the financing, design, manufacture and launch of MyCar or MyCar EV could materially damage our brand, business, prospects, financial condition and operating results. Automobile manufacturers often experience delays in the design, manufacture and commercial release of new vehicle models. We currently expect to start mass commercialization of MyCar in the first half of 2013.

#### ***Construction of the Facility***

There is no guarantee that the price we will ultimately pay to complete the construction of the Facility will be in the anticipated \$32.0 to 35.0 million price range. We intend to bid out the construction work to be done on the Facility to multiple subcontractors that specialize in the various phases of construction. In addition,

we may increase the size of the Facility or the specification to add assembly lines or for in-house component production. For example, if we decide to increase the Facilities production capacity to 100,000 Vehicles, we would expect to increase the size of the Facility. Any significant price increases may have a material adverse effect on our operations.

### ***Pricing Strategy***

Our pricing strategy is to sell our Vehicles at or among the lowest prices among our competitors in our target market. We anticipate that the battery will be the most expensive component of the Vehicles and may represent more than 50% of the total cost of the Vehicle depending upon the size of the battery selected by the customer. We may not be able to manage the battery costs in a manner suitable to our target customers.

If we fail to sell our Vehicles at competitive prices or if the upfront costs of our Vehicles or batteries are higher than our competitors, our ability to sell Vehicles may be adversely impacted. Additionally, many car companies price their initial product launches at below their cost to create a brand name, gain market share or create future economies of scale. Furthermore, the cost to manufacture, sell, distribute and market our Vehicles may exceed the price we may charge for certain periods of time which may result in operational losses.

### ***Access to Supplies***

We are currently evaluating and selecting suppliers for MyCar. Each MyCar uses approximately 1,000 purchased parts, which we source globally from hundreds of suppliers. Changes in our supply chain may result in increased cost and delay. A failure by our suppliers to provide the components necessary to manufacture our Vehicles or our failure to find appropriate suppliers could prevent us from fulfilling customer orders in a timely fashion which could have a material adverse effect on our business, prospects, financial condition and operating results. We have also experienced disputes with suppliers over warranties, delivery schedules, payments due and other purchasing terms and conditions. In addition, since we have few fixed pricing arrangements and in such cases for short periods of time, our component suppliers could increase their prices with little or no notice to us.

The components we plan to use in our Vehicles utilize various raw materials. Increase in the cost of such raw materials or shortages of the supply of such raw materials may cause cost increases and supply interruptions. Of particular concern are risks associated with price fluctuations for or shortages of lithium-ion used in our batteries and aluminum.

### ***Reduction of Incentives***

Any reduction or elimination of government subsidies and economic incentives for the alternative fuel vehicle industry because of policy changes, the reduced need for such subsidies and incentives due to the perceived success of the electric vehicle, fiscal tightening, political climate or other reasons may result in the diminished competitiveness of the alternative fuel vehicle industry generally and our Vehicles. We have also benefited from land grants and business and tax incentives from state and local authorities designed to promote new businesses. Any reduction of such business incentives could also materially and adversely affect our business, prospects, financial condition and operating results. See *Our Business – Pricing* for more information on incentives.

### ***Highly Competitive Market for Alternative Fuel Vehicles***

The worldwide automotive market, particularly for alternative fuel vehicles, is highly competitive today and we expect it to remain so in the future. Increased competition may lead to lower vehicle unit sales and increased inventory, which may result in a further downward price pressure and adversely affect our business, financial condition, operating results and prospects. See *Our Business – Our Competition* for more information about our competitors.

Most of our current and potential competitors are established manufacturer with longer operating histories, and greater financial, technical, manufacturing, marketing and other resources than we have at this stage, which may enable them to respond rapidly to the introduction of our brand and impact on market share.

Certain automobile manufacturers offer financing and leasing options on their vehicles and also have the ability to market vehicles at a substantial discount, provided that the vehicles are financed through their affiliated financing company. If we are unable to arrange attractive financing options for our Vehicles or batteries, we will be at a competitive disadvantage.

### ***Infringement of our Intellectual Property***

Any failure to protect our proprietary rights adequately could result in our competitors offering similar products, potentially resulting in the loss of some of our competitive advantage and a decrease in our revenue which would adversely affect our business, prospects, financial condition and operating results. See *Our Business – Intellectual Property*.

The patent to which we have an exclusive license relates to, and our pending patent application is for, the MyCar design patent only at this time, and we do not own any technology patents (i.e., patents directed to any invention for a new and useful process, machine, manufacture, or composition of matter). Design patents afford protection only on the ornamental design of MyCar. As such, our technology is represented by trade secrets, non-exclusive licenses of intellectual property (including patents) and intellectual property in the public domain.

### ***Third Party Infringement Claims***

Companies, organizations or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop or sell our Vehicles or components, which could make it more difficult for us to operate our business. From time to time, we may receive inquiries from holders of patents or trademarks inquiring whether we are infringing on their proprietary rights. Companies holding patents or other intellectual property rights may bring suits alleging infringement of such rights by us or otherwise asserting their rights and seeking licenses. We hire or engage engineers, who also work for third parties, as consultants to develop our Vehicle designs. An engineer hired or engaged by us might have agreed with a third party that such third party will have proprietary rights to any intellectual property developed by such engineer during the period of their engagement with such third party. As a result, such third party might claim a right to intellectual property relating to our technology or design.

In the event of a successful claim of infringement against us and our failure or inability to obtain a license to the infringed technology, our business, prospects, operating results and financial condition could be materially adversely affected. In addition, any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources and management attention.

### ***Environmental Risks***

As an automobile manufacturer, we are subject, both in the United States and abroad, to national, state, provincial and/or local environmental laws and regulations, including laws relating to the use, handling, storage, disposal and human exposure to hazardous materials. In addition, we may become responsible for the final disposal of batteries used in our vehicles as a result of stricter laws governing recycling, especially in Europe. We expect that our business and operations will be affected by future amendments to such laws or other new environmental and health and safety laws which may (i) require us to change our operations, (ii) increase our compliance costs, or (iii) give rise to liability for administrative oversight costs, cleanup and disposal costs, property damage, bodily injuries, or fines and penalties.

### ***Risks of Governmental Regulation***

Our operations are subject, both directly and indirectly, to federal, state, and local governmental regulation, including automobile, manufacturing, export, environmental, sewer, water, zoning and similar regulations. It is possible that (i) the enactment of new laws, or (ii) changes in the interpretation or enforcement of applicable codes, rules and regulations, may have a substantial adverse effect on the operations and/or our value. No assurance can be given that any of the regulations or controls which presently affect us will not be changed, and we have no control over the possibility of any such change. The success of the Company may be adversely affected by changes in the laws and regulations of the State of Mississippi, including its tax and motor vehicle sales laws. See *Section VIII--Certain Regulatory Considerations* in this Memorandum.

### ***Workforce and Management Risks***

We are still in the process of evaluating the work quality of new employees and the suitability of new hires for specific roles. If we are unable to attract and hire qualified management, technical and vehicle engineering personnel or retain key employees, our operations and prospects may be adversely affected.

### **Risks Related to this Offering**

#### ***Subordination of Preferred Shares.***

Our Preferred Shares are our equity interests and do not constitute indebtedness. This means our Preferred Shares will rank junior to all of our existing and future indebtedness and to other non-equity claims on us and our assets available to satisfy claims on us, including claims in our liquidation. Our indebtedness under the Construction Loan, which will rank senior to the Preferred Shares in our capital structure, may reach an aggregate amount of \$25.0 million. Our obligations under the Construction Loan are secured by a first deed of trust on approximately 80 acres of the Land (including certain machinery and equipment attached as fixtures that are not subject to other subject to other financing). On May 24, 2012, \$3.0 million was outstanding under our Mississippi Loan, which is secured by a deed of trust on 20 acres of the Land. We also have amounts outstanding under our affiliate loans as further described in the Memorandum Update. We may finance our business in the future through bank loans. In addition, we are not restricted from issuing new series of preferred stock which could rank senior to our Preferred Shares.

#### ***Dilution, Liquidity Risks and Dividends***

We are not restricted from issuing preferred stock or common stock in addition to the Preferred Shares offered hereby (and the Converted Shares). The Preferred Shares are protected from dilution until after an initial public offering. Additional issuance of Common Shares or other equity interests convertible into Common Shares could decrease the value of the Converted Shares. In addition, there is no present public trading market for Preferred Shares (or the Converted Shares). Until an initial public offering of our Common Stock and satisfaction of the restrictive provisions in the stockholder agreement, the Preferred Shares will be restricted securities which have not been, and will not be, registered under federal or state securities laws, and will not be freely transferable unless an exemption from the registration requirements of such laws is available. There can be no assurance that we will successfully complete an initial public offering of our Common Shares. GTA may have insufficient cash to pay dividends to holders of Preferred Shares or the Board of Directors may decide that dividend payments are not in the best interest of the Company. In addition, GTA may be required to make payments to its debt holders prior to paying dividends on the Preferred Shares.

#### ***Limited Ability of Preferred Shareholders to Influence GTA's Management and Operations.***

Preferred Shareholders may establish an advisory committee by a majority vote of Preferred Shareholders to provide advice to the board of directors on corporate policy matters, but the Company's board of directors' role is to manage our business activities and affairs. In addition, the voting rights of Preferred Shareholders are limited to voting for or against the following matters as set forth in the Articles of Incorporation:

- the dissolution and unwinding of the Company;
- the disposal of all or substantially all of the Company's property outside the ordinary course of business;
- the implementation of a plan of conversion (or merger) of the Company with a non-affiliated company or amendment thereto or abandonment thereof;
- the cessation of all of the Company's operations in the automotive industry; and
- the appointment of a person to manage any dissolution and unwinding of the Company.

***Your investment may have adverse tax consequences.***

An investment in Preferred Shares will have material tax consequences which need to be carefully considered by each prospective investor. The Company will be taxed on its income as a "C" corporation under Subchapter C of the Internal Revenue Code. A Preferred Shareholder will also generally be taxed on distributions received with respect to his or her Preferred Shares and on any gain recognized upon the sale or exchange of Preferred Shares. Prospective investors are urged to consult with their own tax counsel and other tax and financial advisors concerning the tax aspects of the purchase and ownership of Preferred Shares prior to making an investment decision. See *Certain Federal Tax Considerations*.

***The Internal Revenue Service may take different positions with respect to tax issues.***

The Company will not seek rulings from the IRS with respect to any of the federal income tax considerations discussed in this Memorandum. Thus, positions to be taken by the IRS as to tax consequences could differ from positions taken by the Company.

***No regulatory oversight of the Management Company.***

Although the Management Company is required to submit an annual report to the USCIS pursuant to US immigration law, it is not registered as an investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), in reliance upon the exemption from registration set forth in Section 203(m) of the Advisers Act. In consequence, the Management Company generally is not subject to the restrictions contained in the Advisers Act, although the Management Company may become subject to such restrictions in the future.

In general, the Management Company will seek to minimize the degree of governmental regulation and oversight to which it is subject. While it is anticipated that this approach will reduce compliance and other costs, this approach will also eliminate a variety of investor protections (including certain protections arising under the Securities Act, the Investment Company Act of 1940, as amended, and the Advisers Act) that would be available if the Management Company were subject to greater regulatory and oversight burdens.

**Risks Related to Immigration and the EB-5 Program**

***No assurance can be given that an investor will receive a conditional or permanent lawful resident status in the U.S. or that an investment in the Company will comply with the EB-5 Program.***

While the Company intends that this Offering and the terms of the Preferred Shares and the Subscription Agreement will enable investors to satisfy the EB-5 requirements under the USCIS law and regulations, there are no assurances that an investor's I-526 application will be granted by the USCIS or that an investor will be able to obtain an immigrant visa or unconditional lawful permanent resident status.

***The EB-5 Program is a U.S. government program that is highly regulated and requires frequent interaction between the Management Company and government officials.***

The EB-5 Program was created in 1990 by the U.S. Congress, which has accorded broad regulatory powers to the Department of Homeland Security and in particular to the USCIS in administering the EB-5 Program. The regional center pilot program was first created in 1992. Any changes to a regional center's scope including geographic area, industry, economic methodology or any other type of material deviation from the original designation application require the filing of an amendment application with USCIS. While the Management Company will strive to coordinate with USCIS to achieve our investors' immigration goals, there can be no assurance that USCIS employees will take a consistent position as to many of the issues arising under the EB-5 Program, and there can be no assurance that USCIS regulations, precedent case law and policies will not change in the future. Since the laws, regulations and USCIS interpretations applicable to the investors' investment in Preferred Shares are subject to change at any time, there can be no assurance that the Company will not be required to substantially change its investment policies in the future.

***The EB-5 Program and other immigration laws can be discontinued or changed at any time and may adversely affect the EB-5 immigrant investor.***

The U.S. Congress and/or other government agencies may discontinue or change some provisions of or the entire EB-5 Program.

***The investor may experience a lengthy delay in obtaining conditional lawful permanent resident status.***

The USCIS processing times are fluid; the processing times found on the USCIS website are not always accurate. The USCIS may issue a Request for Evidence (RFE) or a Notice of Intent to Deny (NOID) during the adjudication of the investor's I-526 petition. The RFE or NOID can result in extensive delays in individual I-526 delays as well as project adjudication. Likewise, the USCIS may put an entire project on hold to consider policy issues related to the offering which may result in extensive delays in adjudication. USCIS delays could also result in long lapses between investors in the project and that in turn could delay job creation, impacting investors' ability to have their I-829 petition to remove the conditions of lawful permanent residency approved.

***The EB-5 Program requires active participation in the new commercial enterprise's business.***

The EB-5 program requires that the investor be "active" in the management of the investment by engaging in the management of the new commercial enterprise, either through day-to-day managerial control or through policy formulation. The terms of the Preferred Shares in the Articles of Incorporation sets forth the management rights of Preferred Shareholders and authorizes each investor to participate in the management of the Company to the extent set forth in the Articles of Incorporation. Such responsibilities were designed to comply with the requirements of the EB-5 Program in effect as of the date hereof. USCIS regulations specifically state that the "management" requirement can be met if a partner in a partnership is engaged in "policy making activities" or if a limited partner has the "rights, powers and duties" normally granted under the Uniform Limited Partnership Act ("ULPA"). The USCIS has generally applied the same principles to shareholders in corporations or members of LLCs. However, because the regulations do not have express language applying these principles to corporations, there is no assurance that the USCIS would not determine that these same principles should not apply to corporations. If the management rights accorded the Preferred Shareholders fail to satisfy the management requirements of the EB-5 Program, then the Preferred Shareholders may not receive an EB-5 visa.

***The USCIS may issue a Motion to Reopen the Regional Center's EB-5 designation at any time.***

The USCIS may sua sponte reopen the Regional Center's EB-5 designation for any reason including concerns regarding job creating activities, economic development for which it was certified to perform, or concerns over the immigration, securities or corporate formation documents submitted to USCIS at the time of the initial regional center designation application or subsequent amendment filings.

***The regional center could have its designation terminated by the USCIS.***

The USCIS may terminate the designation of Gulf Coast Funds Management, LLC at any time if it determines that the regional center is no longer promoting job creation or the kind of local economic development for which it was initially certified to perform, if it determines the Regional Center is non-compliant with the immigration regulations or if it determines that the Regional Center engaged in fraud or misrepresentation.

***There can be no assurance that the Company will meet the job creation and retention requirements of the EB-5 Program; in the event the Company does not meet the requirements of the EB-5 Program the result would be the loss of any U.S. conditional lawful permanent status issued in connection with the investment in the Company.***

In order for EB-5 immigrant investors to have the conditions removed on their lawful permanent resident status and be considered lawful permanent resident status within the allotted two-year time, the investor's investment in the Company must directly or indirectly create 10 full-time U.S. jobs for each \$500,000 commitment. For example, in the event the Company raises the anticipated offering amount of \$60.0 million, the Company will be required to create and sustain at least 1,200 direct, indirect and induced jobs that may be allocated in this Offering. The Company may or may not hire, and may or may not sustain, the required number of jobs if any or all of the Preferred Shares offered hereby are sold. Additionally, some direct jobs may be discounted by the USCIS if the Company is unable to demonstrate that the qualifying EB-5 jobs are "U.S. jobs" (i.e. those held by U.S. citizens, permanent residents, asylees/refugees or individuals who have been granted withholding of removal). The Company is an USCIS E-Verify employer. However, the E-Verify system is susceptible to identity theft and cannot guarantee that an employee is in fact authorized to work in the U.S. In the event that the Company is not able to sustain the number of jobs (direct, indirect or induced) necessary to maintain compliance with the EB-5 Program, the result would be the loss of any U.S. conditional lawful permanent status issued in connection with the Company. The Management Company intends to monitor payroll records, W-2s, Form I-9s, finances and conditions at the Company, with a view to early detection and immediate resolution of problems related to job creation and/or retention. If an investor receives conditional lawful permanent resident status but later does not receive lawful permanent resident status, the Company has no obligation to refund any of the investor's capital contribution to the Company or otherwise redeem the investor's Preferred Shares unless it is caused by the Company's gross negligence.

In addition, jobs allocated to investors in this Offering and in the A-3 Fund will be subordinated to the allocation of jobs to investors in A-1 and A-2 Funds. The Management Company anticipates that as many as 920 direct, indirect and induced jobs will be set aside and allocated to the investors in the A-1 and A-2 Funds before any of the anticipated 7,432 direct, indirect and induced jobs will be allocated to investors in this Offering and in the A-3 Fund, which had 43 investor as of March 12, 2013. Additionally, jobs further will be allocated to investors in this Offering and in the A-3 Fund (and additional EB-5 Investors investing indirectly and directly in the Company) in the order in which such investor's permanent residency commences.

***Investment in Preferred Shares is only a part of the requirement for meeting the EB-5 Program residency status. In addition, the USCIS will require that the investor pass a background check and the investor be admissible to the U.S.***

According to USCIS policy, no application for lawful permanent residence will be approved until a definitive FBI fingerprint check and Interagency Border Inspection Services (IBIS) check are completed and resolved favorably. An EB-5 Investor's background (or that of an immediate family member) may not meet the USCIS criteria for conditional or permanent residency in the U.S. For example, among other criteria, the following may be grounds for denial of immigration benefits for the immigrant, and/or other members of the immigrant's family: having a communicable disease or other dangerous contagious disease; having been at any time involved with, trafficking in, or taking, illegal drugs; having been convicted of certain crimes; having committed fraud or misrepresentation to a U.S. Government official; or having violated U.S. immigration laws in the past. If an investor receives conditional lawful permanent resident status but later does not receive lawful permanent resident status, the Company has no obligation to redeem the investor's Preferred Shares. Other

security checks could be required by the USCIS, Department of State or other governmental agency which could delay adjudication of the I-526 or the subsequent application for removal conditional lawful permanent resident status.

***Achieving your immigration goal of conditional and lawful permanent resident status will require you to comply with U.S. immigration residency requirements. Furthermore, it is a requirement of the EB-5 Program that an immigrant investor's source of funds is lawful and traceable.***

EB-5 immigrant investors who obtain conditional or lawful permanent resident status must intend to make the U.S. their primary residence. Lawful permanent residents who maintain their primary residence outside the U.S. risk revocation of their U.S. residence status. Each prospective EB-5 immigrant investor should consult a competent immigration attorney to review the likelihood that the investor's immigration objectives will be achieved. The Company must meet the job creation and retention requirements of the EB-5 Program to ensure that sufficient jobs are created at the time when our investors file for the removal of the condition of their permanent residency. If an investor fails to obtain or later loses their lawful permanent resident status due to his or her failure to comply with the residency requirements of the EB-5 Program, the Company has no obligation to refund any of the investor's purchase price or otherwise redeem the investor's Preferred Shares.

***The Company may change the direction of the project, which may be considered a material change by the USCIS.***

The Company's business, including the design, construction and operation of the Facility may not proceed according to the business plan submitted with the investor's original I-526 petition due to economic conditions, weather conditions, labor conditions, competitive conditions, etc. While current USCIS policy dictates that if the Service finds that a material change from the original business plan has occurred at the I-829 stage, the petition to remove conditions may be denied. If the I-829 is denied, the investor can be placed into removal proceedings where his or her conditional lawful permanent resident status will be terminated, making him or her deportable. This policy is currently being reviewed pursuant to a Draft Memorandum issued by the USCIS on November 9, 2011 and updated on January 11, 2012.

***The investor may have to file a new I-526 petition if the USCIS determines there is a material change in the project.***

Current USCIS policy as delineated in the December 2009 USCIS Memorandum, allows a conditional lawful permanent resident in the U.S. to file a new I-526 petition containing a new business plan and new project information if they, or the regional center, believe that the project has materially changed and the I-829 petition would likely be denied due to such change. The USCIS has indicated during meetings with stakeholders in January of 2012 that this policy is currently under review. However the option to file a second I-526 remains available to investors. Upon approval of the new I-526 petition and subsequent I-485 (Application to Adjust Status) or immigrant visa processing abroad, the investor begins a new two year period of conditional lawful permanent resident status and five- year period towards naturalization. The investor may still have to proceed with the timely filing of the I-829 petition or risk falling out of status. Any conditional lawful permanent resident children who turn twenty-one before the filing of the new I-526 petition cannot be included in the investor's new petition. If the investor and his or her spouse divorced between the date of approval of the initial I-526 petition and the subsequent I-526 filing the derivative spouse could no longer derive lawful permanent resident status. This policy of excluding dependents is also being reviewed by the USCIS.

***The Company's projected number and probability of job creation relies on an Economic Impact Analysis prepared by Evans, Carroll & Associates, Inc., the results of which may be incorrect.***

The estimated number of jobs to be created by the Company and its operation is the result of the findings of an Economic Impact Analysis prepared by Dr. Michael K. Evans of Evans, Carroll & Associates, Inc. ("Evans, Carroll & Associates"). The estimates are based on assumptions and projections that may prove to be incorrect. The economic report relies on a national multiplier, which Evans, Carroll & Associates concludes

that it provides a more accurate estimate of the job creation impact of the Company's business than a regional multiplier. Evans, Carroll & Associates points out the Company's electric car business does not fit the current, traditional automobile manufacturing business model where parts and suppliers are generally clustered around the manufacturer, and that the data currently available is not accurate on a regional level. Dr. Evans reserved the right to update the model as necessary with new data as it becomes available. The USCIS has approved a national multiplier previously for the A-1 and A-2 Offerings. However, there is no assurance that the USCIS will approve a national multiplier or the economic analysis in the Economic Impact Analysis for future EB-5 filings related to the Company, including this Offering. USCIS has also hired professional economists to join the staff of the EB-5 unit and have begun to review economic reports with greater scrutiny to ensure that the economic forecasting and methodologies used to justify job creation are reasonable and sound. Recent USCIS stakeholder meetings confirm that adjudication of investor I-526 petitions have been held in abeyance and delayed as economic methodologies are reviewed.

In the event the projected number of jobs to be created is incorrect, the Company's fulfillment of the conditions of the EB-5 Program could be placed in jeopardy. Further, this could result in the denial of the removal of conditions on the investor's residency in the United States (i.e. I-829 denial). The Company will provide a copy of the Economic Impact Analysis upon the request of any investor and will make such analysis available to all investors in connection with the filing of their I-526 petitions with the USCIS.



# GREENTECH AUTOMOTIVE, INC.

## IV. OUR BUSINESS



### *Our History*

GTA, a Mississippi corporation organized on August 14, 2009 and a wholly-owned subsidiary of WM GreenTech Automotive Corp. (our “Parent”), is a development stage company established to design, manufacture and sell electric vehicles.

On August 19, 2009, GTA and Hybrid Kinetic Automotive Corp. (“Hybrid Kinetic”) entered into a Plan and Agreement of Merger whereby Hybrid Kinetic was merged with and into GTA with GTA as the surviving corporation. Prior to its merger with GTA, Hybrid Kinetics was in the planning stage of development, manufacture and distribution of fuel-efficient vehicles in Mississippi.

Effective as of May 18, 2010, pursuant to a stock purchase agreement, (i) Parent purchased all of the capital stock of EuAuto Holdings Limited (“EuAuto”) in exchange for shares of our Parent’s Series A Preferred Stock, and (ii) contributed the capital stock of EuAuto to GTA as a contribution to its capital (collectively, the “Transaction”). EuAuto, a Hong Kong-based electric vehicle manufacturer, designed and produced the first version of MyCar. EuAuto and its subsidiaries produced 69 MyCars prior to August 2010 and 59 MyCars were sold in the UK, Ireland, Poland, Austria, Monaco, Belgium, Luxemburg and the Netherlands pursuant to distribution agreements, which have expired or been terminated. Ten MyCars were used for demonstration or homologation purposes.

We announced the Transaction during U.S. Commerce Secretary Gary Locke’s 2010 Clean Energy Trade Mission in Hong Kong during World Trade Week. In his letter congratulating our Parent on the Transaction, Secretary Locke wrote, “Transactions such as this one are truly win-win: they bolster the U.S. economy and speed our economic recovery; they support high-quality, high-wage green jobs in the United States; they help rebuild our manufacturing sector; and, by leading to lower carbon emissions, they contribute to our ability to deal with climate change.”

In connection with the Transaction, we acquired an exclusive, royalty-free, and transferrable license to: (i) a patent for MyCar's exterior design in the European Union, United States, Hong Kong and China, and (ii) trademarks for the name "MyCar" in the European Union. GTA has filed a patent application for the updated MyCar exterior design in the United States, the European Union and China. Our European Union trademark applications for "MyCar" have been preliminarily approved subject to an opposition period.

In connection with the Transaction, we indirectly acquired the Dongguan Subsidiary, which operates our Hong-Kong Dongguan facility. This facility has been used for prototyping in the past and is currently used for component procurement from China.

### ***Our Products***

Our planned products will include:

- MyCar ("MyCar"), a two-seat electric vehicle with a 50 to 115 mile range on a single charge, depending upon battery configuration or size selected by the customer. MyCar has a maximum speed up to 50 mph in the European Union and a speed of up to 25 or 35 mph in the United States due to current respective state regulatory restrictions. MyCar is an Neighborhood Electric Vehicle ("NEV") in the United States pursuant to the National Highway Traffic Safety Administration ("NHTSA") standards. The original model of MyCar, designed by world-renowned Italian designer, Giorgetto Giugiaro, was named Electric Vehicle of the Year at the 2008 European GreenFleet Awards. The updated MyCar has been engineered by GTA and our engineering partners (i) Panoz Auto Development Company, known for its development of the Panoz Esperante and Panoz Abruzzi and (ii) Lotus Engineering, Inc., an internationally renowned engineering services company that has performed engineering work for the majority of large automobile manufacturers, including design work for Tesla's Roadster. For the first year of our operations, we plan to produce only MyCars and develop model variants off the MyCar platform for customized usages including an urban or micro work truck and urban box van suitable for commercial applications.
- One or more subcompact cars utilizing the MyCar platform and upgraded for certification as a full speed vehicle in our targeted markets ("MyCar EV"). We will design MyCar EV for car buyers who enjoy the style of MyCar and desire a similar (or possibly greater) driving range, but expect to drive at higher speeds. As such, MyCar EV will meet all safety standards required under U.S. federal regulations. Subject to market conditions, we plan to begin production of MyCar EV in early 2014..
- Other energy efficient automobiles that may be developed by us for production (together with MyCar and MyCar EV, the "Vehicles").

MyCar and MyCar EV are completely electric with no exhaust emissions. MyCar has been designed to provide customers a selection of battery configurations allowing them to choose their preferred tradeoff between battery price and range performance. MyCar is designed to recharge their batteries through a common wall outlet as well as Level 2 and Fast Charging options, with full recharging time between three to twelve hours, depending upon battery kWh and charger specifications. GTA's Vehicles offer mainstream amenities and platforms that are adaptable for customized requirements of fleet customers.

### ***Driving Range***

MyCar has a 50 to 115 mile driving range and we expect that MyCar EV will have a similar or greater driving range, depending on battery type and size. We have derived these driving ranges based on technology expectations, computer modeling and road tests, which we plan to confirm through additional drive tests in 2013. Battery range depends on battery type and size, driving habits, road conditions, temperature, discharge depth, and lifecycle. Our battery offerings include both lithium-ion and lead-acid batteries. MyCar's driving range is measured using the EPA's two-cycle city/highway test, but we plan to adopt the EPA's new range measurement

standards prior to MyCar 2013 commercialization, which might increase or decrease our advertised driving ranges.

One factor that might affect the driving range of our lithium-ion powered Vehicles is damage caused by complete battery discharge on a regular basis. To protect against such damage, we may limit the depth of discharge of MyCars and MyCar EVs powered by lithium-ion batteries to 80% capacity.

### ***Target Customers***

We are initially targeting our MyCar and MyCar EV sales to (i) individual consumers and companies in European markets as a significant market for green and small vehicles has already developed there, and (ii) companies and organizations in the United States and elsewhere that maintain fleets of vehicles and desire to project a green image, such as Domino's® Pizza and the U.S. military. We are targeting corporations, government entities, rental car fleets, amusement parks, college campuses, retirement, gated and island communities and companies and consumers who purchase a car for urban or local driving. We are offering variants to support the needs of commercial customers.

In May 2012, Domino's® Pizza showcased MyCar to over 6,000 franchises attending the Domino's® Worldwide Rally and Exposition in Las Vegas. Based on our subsequent discussions with Domino's® franchise owners, we expect to sell MyCar to Domino's® franchise owners in the United States, Europe, Australia, and the Middle East. According to a franchise industry website, Entrepreneur Magazine has ranked Domino's® Pizza as the #3 Global Franchise Brand and #1 in the Pizza category in the past.

We also conduct opportunistic sales outside of the United States and Europe. For example, on November 26, 2012 GTA sold 5 cars to the Qatar MICE Development Institute for use at the UN Conference on Climate Change in Doha, Qatar. See *Joint Venture Opportunities in China* for more information about our business strategy in China.

### ***EU Certification***

Our Pilot Production Facility plant completed the plant certification process for export of its products to Europe in September 2011. The certification audit was conducted by LuxControl SA on-site at the plant and confirmed by the Transport Division of the Luxembourg Ministry for Sustainable Development and Infrastructure.

### ***Pricing***

Price remains one of the strongest drivers of purchase preference among consumers. We believe that, within our segment and even within the broader market place, our ability to offer safe, quality and fuel efficient vehicles under today's average vehicle price would allow us to gain market share. We plan to competitively price MyCar and MyCar EV in relation to other electric vehicles in each of our target markets. According to Nissan's official website as of January 2013, the Nissan Leaf has a retail price of approximately \$39,688 in France, \$41,900 in the United Kingdom and \$35,200 in the United States. The Smart ED's official listing price is \$44,387, according to a March 2011 Autoblog article.

The table below illustrates the targeted Free on Board, or FOB, pricing range of MyCar and MyCar EV if no leasing arrangement is used. USCIS requires us to provide such target pricing information to EB5 Investors. The target pricing range constitutes "forward-looking statements" and is subject to the significant risks described in Forward-Looking Statements in this Memorandum. While we believe our Target Price Range is derived from currently available information and based on reasonable predications, as our recent orders from Spijkstaal show that our average selling prices are within the Targeted Price Range, however, there can be no assurance that our actual prices will always match the targeted FOB pricing range. In addition, the targeted FOB pricing range is based on assumptions that may be incorrect or that may have been changed due to changing circumstances in the market place.

Class	Targeted Price Range	
	Low	High
MyCar/MyCar EV	\$13,500	\$28,000

We intend to offer a base model for each of our Vehicles along with upgrades that customers may add. The actual average price of a Vehicle will depend on the battery configuration and options that a customer selects. We also intend to offer work truck and delivery vehicle variant. GTA anticipates additional revenue streams other than vehicle sales such as battery leasing, warranty fees, sale of parts and service fees, road side assistance, fees for training service personnel, and income generated from third party strategic relationships.

We are considering various methods for reducing the initial acquisition cost of our Vehicles. These could entail a lease of the car and/or battery. We might offer leases to our customers directly or through an affiliate or arrange for third-party leasing through a distributor or financial institution. The most expensive component of an electric car is the battery, which can be more than 50% of the cost of the vehicle. The more energy a battery contains (and thus the farther it can travel on a single charge), the higher the price. We intend to offer a range of battery types and sizes to allow customers to determine their preferred mix of driving range versus price. We may need to obtain state or foreign licenses to offer car or battery leases to our customers.

We anticipate that the availability of tax credits and tax exemptions for electric vehicles in various markets will significantly reduce the cost of our Vehicles for many target customers. European countries have announced attractive combinations of subsidies and tax incentives. Denmark has exempted electric vehicles from its car tax, which is 105% of the vehicle price up to DKK 79,000 (approximately \$14,000 as of January 2, 2013) and 180% of the vehicle price above such amount, until December 2015. The United Kingdom has announced a plan for up to £5,000 in support of electric vehicles and France has enacted €7,000 in direct subsidies for electric vehicle purchases. The Qualified Plug-In Electric Drive Motor Vehicle Tax Credit program instituted by the United States federal government provides a tax credit of up to \$7,500 for the purchase of new qualified plug-in electric drive motor vehicles. This credit applies to the first 200,000 electric vehicles, excluding low speed vehicles, sold per manufacturer. Electric vehicles also qualify for a 10% tax credit based on the purchase price of the vehicle under federal incentives. A number of states and municipalities in the United States, as well as certain private enterprises, offer incentive programs to encourage the adoption of alternative fuel vehicles, including tax exemptions, tax credits, exemptions and special privileges. In January 2012, the California Air Resources Board unanimously approved new rules that require that one in seven of the new cars sold in the state in 2025 be an electric or other zero-emission vehicle.

### ***Our Technology and Design***

We have significantly reengineered the original version of MyCar developed by EuAuto. In May 2011 GTA entered into an engineering agreement with Panoz Auto Development Company, known for its development of the Panoz Esperante and Panoz Abruzzi, to engineer MyCar to meet the specifications for the United States and European Union. GTA also partnered with Lotus Engineering to provide engineering services for MyCar to optimize the vehicle's structure for development of a full-speed vehicle. GTA has also engaged with Motivo Engineering ("Motivo") to support performance improvements to MyCar's powertrain and electrical systems. Incorporating improvements by our engineering team and our engineering partners, MyCar features increased interior space, improved ride, handling and range, and additional amenities to enhance its appeal to our target customers.

MyCar features a lightweight aluminum integrated modular structure to enhance structural integrity through a two stage frontal and rear impact strategy, which exceeds regulatory requirements. The design also encompasses a roll cage that provides protection in the case of a roll over. MyCar's battery box is center mounted to enhance vehicle stability and double-skinned to mitigate external intrusions. MyCar has high

maneuverability and a tight turning cycle to meet the needs of urban driving. GTA plans to feature a Re-Gen System, which is designed to recover energy under off-throttle conditions.

The vehicle has been engineered to have a range of 50 to 115 miles per charge with a regulated top speed of up to 50 mph dependent on the chosen battery configuration. The 23 kWh lithium-ion battery pack is expected to achieve the high end of our performance targets.

MyCar has been designed as a low speed vehicle for speeds of no more than 25 or 35 mph (depending on the state) in the United States or a weight of no more than 400 kg without a battery in the European Union. In the United States NEVs are regulated under Federal Motor Vehicle Safety Standards ("FMVSS") 500, which specifies NHTSA requirements for "low speed vehicles." FMVSS 500 requires certain safety equipment for such Vehicles including, among others, seatbelts, headlights and tail lights, and automotive glass. The MyCar EV design offers best in class safety features that exceed the FMVSS requirements for NEVs and position the vehicle to meet "full speed vehicle" requirements of electronic stability control, tire pressure monitoring, enhanced crush zones, and advanced airbags.

We believe our MyCar and MyCar EV designs will offer competitive advantages in the electric vehicle market. We have minimized car and engine weight to improve driving range by using lightweight materials without sacrificing power. We have designed MyCar as a global platform to support its use for variants including a full speed vehicle. Additionally, we expect that all MyCar variants will be adaptable to meet customized requirements of our large fleet customers. .

### ***Production***

The Pilot Production Facility publicly launched MyCar at a ceremony on July 6, 2012 attended by former President Bill Clinton. GTA expects to complete for the MyCar 2013 (i) the prototype build, which will be used to validate components, in January 2013 and (ii) the engineering build, which will be used for final stage testing prior to commercialization, in February/March 2013. GTA expects MyCar 2013 to be certified for sale in the United States and Europe in March 2013 after the completion of required vehicle testing. We currently have one assembly line, which is expected to have an annual production capacity of 16,000 Vehicles, at the Pilot Production Facility. The assembly line is comprised of multiple work stations, each performing specific tasks and is expected to be timed and staffed to achieve target production levels. We use modularization and pre-line build ups to reduce online build time. MyCar has also been designed for low cost tooling investment.

We are currently using the Pilot Production Facility for manufacturing and testing our Vehicles so we can start our operations while the Facility is under construction. We expect mass commercialization of MyCar sales in the first quarter of 2013. We expect to continue MyCar production at Pilot Production Facility until the Facility is completed. Our plan is to begin MyCar EV production at the Facility in 2014

## Our Pilot Production Facility



We anticipate completing the Facility in the first half of 2014. After completion of the Facility, we intend to transfer our production from the Pilot Production Facility to the Facility in or prior to the first half of 2014. Since the transition will involve shutting down production until the transition is complete for an estimated three months, we plan to make this transition during a period which would least disrupt our business. As such, we do not intend to choose a transition date until completion of the Facility. We are currently considering the option of manufacturing some of our components ourselves at the Facility or at the Pilot Production Facility on either a short-term or a long-term basis.

The USCIS requires us to provide a production plan to EB-5 Investors. We provide the most updated version of our production plan in our Memorandum Update.

We anticipate that the Facility and the Pilot Production Facility will have excess space for additional assembly lines or for component production. Accordingly, we may also manufacture components, including, among others, battery packs, seats, side panels and sheet metal, at the Pilot Production Facility and/or the Facility depending on expected costs savings based on our production volumes and the capital expenditure required. We are currently limiting the amount of space used at the Pilot Production Facility to reduce costs on fire safety compliance. We expect to use profits from Vehicle sales to fund component manufacturing at the Pilot Production Facility that is not expected to be transferred to Tunica.

GTA will initially construct the Facility to be large enough to produce 50,000 automobiles annually. However, the Land owned by GTA is large enough to allow GTA to expand the Facility to a construction capacity many times larger than 50,000 if market conditions and access to capital permit. Any expansion would be done in one or more phases in which the building would be constructed to produce a certain maximum number of cars but actual production would be increased gradually depending upon market conditions. The construction of the Facility with a manufacturing capacity of 50,000 is considered Phase 1. If market conditions justify expansion, Phase 2 would entail enlarging the Facility to a manufacturing capacity of 100,000. If market conditions justify further expansion, Phase 3 would entail enlarging the Facility to a manufacturing capacity of 150,000. The Land is large enough to allow for additional expansion beyond Phases 1, 2 and 3 if market conditions permit.

## ***Our Facility***

We are building our Facility in Tunica, Mississippi on an approximately 100 acre site owned by GTA. We anticipate completing the Facility in the first half of 2014 at a cost of \$32.0 to \$35.0 million. We plan to fund the Facility with the Construction Loan, proceeds received from new market tax credit transactions and proceeds from our previous A-3 Offering. See *Our Construction Loan* below. We plan to use this Offering to increase our production, expand our markets in the United States and other countries, further develop our engineering capacity and product family, and increase our workforce by creating new jobs.

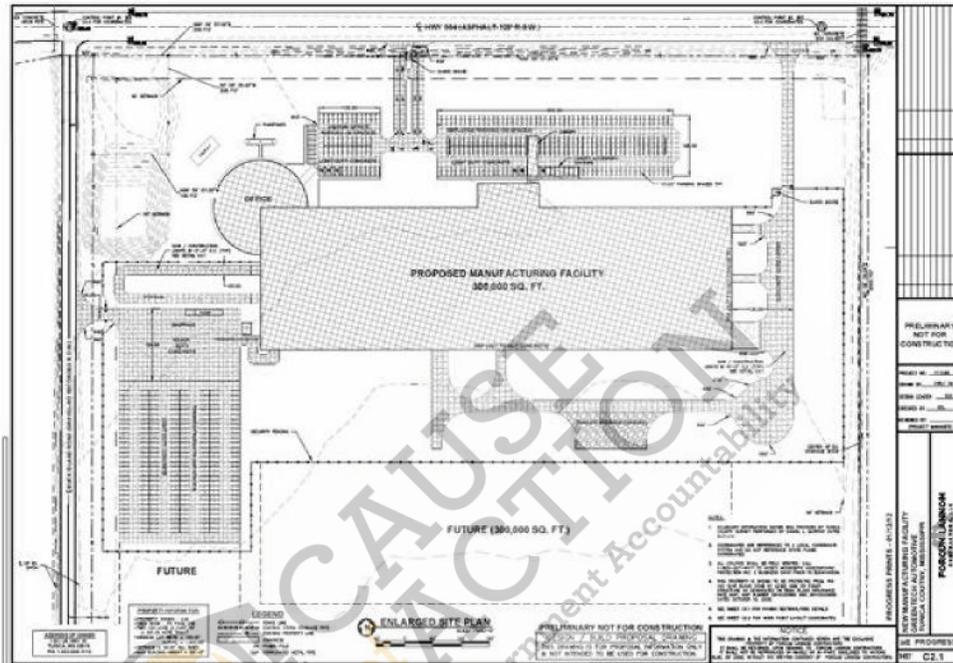
We have completed Phase 1 of the construction of our new Facility which entails grading the land and preparing the building for laying the foundation. The Facility is expected to be approximately 300,000 square feet. If we decide to increase the Facility's production capacity to 100,000 automobiles, we would expect to increase the size of the Facility. We expect to transfer employees from the Pilot Production Facility to the Facility once the Facility is complete.

We considered a number of factors in choosing the site for the Facility, including the following:

- **Transportation:** The site is a desirable location to deliver our finished products to domestic and international markets and to source many automotive parts. The site is close to Memphis, Tennessee, the logistics hub of the Mid-South area. The site will have direct highway access to handle the majority of the transportation from the Facility to the Memphis area railway hub. The plant location is within a day's drive to over half of the major U.S. population markets and within 300 miles of a substantial number of potential suppliers.
- **Well-trained Workforce:** The "Southern Automotive Corridor" has attracted many world-class automotive companies. Over time, the region has formed a well-educated and trained workforce to support the automotive industry. As part of the Southern Automotive Corridor, Mississippi can provide a large pool of skilled workers with experience in automotive manufacturing. In addition, Mississippi has a strong technical training/educational system. We will seek to work with the government and local educational institutions to offer employees pre-employment and on-the-job training.
- **Supportive Business Environment:** Mississippi state and local governments provide incentives to help businesses grow. See *Our Business - Mississippi Incentive Agreements* below for more information on incentives given to us by Mississippi state and local authorities. In addition, cities and counties may in the future also offer a property tax exemption for qualifying projects.
- **Stable Targeted Employment Area:** Tunica has been experiencing high unemployment rate. Its labor market qualifies this location as a stable Target Employment Area under the EB-5 regulations, which will enable us to continually benefit from the USCIS EB-5 funding mechanism.

We currently lease 7,500 square feet of office space in Tunica under a lease which expires November 30, 2013, with the option to be renewed by the Company.

## Facility Plan



### *Encumbrances on the Facility*

A certain portion of our Land, which measures 20 acres, is encumbered by a deed of trust (“Tunica Deed of Trust”) between GTA and the Tunica County Economic Development Foundation (the “TCEDF”), which was recorded in the land records of Tunica, Mississippi on September 26, 2011 pursuant to which the TCEDF may foreclose on such 20 acres and sell any building, equipment or improvements located thereon in the event of (i) our default on the payment of principal or interest on the Mississippi Loan, (ii) bankruptcy or reorganization, (iii) breach of any term contained in the MOU, Mississippi Loan or the Tunica Deed of Trust, or (iv) our failure to invest \$60 million in the Facility by December 31, 2014 or create 350 jobs by December 31, 2014. The remedy for breach of this covenant is limited to foreclosure of the 20 acres subject to the Tunica Deed of Trust. We do not plan to build any of the Facility on the 20 acres subject to the Tunica Deed of Trust.

The Construction Loan is secured by a first deed of trust on the 80 acres of the Land which are not subject to the Tunica Deed of Trust, all buildings on such 80 acres of Land and fixtures, equipment and machinery used on such 80 acres of Land purchased using the Loan (“GTA’s First Deed of Trust”). We expect the Facility to be located entirely on the 80 acres of Land secured by the GTA’s First Deed of Trust. Amounts outstanding on the Mississippi Loan will be secured by certain the equipment currently located at the Pilot Production Facility.

### *Pilot Production Facility*

We chose Horn Lake, Mississippi as the location of the Pilot Production Facility as it is strategically located in Northern Mississippi and close to Memphis. The land and buildings for the Pilot Production Facility are leased to GTA. The building consists of 376,016 square feet which includes manufacturing space and limited office space. The lease expires on November 30, 2013, with the option to be renewed by the Company.

#### *Facility Transition*

When construction of the Facility is complete, we will select an appropriate time to shut down production at the Pilot Production Facility and move equipment and inventory and other moveable assets to the Facility. GTA will not be producing any Vehicles during the transition period, which is expected to last three months. Additionally, our operations including procurement, shipping and inventory management will need to be moved to the Facility. We will also transfer all of our employees and consultants in the Pilot Production Facility to the Facility unless we decide to continue to use the Pilot Production Facility for an additional assembly line or the manufacture of components. During the transition period, GTA may have no revenue but will still have expenses including employee salaries and Pilot Production Facility lease payments. After the transition to the Facility, we may consider other usage at the Pilot Production Facility including automobile and parts manufacturing, sales or warehousing for parts and finished cars.

#### *Dongguan Facility*

We lease a facility in Dongguan, China consisting of 47,953 square feet of manufacturing space and 12,432 square feet of dormitory space. We use the Dongguan facility as a delivery point for the sourcing of supplies to China. Dongguan serves as a supply checkpoint to allow supplies to be checked for accuracy prior to being finally delivered to Mississippi. The facility has been used in the past for prototyping. The lease expires in August 31, 2013. We have seven employees at the Dongguan Facility. We have spent approximately \$92,000 per month in the past six months on expenses, including rent and salary expenses relating to the Dongguan facility.

#### *Research and Development*

Our research and development costs have primarily consisted of the labor costs of our in-house engineers and engineering service firms working on our Vehicle design. Our research and development costs, which have been capitalized, as of September 30, 2012 are provided in the Memorandum Update.

#### *Our Warranty*

We plan to offer a product warranty to our MyCar and MyCar EV customers. Our basic warranty is expected to cover 30 months or 30,000 miles, whichever occurs first, excluding the tires and the battery, for which we intend to pass on the manufacturer's warranty to our customers. When feasible, we will seek to offer our customers the same warranty on our components which we receive from our suppliers. We believe this approach will reduce our warranty expenses. We will also be required to comply with warranties for our Vehicles required under state and foreign law. See *Risk Factors – Product Defect and Warranty Risk*.

#### *Battery Disposal*

We are currently considering various options for disposing of batteries used in our Vehicles. We expect our lithium-ion batteries to have an 8 to 10 year life as car batteries. Partially discharged batteries have resale value due to their continuing capacity to store energy and the valuable metals they contain. We have been considering the possibility of selling used batteries (i) to recycling companies or (ii) power companies to use to store energy, particularly from renewable sources like wind and solar power or for backup power.

#### *Raw Materials*

MyCar is designed to utilize advanced, light-weight materials to improve functionality and performance. The chassis is formed from light and strong aluminum components, unlike traditional steel structures of conventional cars. This approach eliminates the need for expensive stamping and welding investments and processes. The exterior body is formed from pre-painted thermoplastic panels that remove the need for expensive painting facilities and operations. We believe a modular design makes MyCar fast and easy to assemble with conventional tools. The battery compartment is expected to be designed to accept multiple configurations and chemistries; as such, low cost lead acid batteries and higher performing, longer lasting lithium batteries are expected to be available according to customer needs.

**Employees**

As of December 31, 2013, we have accumulatively created more than 140 direct employment opportunities in the United States. The following full-time permanent positions have been created and based in Tunica: Accounting Manager, Cost Accountant, A/P Clerk, Procurement Manager, and Receptionist/Executive Assistant. These positions in Tunica will count as job creation for existing EB-5 Investors of the A-1 and A-2 Funds in prior financings. Preferred Shareholders and limited partners in the A-3 Fund will be allocated jobs for EB-5 purposes based on the order of their permanent residency approval. See *EB-5 Program* in this Memorandum for more information about how jobs will be allocated to EB-5 Investors. See *Target Job Creation* in the Memorandum Update for more information on our anticipated job creation.

We expect that the number of our employees based in Tunica will increase significantly once the Facility is completed and the transition to the Facility is complete, which would create a shift in the indirect and induced jobs to the Tunica area. We have seven employees at the Dongguan Facility, which we acquired in connection with the Transaction. We plan to use the Dongguan facility as a delivery point for the sourcing of supplies to China.

We will continue recruiting candidates for key positions. We will continue to selectively hire consultants to assist in various areas of our operations, including marketing, engineering and product development. None of our employees is currently represented by labor unions or are covered by a collective bargaining agreement with respect to their employment.

**Planned Job Creation**

Job creation is a key aspect of our business plan. The USCIS requires us to provide an estimate of direct, indirect and induced jobs. These job creation targets are “forward-looking statements” and are subject to the significant risks described in *Forward-Looking Statements* in this Memorandum. There can be no assurance that we will achieve our job creation targets, and our actual job creation numbers could be substantially less than the targets. See *EB-5 Program* in this Memorandum for information on how created jobs will be allocated among EB-5 Investors and *Risk Factors – The Company’s projected number and probability of job creation relies on an Economic Impact Analysis prepared by Evans, Carroll & Associates, Inc., the results of which may be incorrect in the Memorandum for more information about risks relating to our anticipated job creation.*

Below is a table illustrating our expected direct personnel requirements for 2014.

<b>Year</b>	<b>2014</b>
Anticipated Direct Jobs	426

The Facility is also expected to create 3,584 indirect and 3,422 induced jobs for a total of 7,432 jobs in 2014, according to an economic analysis conducted by Evans, Carroll & Associates, Inc., an independent

economic consulting firm. Indirect jobs are expected to be created by companies that supply us with components, raw materials, services, transportation, maintenance and repair services and energy and other utility services. Induced jobs represent jobs created from additional household spending because of the new income streams created by our business.

### ***Our Suppliers***

We anticipate that the Facility and the Pilot Production Facility will have excess capacity for additional assembly lines or for component production. Accordingly, we may also manufacture components, including, among others, battery packs, seats, side panels, sheet metal, at the Pilot Production Facility and/or the Facility depending on expected costs savings based on our production volumes and the capital expenditure required.

GTA has begun discussions with LG Chem, an established lithium-ion battery producer, to supply a complete powertrain system, including motor, controller, battery cells, battery management system, powertrain control module and charger, for GTA vehicles.

As of January 4, 2012, our key suppliers included Electric Conversions for chargers, Elite Battery Co., Ltd. for lithium-ion batteries, Multicraft International for wire harnesses, RCO Engineering Incorporated for stamping equipment and carpets and Kronos for metal components.

We have contracted with and will contract with both domestic and international auto parts suppliers to ensure the supply of components for our Vehicles. We plan to contract with domestic component suppliers when feasible. We will continue to evaluate our suppliers and enter into new supply relationships to ensure that we have a continuous supply of high quality and cost-competitive components. We have a Procurement Department for the purpose of locating quality parts and supplies and negotiating bulk prices. In sourcing parts and supplies, the Procurement Department will coordinate with GTA engineers with the goal of ensuring that each Vehicle part is manufactured to specification and with low cost design. After determining price, quality and transportation method the Procurement Department is responsible for sending the orders to auto parts suppliers for shipment and inform the Logistics Department to arrange shipment and inventory management. The Accounting Department is responsible for recording orders. We exercise systematic control over procurement by routinely sampling components prior to acceptance of goods including through the production part approval process.

Domestic suppliers ship parts and supplies to us via railways or trucks. Many of our domestic parts suppliers are located within 225 miles of the Facility. Imported components are generally shipped to Memphis, TN. After customs clearance, components imported by sea are shipped by railway directly to our manufacturing facility.

We are in the process of finding one or more suppliers for each component required for production of MyCar. Currently, we anticipate having approximately 1,000 parts for each MyCar, almost all of which have at least one approved supplier. The vast majority of the components have very little value relative to the overall cost of MyCar. The most expensive component is the battery. Elite Battery Co., Ltd. is our primary lithium-ion battery supplier. We have several lead-acid battery suppliers. See *Risk Factors - Our Suppliers*.

### ***Distribution***

Our sales plan is to market and sell cars directly to end-users in the United States. We have already begun to take reservations for MyCar orders, which are made through refundable deposits from buyers. Our showroom is designed to be a new retail experience to engage and inform potential customers about electric vehicles in general and the advantages of the MyCar experience in particular. Our MyCar showroom will combine retail sales and service. The showroom will be moved to Tunica upon completion of the Facility.

We believe that by owning our own sales and service network we can offer a compelling customer experience while achieving operating efficiencies and capturing sales and service revenues incumbent

automobile manufacturers do not enjoy in the traditional franchised distribution and service model. Our customers deal directly with our own MyCar-employed sales and service staff, creating what we believe is a differentiated buying experience from the buying experience consumers have with franchised automobile dealers and service centers. We believe we will also be able to better control costs of inventory, manage warranty service and pricing, maintain and strengthen the MyCar brand, and obtain rapid customer feedback. Further, we believe that by owning our sales network we will avoid the conflict of interest in the traditional dealership structure inherent to most incumbent automobile manufacturers where the sale of warranty parts and repairs by a dealer are a key source of revenue and profit for the dealer but often are an expense for the vehicle manufacturer. We plan to run our showroom through our wholly-owned subsidiary GreenTech Automotive Sales, Inc., a Mississippi corporation (“GTA Sales”). We believe we can achieve operating efficiencies and capture sales and service revenues through direct sales that incumbent automobile manufacturers can not in the traditional franchised distribution and service model. GTA Sales received its Mississippi motor vehicle dealership license from the Mississippi Motor Vehicle Commission (the “Commission”) on December 4, 2012.



**GTA Showroom Concept.**

#### *International Sales*

We plan to sell our Vehicles outside of the United States through distributors. In August 2011, GTA entered into its first distribution agreement, with Greenabout, our Danish distributor, granting our Danish distributor Greenabout an exclusive right to distribute MyCar in Denmark. The term of the agreement is three years, and will be automatically renewed for one-year terms until terminated by the parties. In December 2012, GTA was listed as a United States Department of Defense supplier for the MyCar product under NAICS code 336111 and 42311. In February 2013, GTA entered into a major distribution agreement with Spijkstaal Elektro B.V. (“Spijkstaal”), for the sale of MyCars pursuant to which Spijkstaal will sell MyCars in Netherland, Belgium, Germany, France, Sweden, Switzerland, Norway, Austria, Italy, Spain, Greece, and Portugal. Spijkstaal is a distributor with a 75 year history and it has an established sale network in the countries listed above. In addition, GTA is in negotiations with distributors for sales in the United Kingdom, Israel and Luxemburg as well as Canada. We may sell our Vehicles directly to foreign government buyers.

We expect our distribution agreements to contain the following terms:

- GTA will train and certify the distributor to service our Vehicles;

- GTA may engage in joint marketing with the distributor;
- Distributors will follow our marketing and sales guidelines, take certain actions to promote the Vehicles and report on their markets and sales efforts;
- Distributors will purchase a certain minimum number of Vehicles and parts per year from GTA;
- Distributors will maintain certain financial ratios to protect against insolvency;
- Distributor will pay for the orders with unconditional and irrevocable letter of credit; and
- GTA will have the right to terminate the distribution agreement in certain circumstances, including if distributors fail to purchase the minimum number of Vehicles from GTA.

We might offer our distributors incentives to purchase our Vehicles, including volume discounts, priority volume allocation, cash rebates, early access to new product offerings, and sales contest offerings.

Selecting distributors and negotiating distribution agreements will be a time consuming process that can take several months or more on a case-by-case basis. The process will begin by our identifying a target market, normally a country or region. We will then collect some basic financial information on several potential distributors in the target market to allow us to identify the strongest candidates. Once the set of potential distributors is narrowed to a few, we will conduct more detailed due diligence on their business plans and prospects as well as begin negotiation on a distribution agreement. We take great care to identify proper distributors and we intend to task certain employees with monitoring our distributors' compliance with applicable distribution agreements.

Under our distribution plan, Vehicles produced for export will be shipped by truck and/or railway to a United States port and then overseas by ocean freight. Vehicles produced for major domestic markets will be distributed from our facilities by truck and/or railway.

### ***Sales and Marketing***

We have established our sales and marketing department in anticipation of MyCar production. We have developed a sales and marketing strategy. As part of this strategy, we will invite customers to think about a new automotive segment that brings together affordable green transportation with quality, value, safety, reliability and performance. We aim to challenge the entrenched belief that electric vehicles have to be significantly more expensive and to market vehicles that produce "reverse sticker shock." In addition, we plan to build a corporate culture that integrates a pioneering spirit and philosophy in its relationships with factories, fleets, dealers, consumers, trade partners and the media.

While we are a newly established company, we believe that our product and brand position will allow us to be fully competitive in our sector and to achieve conquest sales and grow market share. Specifically, MyCar offers a compelling buying proposition when compared to electric vehicle and internal combustion engine vehicles by offering low cost of total ownership, best in class quality, safety and design which will set a new standard for features, benefits and value in the electric vehicle market place, including upholding valuations.

GTA will build its Audience through activities and strategies that capture the attention and excitement of consumers: You Tube, Twitter, Facebook, and Event Marketing We will capitalize on its products' environmentally friendly, zero emission positioning, friendly price competitiveness and its vehicles fresh design. We will springboard off leading Consumer Shows and leading US Auto Shows and utilize a combination of traditional marketing techniques and multi-channel media to establish its brand positioning in such a way to clearly differentiate GTA from its competitors.

## Nationwide Media Coverage of GTA



We plan to implement a multi-channel marketing program that utilizes marketing methodologies utilized effectively in the automotive industry. We plan to employ innovative interactive digital and social media techniques not yet applied to their full potential. We expect to conduct the following marketing activities:

- *Direct Marketing.* We plan to market directly to corporations, military installations, schools, and other potential high volume consumers.
- *Competitive Analysis.* We plan to conduct competitive analysis of brand positioning, marketing, including advertising and public relations, and product features and benefits.
- *Research.* We plan to conduct extensive research internally to (i) expand our understanding of consumers' perceptions of our products (building on positives and changing or ameliorating negatives) and (ii) provide insights into how to leverage our China connection for marketing and branding purposes.
- *Product Content.* Our marketing and sales team plans to work closely with our product development and engineering team to develop appropriate product standards, features and technology.

- *Target Audiences.* We intend to target multiple audiences and explore various ways to position our Vehicles for each of our target audiences. We intend to take the tasks of understanding what consumers want and expect seriously, and also aim to create new expectations based on our unique products.

We plan to combine traditional marketing techniques with new technologies to take advantage of the opportunities such technologies offer. We expect to include the following in our marketing strategy:

- *Public Relations.* We plan to take advantage of our unique products and brand positioning to continue generating the high-impact public relations opportunities. GTA's founder and Chairman Emeritus of the Company, Terence R. McAuliffe has appeared on national television news programs to promote the use of electric vehicles and green technology.
- *Establishing a Corporate Identity.* A creative exploratory process is underway to develop a unique and exciting corporate identity that will reflect our brand and culture. GTA is developing a brand and marketing strategy that, like Apple, embraces innovative products, superior design, impeccable quality and optimal customer experience.
- *Viral Marketing.* We may use blogs, promotional activity using social media, online clubs and community sites as part of our marketing strategy.
- *Guerilla Marketing.* We may use guerilla marketing techniques, which are relatively inexpensive, to generate "word of mouth" communications.
- *"Madison & Vine" Advertising Programs.* We intend to develop entertainment content, joint partnerships with production and programming entities and joint marketing partnerships with other entertainment properties.
- *E-marketing.* We may establish online partnerships with affinity marketers and engage in various types of online advertising and promotions.
- *Innovative web presence.* We aim to create a compelling interactive website that supports not only our brand identity, but also our planned dealer network.
- *Presence Marketing and On-site Promotional Activities.* We plan to utilize state-of-the-art video signage, on-site promotions and joint marketing ventures with entertainment companies.
- *Partnership Marketing.* We plan to create unique joint marketing programs with our dealers, distributors, partners and customers that recognize their immediate sales needs, providing local marketing support.
- *Traditional Marketing.* We intend to undertake traditional marketing including broadcast radio and television, print, as well as billboards, posters and kiosks.

### ***Target Markets***

The sales and marketing department will lead our efforts to (i) identify potential distributors and market additional products to existing distributors, (ii) identify potential customers for direct sales, (iii) interact with our distributors and direct and indirect customers to obtain consumer feedback on our Vehicles and (iv) engage in joint marketing with distributors.

In our quest to deliver affordable green transportation, we aim to price MyCar at or below the price of other electric vehicles in each of our target markets. We believe our Vehicles will be most competitive in markets and market segments characterized by:

- substantial government incentives for electric vehicles;
- a history of demand for small cars;
- broad market support for electric vehicles and electricity infrastructure (including battery charging infrastructure); and
- relatively few electric vehicle offerings in the market (together “Our Market Segment Criteria”).

Based on Our Market Segment Criteria, high gasoline prices, and strong public concern for environmental protection, we expect that our initial MyCar and MyCar EV sales will be with corporate fleets, municipalities, government entities and college campuses in both the United States and Europe. We believe that the electric vehicle market in the European Union is positioned for high levels of growth primarily due to two factors: (i) a long standing appreciation for micro-cars (particularly in large, congested urban centers, such as London and Paris) and (ii) substantial government incentives. See *Our Business – Pricing* for more information about the impact of government incentives on the cost of our Vehicles. Based on these factors, we believe the current demand for small electric vehicles in Europe exceeds supply. We have entered into significant distribution agreements with reputable distributors in the European market and we intend to support with them on direct sales and in support of direct distribution to consumers. Furthermore, European governments have expressed a strong interest in purchasing electric vehicles for government use. For example, the French Government announced in 2012 that 25% of its new cars would be electric or hybrid according to an Electric Vehicle Research article dated July 2012.

Based on Our Market Segment Criteria, we believe that in the U.S. our initial sales will be to corporations and government entities (for transportation and delivery) and small communities that can benefit from micro-cars like island communities and colleges. We believe that opportunities to market our Vehicles in the United States will grow as the country builds up an electricity infrastructure to support battery charging and United States consumers become more accustomed to seeing small vehicles and electric vehicles in domestic markets. We believe federal and state government incentives for the electric vehicles market will increase demand for our products in the United States. See *Our Business – Pricing* above for more information about government incentives in the United States. With such government incentives, we expect the net purchase price of MyCar will make it one of the lowest cost entry level vehicles in America.

We believe MyCar will enjoy broad market appeal as our vehicles speak to:

- Urban Sophisticates: Socially Advanced Urban Professionals;
- Young, Tech-Savvy professional : Always on the Go;
- Environmentally-aware, trendsetting individuals between the ages of 25 and 40;
- First Time Buyers who appreciate value, performance and content;
- Baby Boomers seeking environmentally friendly, fuel efficient second car;
- Fleet Markets;
- Urban Car Sharing Organizations;

- Corporate and Government Fleets; and
- Military.

In the United States, we plan to employ a field sales team to pursue direct sales to corporate and government fleets and other target markets. We aim to capitalize on corporate and government sustainability efforts and lay the groundwork for the ultimate transition of the brand from early fleet sales to direct sales to consumers. In bridging these two audiences, each with distinct needs as it relates to vehicle purchases, we plan to develop separate yet complementary message campaigns that support our brand strategy. Through the pursuit of the aforementioned audiences, we aim to attract initial customers that (i) represent repeat volume; (ii) add credibility and create a “halo effect” for MyCar and GTA; (iii) generate initial orders that can be leveraged to attract new customers, (iv) create media attention that will build demand for MyCar and (v) provide a controlled environment to provide initial feedback for our products and an opportunity to develop service and after-sales protocols.

### ***Other Properties***

We lease 6,399 square feet of office space for our corporate headquarters in McLean, VA.

### ***Mississippi Incentive Agreements***

In July, 2011, the Mississippi Development Authority, the County of Tunica and GTA entered into the MOU under which GTA agreed to locate the Facility in Tunica and the MDA and the County of Tunica agreed to provide GTA with land for the Facility or, alternatively, funding to lease such land. The transfer of the Land from the County of Tunica to GTA was recorded on September 26, 2011. In addition, under the MOU:

- MDA agreed to grant to GTA the Mississippi Loan, a 10-year income and franchise tax exemption and a sales tax exemption until three months after the start of commercial operations at the Facility, and a percentage rebate on employee state income tax.
- The County of Tunica also agreed to (i) work with GTA to pursue New Market Tax Credits for community development investments; provided that the County of Tunica will receive half the amount of such tax credits up to \$2.0 million; (ii) use best efforts to cause the Project Site to be included in the FTZ for which the County of Tunica will apply; and (iii) provide certain other tax benefits. (Under federal law, an FTZ is a designated location in the United States where companies receive duty-free treatment for imported items processed in the FTZ and then reexported, and duty-deferred treatment for items that enter the U.S. market. Companies in a FTZ may also benefit from expedited customs procedures.)
- GTA agreed to (i) invest not less than \$60.0 million in the Facility, and (ii) create at least 350 new full-time jobs, which would be maintained for 10 years, with an average annual compensation of \$35,000. GTA also agreed to repay to the State of Mississippi the following in connection with the Mississippi Loan: (i) 1% of the outstanding balance if, by December 31, 2014, we create less than 350 qualified jobs but more than 300; (ii) 5% of the outstanding balance if, by December 31, 2014, we create less than 301 jobs but more than 225 jobs; (iii) 50% of the outstanding balance if, by December 31, 2014, we create less than 226 jobs but more than 120; and (iv) the full outstanding balance if, by December 31, 2014, we create less than 121 jobs.

We entered into a Loan Agreement with the MDA (the “Mississippi Loan Agreement”) on September 6, 2011. The Mississippi Loan Agreement provides that the Mississippi Loan can be used for the reimbursement of general corporate expenses. The Mississippi Loan is a full recourse loan secured by a first

priority security interest in certain of our fixtures and equipment and by a deed of trust on 20 acres of the Land. We plan to initially apply the Mississippi Loan to working capital. We expect that that Mississippi Loan Agreement will provide that the interest rate will be determined at the time of the bond sale which the state will use to finance the Loan, and will be set at the cost of the State's money. The maturity date will be determined by the weighted average life of the collateral or 10 years, whichever is less. On February 23, 2012, we received \$3.0 million in cash under the Mississippi Loan to reimburse us for inventory expenses paid for with cash-on-hand.

We estimate that the value of these tax and other business incentives will measure up to \$25.0 million over 10 years assuming the Land, building and equipment is valued at \$50.0 million and that we generate annual net income of at least \$32.0 million.

### ***Our Construction Loan***

The A-3 Fund has raised \$21.5 million in limited partnership interests from EB-5 Investors for the Construction Loan. An additional 11 investors are in the process of investing in the A-3 Fund and we anticipate receiving an additional \$5.5 million in the first quarter of 2013 from such investors. The Construction Loan may be applied to (i) our Facility design and construction and (ii) installation of certain fixtures (including equipment and machinery) to be used at the Facility.

Under the terms of the Construction Loan, GTA will pay the A-3 Fund 4% simple interest per annum, of which 1.5% will be used by the A-3 Fund to pay a management fee to the Management Company. Interest under the Construction Loan will accrue as of the date of the initial closing of the purchase and sale of interests in the A-3 Fund (the "A-3 Fund Initial Closing") based upon the outstanding portion of the Construction Loan amount disbursed at the A-3 Initial Closing to GTA. Interest on each subsequent disbursement of any additional portion the Construction Loan amount shall begin accruing on the date of such disbursement to GTA.

Beginning on the first business day of the first calendar month immediately following the date of the Initial Closing (with respect to the portion of the loan amount disbursed to GTA at the Initial Closing, and with respect to subsequent additional disbursements, the date of such each such disbursement to GTA), and on the first business day of each consecutive calendar month thereafter through and including the maturity date for the applicable outstanding portion of the loan amount, GTA will make monthly payments of interest, in arrears, on the outstanding portion of the loan amount disbursed to GTA at the rate of 1.5% per annum. The remaining 2.5% of interest payable on the outstanding portion of the loan amount disbursed to GTA will be paid semi-annually on June 30 and December 31 of each year on the outstanding portion of the loan amount then disbursed to GTA. Notwithstanding the foregoing no interest payment shall be paid from capital contributions of any EB-5 Investors.

Our obligations under the Construction Loan will be secured by a first deed of trust on approximately 80 acres of the Land (including certain machinery and equipment attached as fixtures that are not subject to other financing). The Land consists of approximately 100 acres. The Construction Loan will be full recourse to the Company.

Each outstanding principal portion of the loan amount disbursed to us and any remaining accrued and unpaid interest thereon, will be due and payable on that date which is 60 months after the initial disbursement of such funds is made to us. The Construction Loan may not be prepaid without the consent of the Fund.

### ***New Market Tax Credits***

In 2000 the United States Congress established the New Markets Tax Credit Program (the "NMTC Program") to spur new or increased investments into operating businesses and real estate projects located in low-income communities (the "Qualifying Companies"). The NMTC Program is currently administered by the

United States Internal Revenue Service. Since its inception, the NMTC Program has provided between \$2 and 5 billion in new market tax credits (the “Credits”) each year to Community Development Entities (“CDEs”) that provide Credits to investors in exchange for funding that is invested in Qualifying Companies. Investors receiving the Credits use them to offset their federal income taxes. For each dollar of Credit received, an investor can offset \$0.39 of federal income tax.

In 2011, Congress authorized \$3.6 billion worth of Credits that must be utilized on or before December 31, 2012. Companies looking to receive money through the NMTC Program must identify (i) an investor that is seeking Credits and is willing to invest money in a Qualifying Company for a seven year period, and (ii) a CDE with an allocation of Credits. The three largest investors in the NMTC Program are JPMorgan Chase, Wells Fargo and US Bank. Any company seeking Credits will need to undergo a rigorous due diligence process from the investors to make sure the company will remain in business for at least seven years.

Most new market tax credit transactions are set up for the Qualifying Company to provide 70% of the funding for the Credits with the investor providing 30% in the form of a loan to the Qualifying Company. The investor receives all of the Credits for both its investment and the Qualifying Company’s investment, and the Qualifying Company receives the loan. By way of example, a \$10 million transaction using this structure would require the investor to invest \$3 million and will receive \$3.9 million of Credits. Since the investor is receiving so many Credits relative to its investment, the investor is typically willing to provide the Qualifying Company a right to repurchase the loan for \$1,000 at the end of the seven year investment period. Therefore, a Qualifying Company in a \$10 million transaction receives \$3 million in cash and \$3 million of debt that it can repurchase for \$1,000 after seven years.

GTA has signed a letter of intent with US Bank to act as an investor in a new market tax credit transaction for up to \$88.0 million worth of Credits. GTA has retained legal counsel and accountants with extensive NMTC Program experience to assist in this transaction. GTA intends to close one or more new market tax credit transactions for up to \$88.0 million worth of credits in 2013 with either US Bank or JPMorgan Chase as the investor. See *Our Business – New Market Tax Credits*.

### ***Competition***

Competition in the automotive industry is intense and evolving. We believe the impact of new regulatory requirements for occupant safety and vehicle emissions, technological advances in powertrain and consumer electronics components, and shifting customer needs and expectations are causing the industry to evolve in the direction of electric-based vehicles. We believe the primary competitive factors in our markets include but are not limited to:

- technological innovation,
- product quality and safety,
- service options,
- product performance,
- design and styling,
- product price, and
- manufacturing efficiency.

We believe that our Vehicles compete in the market both based on their traditional segment classification as well as based on their propulsion technology. Within the electric-based vehicle segment,

there are three primary means of powertrain electrification which will differentiate various competitors in this market:

- Electric vehicles (EVs) are powered completely by a single on-board energy storage system (battery pack or fuel cell) which is refueled directly from an electricity source. Under U.S. regulations NEVs are electric vehicles designed for speeds of no more than 25 mph in the United States. Under EU regulations L7e vehicles are vehicles that weigh no more than 400 kg or 550kg for a goods carrying vehicle (not including the mass of the batteries in an electrically powered vehicle) and a maximum net power, whatever the type of engine or motor, of 15kW in the European Union. MyCar is an example of an U.S. low speed vehicle
- and European Union L7e vehicle and MyCar EV is an example of a full-speed electric vehicle.
- Plug-in Hybrid Vehicles (PHEVs) are vehicles that that can be powered via series or parallel propulsion system architectures. In a series configuration, the internal combustion engine is coupled to a generator that replenishes electrical energy to a battery pack as electric motor(s) propel the vehicle. Unlike the series architecture, a parallel configuration has the ability to mechanically couple the power generated by the internal combustion engine in parallel with electric motor(s) strategically placed in an otherwise conventional vehicle driveline system.
- Hybrid Electric Vehicles (HEVs) are vehicles powered by both a battery pack with an electric motor and an internal combustion engine but which can only be refueled with traditional petroleum fuels as the battery pack is charged via regenerative braking, such as used in a hybrid electric vehicle like the Toyota Prius.

Prior to the introduction of the Nissan Leaf in December 2010, no mass produced performance highway-capable electric vehicles were being sold in the United States. In Japan, Mitsubishi has been selling its electric iMiEV since April 2010. We expect additional competitors to enter the United States and European markets in the next several years, and as they do so, we expect that MyCar EV will experience significant competition.

### Competitors as of July 2012

Brand	Model	Launch	Type	Price	Competitor Strength	MyCar Advantage
Nissan	Leaf	US 2010	EV	\$36,020 (US)	<ul style="list-style-type: none"> <li>• Greater financial, technical, manufacturing and marketing resources</li> <li>• Strong brand awareness</li> <li>• Extensive customer base</li> <li>• Broader customer and industry relationship</li> <li>• Existing dealer and service network</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive pricing</li> <li>• Stylish design</li> <li>• Modular and flexible platform</li> <li>• Made in USA</li> </ul>
Ford	Focus EV	US 2012	EV	\$39,995 (US)		
Diamler AG	Smart ED	US 2012	EV	\$29,221 (Ger) <sup>1</sup>		
Mitsubishi	i-miev	US 2011	EV	\$29,125 (US)		
Renault	Fluence Z.E	EU 2011	EV	\$35,317 (EU) <sup>2</sup>		
Renault	Zoe	EU 2012	EV	\$ 25,709 (EU) <sup>3</sup>		
Chevy	Volt	US 2010	PHEV	\$39,995 (US)		
<p>1. Currently available in Germany only; price includes 19% VAT and battery pack</p> <p>2. UK price, includes 20% VAT; price does not include battery pack</p> <p>3. Vehicle is not yet in the market, but open to reservation; UK price, includes 20% VAT; price does not include battery pack</p> <p>All prices are without government grants or rebates</p>						

In the United States, there are very limited true competitors in our market segment as other electric vehicles are either (i) golf carts or similar vehicles with low cost and poor amenities or (ii) full speed electric vehicles that are priced significantly above the average vehicle MSRP and remain largely out of reach from a majority of consumers. Our market entry strategy is to offer an NEV and later on an EV with an extremely compelling price proposition that meets the needs of the majority of consumer, who on average drive under 30 miles per day, and exceeds safety needs while offering the amenities of higher cost electric vehicles.

Most of our current and potential competitors have significantly greater financial, technical, manufacturing, marketing and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale and support of their products. Virtually all of our competitors have more extensive customer bases and broader customer and industry relationships than we do. In addition, almost all of these companies have longer operating histories and greater name recognition than we do. Our competitors may be in a stronger position to respond quickly to new technologies and may be able to design, develop, market and sell their products more effectively. We believe our exclusive focus on electric vehicles as well as our design and competitive pricing, are the basis on which we can compete in the global automotive market in spite of the challenges posed by our competition; however, we have a limited history of operations. See *Risk Factors - Competition* for information relating to the risks of competition for our business.

### ***Intellectual Property***

We have developed and may develop intellectual property rights and assets that may be critical for the manufacture of our products. We may rely on a combination of patents, patent applications, trade secrets, including know-how, employee and third party nondisclosure agreements, copyright laws, trademarks, intellectual property licenses and other contractual rights to establish and protect our proprietary rights in our technology.

In connection with our acquisition of EuAuto Holdings Limited, we acquired an exclusive, royalty-free, and transferrable license to: (i) a patent for MyCar's exterior design in the European Union, United States, Hong Kong and China and (ii) trademarks for the name "MyCar" in the European Union. GTA has received a design patent in the European Union, China and the United States for the design of the current version of MyCar.

GTA is in the process of preparing two additional patent applications for (i) its key electric components, and (ii) its sound effects system. Additionally, GTA is evaluating all intellectual property owned by GTA to determine whether it is cost effective to file additional patents.

### ***Insurance***

GTA carries insurance for property and casualty, general and professional liability, director and officer's liability, worker's compensation, and certain other matters in amounts and on terms deemed adequate by management for its current operations. We intend to reevaluate our insurance needs as our production levels increase. Once we establish an operating history, we will factor historical warranty expenses into our determination of our insurance needs.

### ***Legal Proceedings***

GTA is not a party to any material legal proceeding. From time to time GTA has disputes with vendors regarding whether certain automotive parts were built in according with the specifications and warranty for such parts. . As with any automobile manufacturer, we expect the frequency and amount of such disputes to increase as our production of Vehicles increases.

# GREENTECH AUTOMOTIVE, INC.

## V. DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of Common Shares, Series A-1 Preferred Shares and Preferred Shares, as described below. As of the date hereof, 10,000,000,000 Common Shares, 40,000 Series A-1 Preferred Shares and 1,000 Preferred Shares have been authorized. The following summary of certain provisions of our capital stock does not purport to be complete and is subject to, and qualified in its entirety by, the Articles of Incorporation and Bylaws of GTA, as well as the provisions of applicable law. **For more information about our investors and principal shareholders, see the Memorandum Update.**

### Common Shares

We have 5,000,000,000 Common Shares outstanding. The holders of Common Shares are entitled to one vote for each share held of record on all matters submitted to a vote of the holders of Common Shares and are entitled to receive ratably such dividends as may be declared by the board of directors out of funds legally available therefor. In the event of liquidation, dissolution or winding up of GTA, the holders of Common Shares are entitled to share ratably with holders of Preferred Shares and Series A-1 Preferred Shares, each on an as converted basis in all assets remaining after payment of liabilities. Holders of Common Shares have no preemptive or subscription rights, and there are no redemption or conversion rights with respect to such share. All outstanding Common Shares are fully paid and nonassessable.

### Preferred Stock

The board of directors has the authority to issue preferred stock in one or more series and to fix the number of shares constituting any such series, the voting powers, designation, preferences and relative participation, optional or other special rights and qualifications, limitations or restrictions thereof, including the dividend rights and dividend rate, terms of redemption (including sinking fund provisions), redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series, without any further vote or action by the shareholders. The issuance of preferred stock by the board of directors could affect the rights of the holders of Common Shares. For example, such issuance could result in a class of securities outstanding that would have preferences with respect to voting rights and dividends, and in liquidation, over the Common Shares or Preferred Shares, and could (upon conversion or otherwise) enjoy all of the rights appurtenant to Common Shares.

The authority possessed by the board of directors to issue preferred stock could potentially be used to discourage attempts by others to obtain control of GTA through merger, tender offer, proxy contest or otherwise by making such attempts more difficult to achieve or more costly. The board of directors may issue the preferred stock with voting and conversion rights that could adversely affect the voting power of the holders of Common Shares. Other than the Preferred Shares to be issued pursuant to this Offering, there are currently no agreements for the further issuance of preferred stock and the board of directors has no present intention to issue additional preferred stock.

### *Series A-1 Preferred Shares*

We have 92 shares of our Series A-1 Preferred Shares outstanding, which the A-1 and A-2 Funds purchased at a price of \$500,000 per share by applying the capital contributions of 92 EB-5 investors.

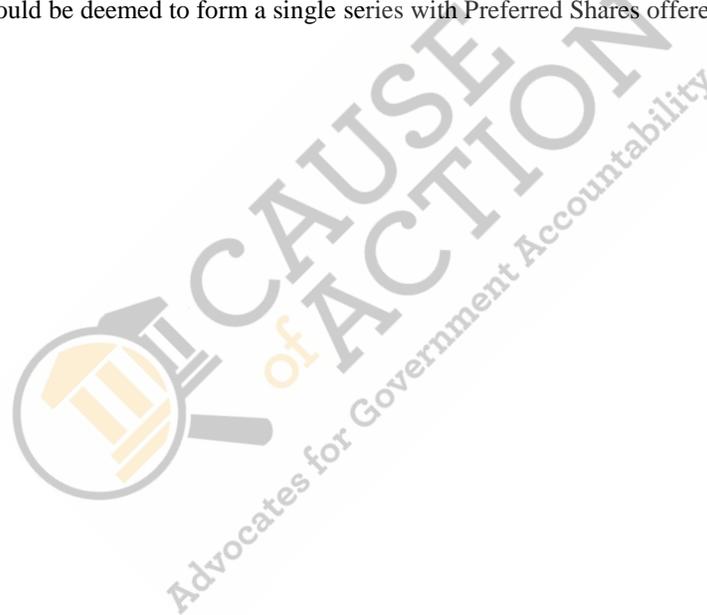
Five years from the date of issue, each outstanding Series A-1 Preferred Share will automatically convert into that number of Common Shares having a "fair market value" of \$555,000 pursuant to the terms and conditions of the Articles of Incorporation. Fair market value will be determined by averaging the closing sale price of a share of Common Shares for the 30 trading days immediately preceding the date of conversion on the major U.S. stock exchange on which the Common Shares is publicly traded or, if the Common Shares is not listed for trading on a major U.S. stock exchange, by an investment banking firm of national U.S. reputation

chosen by mutual agreement of our board of directors and Gulf Coast Automotive Investment Fund A-I, LLC. The Series A-1 Preferred Shares shall, with respect to rights upon payment of any dividend, liquidation, dissolution and winding up, rank pari passu to the Preferred Shares and the Common Shares on an as-converted basis for Preferred Shares and Series A-1 Preferred Shares.

In a liquidation, dissolution or winding up of the Company, the Series A-1 Preferred Shares shall rank pari passu with the Preferred Shares and the Common Shares, on an as-converted basis for Preferred Shares and Series A-1 Preferred Shares. The conversion rate shall be determined in the manner set forth above. If upon any liquidation, dissolution or winding up the assets available for distribution to the holders of Series A-1 Preferred Shares then outstanding shall be insufficient to pay in full the liquidation distributions to holders of Series A-1 Preferred Shares, Preferred Shareholders and holders of Common Shares, then the holders of such Series A-1 Preferred Shares shall share ratably in such distribution.

#### *Series A-2 Preferred Shares*

For a summary of the Preferred Shares, see *Section II Summary of the Offering of Preferred Shares* in this Memorandum. The Preferred Shares have limited voting rights and do not have any preference with respect to dividends except as described in *Section II* and distributions, preemptive rights, sinking fund rights, or redemption rights. We may elect from time to time to issue additional Series A-1 Preferred Shares or Preferred Shares, without notice to, or consent from, the existing holders of Preferred Shares, and any additional shares of Preferred Shares would be deemed to form a single series with Preferred Shares offered hereby.



# GREENTECH AUTOMOTIVE, INC.

## VI. MANAGEMENT

### Directors

GTA's board of directors currently consists of Charles Xiaolin Wang, Marianne McInerney, Gary Yi Tang, Didier Verriest, and Michael McCarthy.

### Executive Officers

GTA's executive officers, directors and other key employees at the date of the Memorandum are as follows:

Name	Age	Position
Terence R. McAuliffe	54	Chairman Emeritus of the Company (1)
Charles Xiaolin Wang	46	Chief Executive Officer and President
Gary Yi Tang	41	Executive Vice President of Finance
Marianne McInerney	49	Executive Vice President of Sales and Marketing
Rick C. Wade	49	Senior Vice President and Head of China Operations
Didier Verriest	58	Vice President of Global Sourcing and Production (2)
Michael McCarthy	47	Human Resource Director

- (1) The Chairman Emeritus of the Company will have such duties and responsibilities as designated by the Board of Directors from time to time.
- (2) The Vice President of Global Sourcing and Production is employed by EuAuto Technology Limited, a wholly-owned subsidiary of GTA.

Officers are elected by GTA's board of directors and serve until their successors are appointed by the board of directors. Biographical resumes of our officers and directors are set forth below.

*Terence R. McAuliffe*, Co-Founder, has been the Chairman of GreenTech Automotive since October 2009 and has been Chairman of GreenTech Automotive, Inc. since November 2, 2011. Mr. McAuliffe is currently the largest individual shareholder of the Company. On December 5, 2012 Mr. McAuliffe announced his plans to run for Governor of the State of Virginia. Following his announcement, his position changed from Chairman to Chairman Emeritus. Mr. McAuliffe has been an active investor in the alternative energy field for over a decade. He has started companies in the fields of banking, real estate, securities, marketing, renewable energy and insurance. Mr. McAuliffe also served as Chairman of the Democratic National Committee ("DNC") from 2001 to 2005. As Chairman of the DNC, he shattered all Party records by raising over \$535.0 million. He

is widely credited with rebuilding, reenergizing and revitalizing the Democratic Party. He also served as Chairman of President Bill Clinton's 1996 re-election campaign and the 2008 presidential campaign of Secretary of State Hillary Clinton.

At age 14, Mr. McAuliffe started his first business, McAuliffe Driveway Maintenance, which sealed residential driveways and commercial parking lots in his local community of Syracuse, New York. In January 1988, when he was only 30 years old, Mr. McAuliffe became the youngest chairman of a federally chartered bank in the history of the United States. Mr. McAuliffe also served as Chairman of American Heritage Homes, one of Florida's largest homebuilding companies, as well as President of American Capital Management Company, a major developer of real estate projects.

Mr. McAuliffe started his political career in the 1980 Presidential reelection campaign of President Jimmy Carter, and at the age of 22 became the national finance director for that campaign. Mr. McAuliffe was Chairman of the 53rd Presidential Inaugural Committee and Chairman of the White House Millennium Celebration. In 2000, Mr. McAuliffe chaired the Democratic National Convention in Los Angeles. In 2009, he unsuccessfully ran for Governor of the State of Virginia. Chairman McAuliffe received a Juris Doctor degree from Georgetown University School of Law and a bachelor degree from The Catholic University of America in Washington, D.C.

On December 5, 2012, Terence R. McAuliffe announced his intention to run for Governor of the State of Virginia. The election will take place on November 5, 2013. Until the election, Mr. McAuliffe will dedicate his full time to the election campaign but will remain as a shareholder of GTA's Parent. If Mr. McAuliffe becomes Governor of Virginia, federal and state law requires that he resign all positions with GTA and appoint a representative to vote his shares of GTA's Parent. On January 7, 2013, the board of directors of GTA assigned to Mr. McAuliffe as Chairman of the Company the duties and responsibilities appropriate for a Chairman Emeritus during the course of his gubernatorial campaign.

*Charles Xiaolin Wang*, Co-Founder, GTA's President and Chief Executive Officer since its formation, has been working on developing energy efficient automotive business and technology since 2008. Mr. Wang was the chief executive officer of a publicly listed company in Hong Kong from 2007 to 2009. Starting from 2006, Mr. Wang has been the Chairman and CEO of Capital Wealth Holdings, a British Virgin Island company that has been investing in energy efficient automobile technologies. Prior to 2006, Mr. Wang served as a capital markets partner in the Washington, DC, office of a prominent New York law firm. Mr. Wang received his Juris Doctor degree with honors and Masters of Law in International and Comparative Law from Duke University School of Law, his Master of Arts degree in Development Studies from Ohio University and his Bachelor of Law degree from Xiangtan University College of Law.

*Marianne McInerney* started with GTA as Executive Vice President of Sales and Marketing in March 2012. Ms. McInerney has been immersed in the Electric Vehicle and New Energy Technologies space and advised start-ups in electric and hybrid electric vehicle space on go-to-market strategies, pricing, product features and business development. Ms. McInerney has served as a consultant to numerous EV companies in relation to sales and marketing including work with Azure Dynamics on the Ford Transit Connect Electric, its vehicle market positioning and product strategy, aligning sales strategies to align with corporate sales goals. In 2009, Ms. McInerney launched Smith Electric Vehicles in the United States and served as Vice President of Sales and Marketing moving the electric commercial truck company in a revenue positive position achieving \$18 million in sales in year one. From 2006 to 2008, Ms. McInerney served at Visionary Vehicles as the Executive Vice President. From 2003 to 2006, Ms. McInerney served as the President of the American International Automobile Dealers Association which represents over 11,000 dealer organizations in the United States on matters ranging from trade, taxation, environment and operations.

*Gary Tang*, GTA's Executive Vice President of Finance, is a seasoned professional in capital markets trading, portfolio management and operations management. Before joining GTA in 2008, Mr. Tang was a manager at Fannie Mae Capital Markets for its multi-billion dollar securities portfolio and held various other positions in the financial industry. Mr. Tang received a Masters of Business Administration degree from the

University of Miami, with honors, and a Bachelor of Economics degree from the University of International Business & Economics, Beijing, China. Mr. Tang is CFA charter holder and a member of the CFA Institute.

*Rick C. Wade*, GTA's Senior Vice President & Head of China Operations has had a distinguished career with the Department of Commerce. As a senior aide and spokesman for Secretary Gary Locke, Mr. Wade made policy and personnel decisions at the Commerce Department, worked closely with the White House to ensure President Obama's business and economic programs were implemented, and was a member of The White House Auto-Recovery Task Force that participated in reconstruction plans for Chrysler LLC and General Motors Corporation. Prior to his appointment at the Commerce Department, Mr. Wade was a key adviser to the Obama for America presidential campaign. Mr. Wade received a Bachelor of Science degree from the University of South Carolina and a Master of Public Administration from Harvard University, where he was also a Kennedy Fellow.

*Didier Verriest* joined the GTA group of companies as its Director of Global Procurement in February 2012. Mr. Verriest was recently promoted to be Vice President of Operations and Global Sourcing. From 2008 to 2011, he served as Vice President of Purchasing & Supply Chain Management (Asia and Global) for Volvo Construction Equipment. At Volvo, he led a team of over 125 personnel for purchasing and over 290 personnel for supply chain and distribution at twelve factories in the US, Europe and Asia. He significantly reduced sustainable procurement costs at Volvo Construction Equipment by improving supply chain efficiencies. From 2005 to 2008, Mr. Verriest served as Vice President Purchasing & Supply Chain of US Programs at Faurecia Interior Industries, a global automotive supplier where he also directed purchasing team and supply chain teams. Prior to that, Mr. Verriest also served as the Director of Purchasing & Supply Chain at SAS Automotive Systems and Senior Director, International Purchasing, Asia Pacific at Renault SA. Mr. Verriest has a DUT (BS equivalent) in Engineering from Institut Universitaire de Technologie, Béthune, France. Mr. Verriest also has an MBA with a concentration in Mechanical Engineering from Renault University. He is fluent in English, Spanish and French.

#### *Electrical Engineering Team*

On July 30, 2012, Youssef Daou joined GTA as a Senior Electric Vehicle and Hybrid Design Engineer. Mr. Daou has extensive technical, supplier relationships, strategy and enterprise experience in the battery industry. Prior to joining GTA, Mr. Daou served as Advanced Technical Product Development Manager at Microsun Innovative Energy Storage Systems, which produces batteries and energy management systems. From 2003-2010, he served as a Battery Technical Development Manager at Dell, Inc., where he worked on products including notebooks, netbooks, smart phones, tablets, PDA, and servers. Mr. Daou has a Master of Science, Electrical Engineering from Manhattan College in New York, New York, and a Diplome D'etudes Superior Techniques in Electronics, CNAM in Paris, France.

On July 30, 2012, Corry Davis also joined GTA as a Senior Electric Vehicle and Hybrid Design Engineer. Mr. Davis is a mechanical engineer with more than seven years of experience in design, production, and testing of motors for light duty electric vehicles. Prior to working at GTA, Mr. Davis served as Senior Mechanical Engineer at NuGen Mobility Inc. where he was the project manager overseeing NuGen Mobility's production facility in Hefei, China and the lead engineer overseeing NuGen Mobility's electromechanical designs for controllers and vehicle control products. Mr. Davis received a Bachelor of Science in Mechanical Engineering from Virginia Polytechnic Institute and State University.

#### *Family Relationships*

There are no family relationships between any of our directors or executive officers.

#### *Executive and Director Compensation*

We pay our executives a salary that we believe to be at or below market compensation for similar positions at automotive manufacturing companies. Bonuses may be awarded to employees but are discretionary.

We anticipate establishing a restricted stock plan or a stock option plan, which would compromise 10% of our total equity on an as-converted basis, as a means to retain and motivate key employees and directors (the "Incentive Plan"). Our board of directors would be authorized to grant options under the Incentive Plan.

We have entered into agreements with employees giving us the right to retain any intellectual property developed by such employee in connection with their employment with us. We do not have employment agreements with our Chairman of the Company, Chief Executive Officer, Executive Vice President Finance or Vice President and General Counsel.

### **Compensation of Directors**

Our company's directors, who are also employees, do not receive any cash compensation for service on our company's board of directors, but they may be reimbursed for certain expenses in connection with attendance at meetings of our company's board of directors and committees thereof. Nonemployee directors may also receive options to purchase shares of our company's common stock.

### **Limitation of Liability and Indemnification Matters**

GTA's Articles of Incorporation provide that, to the maximum extent allowed by law, GTA shall indemnify an officer or director for any liability, as defined in Section 79-4-8.50 of the Mississippi Code of 1972, as amended (the "Mississippi Code"), to any person for any action taken, or any failure to take any action, as an officer or director, except liability for:

- receipt of a financial benefit to which he is not entitled;
- an intentional infliction of harm on the corporation or its shareholders;
- a violation of Section 79-4-8.33 of the Mississippi Code regarding unlawful distributions; or
- an intentional violation of criminal law.

GTA's Amended and Restated Bylaws provide that GTA shall, to the maximum extent and in the manner permitted by law, indemnify each of its directors and officers against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that such person is or was an agent of the corporation. GTA's Amended and Restated Bylaws provide that GTA shall have the power, to the extent and in the manner permitted by law, to indemnify each of its employees and agents (other than directors and officers) against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that such person is or was an agent of the corporation.

GTA does not currently have any indemnification agreements with its directors or officers.

No pending litigation or proceeding involving a director, officer, associate, or other agent of our company currently exists as to which indemnification is being sought. We are not aware of any threatened litigation that may result in claims for indemnification by any director, officer, associate, or other agent of our company.

We have obtained director and officer liability insurance with respect to possible director and officer liabilities arising out of certain matters, including matters arising under the Securities Act.

# GREENTECH AUTOMOTIVE, INC.

## VII. GULF COAST MANAGEMENT LLC'S MANAGEMENT

The following discussion sets forth the names, ages, positions and descriptions of the business experience of the Management Company's executive officers and key personnel, each of whom is employed by the Management Company and provides services to the Company. Unless otherwise stated, the Management Company and the Company and their respective principals or employees have no experience or knowledge of the automotive industry and very limited experience or knowledge of the EB-5 Program.

### EXECUTIVE OFFICERS AND KEY PERSONNEL

**Tony Rodham, President & CEO.** From 2006 to the present, Mr. Rodham has been the President of Fiona Consulting LLC, a consulting firm that advises businesses in their growth. Mr. Rodham is a skilled professional in investment management and business administration. Known for his ability to bring people together, Mr. Rodham has been useful in implementing many different business ideas and international ventures. He has spent many years consulting with businessmen from around the world to help ideas materialize into successful enterprises. Mr. Rodham has been involved in political outreach since 1974, when he first worked on Bill Clinton's campaign for the House of Representatives. Later, Mr. Rodham worked with former President Bill Clinton on his Arkansas Attorney General campaign, Arkansas Gubernatorial campaigns, and Presidential campaigns. Subsequently, Mr. Rodham's political organization skills and personable nature were utilized by the Democratic National Committee for coordinating constituency outreach. Mr. Rodham also worked for his sister, Hillary Rodham Clinton, during her Senate and Presidential Campaigns. Mr. Rodham attended Iowa Wesleyan College and the University of Arkansas, but did not receive a degree from either school.

**Simone Williams, General Counsel.** Ms. Williams brings nearly 10 years of experience representing international businesses and investors in matters relating to U.S. Immigration and Corporate Compliance. Prior to joining the Regional Center, Ms. Williams worked for over seven years at Baker & McKenzie, where she managed a variety of Global Immigration and Compliance related cases. Ms. Williams is a Member of the DC Bar, Maryland State Bar, and Ontario Bar. Ms. Williams earned her Juris Doctor degree from Howard University School of Law on a full academic scholarship. She received a Bachelor of Arts Degree in Sociology from the University of Toronto, where she graduated cum laude and was on the Dean's Honor List. In 2012, she was awarded as one of the National Bar Association's Best 40 Lawyers under 40.

## **GREENTECH AUTOMOTIVE, INC.**

### **VIII. CERTAIN RELATED PARTY TRANSACTIONS**

**DUE TO ITS SENSITIVE NATURE, INFORMATION TYPICALLY FOUND IN THIS SECTION IS BEING PROVIDED PURSUANT TO A MEMORANDUM UPDATE THAT IS AVAILABLE FOR CONFIDENTIAL VIEWING BY INVESTORS AT THE MANAGEMENT COMPANY'S BEIJING OFFICE, UNIT 1712, TOWER E1, ORIENTAL PLAZA, NO.1, EAST CHANG AN AVE., DONG CHENG DISTRICT, BEIJING, 100738, PEOPLE'S REPUBLIC OF CHINA. (TEL: 86-10-85189580). PLEASE CONTACT THE BEIJING OFFICE OF GULF COAST FUNDS MANAGEMENT LLC IF YOU SEEK ALTERNATIVE VIEWING ARRANGEMENTS. PROSPECTIVE INVESTORS MUST REVIEW THE MEMORANDUM UPDATE AND SIGN AN ACKNOWLEDGEMENT TO THE COMPANY THAT SUCH INVESTOR HAS REVIEWED THE MEMORANDUM UPDATE BEFORE THE INVESTOR'S SUBSCRIPTION FOR PREFERRED SHARES WILL BE ACCEPTED.**



# GREENTECH AUTOMOTIVE, INC.

## IX. CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

EACH INVESTOR SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF HIS OR HER TAX ADVISOR WITH RESPECT TO THEIR INVESTMENT, AND EACH INVESTOR IS RESPONSIBLE FOR THE FEES OF SUCH ADVISOR. NOTHING IN THIS MEMORANDUM IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE TO AN INVESTOR. INVESTORS SHOULD BE AWARE THAT THE INTERNAL REVENUE SERVICE (THE “IRS”) MAY NOT AGREE WITH ALL TAX POSITIONS TAKEN BY THE COMPANY AND THAT CHANGES TO THE INTERNAL REVENUE CODE (THE “CODE”) OR THE REGULATIONS OR RULINGS THEREUNDER OR COURT DECISIONS AFTER THE DATE OF THIS MEMORANDUM MAY CHANGE THE ANTICIPATED TAX TREATMENT TO AN INVESTOR.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH INVESTORS UNDER THE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF PREFERRED SHARES; AND (C) PROSPECTIVE INVESTORS IN PREFERRED SHARES SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion summarizes certain material U.S. federal income tax considerations that may be relevant to the acquisition, ownership and disposition of Preferred Shares. This discussion is based upon the provisions of the Code, applicable Treasury Regulations, judicial authority and administrative interpretations, as of the date of this Memorandum, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. The Company cannot assure prospective investors that the IRS will not challenge one or more of the tax consequences described in this discussion, and the Company has not obtained, nor does it intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the U.S. federal tax consequences of acquiring, holding or disposing of the Preferred Shares. Moreover, the facts with respect to the Company's anticipated activities may not occur as set forth in this Memorandum. No assurance can therefore be given that the federal income tax treatment described herein will be applicable to the Company's activities.

This discussion does not purport to address all tax considerations that may be important to a particular investor in light of the investor's circumstances, or to certain categories of investors that may be subject to special rules. This summary does not address state, local, or foreign tax considerations. This summary of U.S. federal income tax consequences deals only with Preferred Shares held as “capital assets,” as defined in the Code, and primarily addresses the federal income tax considerations affecting an investment by individuals who are natural persons, as opposed to corporations, estates, trusts, or tax-exempt organizations, and expressly excludes (i) individuals in special tax situations, such as traders in securities, dealers in securities or currencies, persons holding securities as a “hedge,” or as a position in a “straddle,” or “conversion” transaction, or (ii) individuals whose functional currency is not the U.S. Dollar. Moreover, this discussion does not purport to deal with (x) the tax treatment of retirement plans, individual retirement accounts or other tax-deferred accounts with respect to Preferred Shares, or (y) the effect of holding Preferred Shares for an investor that has incurred interest expense properly allocable to an investment in Preferred Shares. Further, this discussion is limited to investors who purchase Preferred Shares in this offering and not to future investors that may acquire Preferred Shares from a prior investor.

The Company is taxed on its income for U.S. federal income tax purposes and an investor investing in the Company will be taxed as a shareholder of a corporation. The specific tax treatment of the investors is too complex, involves too many rules and principles (many of which entail substantial uncertainty), and is too dependent on the particular tax situation of each investor, to discuss in detail in this Memorandum. Accordingly,

the discussion below only summarizes some of the principal potential federal income tax consequences to an investor from an investment in the Company. Prospective investors are urged to consult their tax advisors as to the various tax aspects and risks associated with an investment in the Company, taking into account the investors' own specific tax situations (e.g., whether the investor is liable for alternative minimum tax).

### **Classification as a "C" Corporation**

As a "C" corporation under Subchapter C of the Code, the Company is taxed on its own income before making any distributions to its shareholders. Holders of Preferred Shares are not taxed on the Company's income. Holders of Preferred Shares are instead taxed on certain distributions received from the Company in the manner discussed below.

### **U.S. Investors and Non-U.S. Investors**

**U.S. Investor.** A "U.S. Investor" includes a beneficial owner of Preferred Shares that is, for U.S. federal income tax purposes, an individual citizen or resident of the United States. An individual is generally considered a resident of the United States for federal income tax purposes once he or she enters the United States pursuant to an immigrant visa issued under the EB-5 program, or obtains an adjustment of status from the United States Citizenship and Immigration Services, following approval of the investor's I-526 petition, even though permanent resident status is conditional for two years after the visa or status adjustment is issued.

**Non-U.S. Investor.** As used in this Memorandum, the term "non-U.S. Investor" means a beneficial owner of Preferred Shares that is not a U.S. Investor. It is not likely that investors will be considered non-U.S. Investors for any extended period. However, it should be noted that Investors shall be treated as non-U.S. Investors (i) during the period such investors are awaiting the final issuance of their immigrant visa if they enter into the United States, or (ii) if such Investors do not remove the conditional status of their U.S. residency after two years pursuant to the regulations of the United States Citizenship and Immigration Services.

Furthermore, an individual who has not been admitted to the United States as a permanent resident pursuant to an EB-5 visa or petition for adjustment of status may nevertheless, subject to exceptions, be deemed to be a resident alien (i.e., a U.S. Investor) as opposed to a non-resident alien, by, among other ways, being present in the United States:

- on at least 31 days in the calendar year, and
- for an aggregate of at least 183 days during a three-year period ending in the current calendar year, counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year.

Resident aliens under either the "green card test" or the "substantial presence rule" just described are subject to United States federal income tax as if they were U.S. Investors.

### **Taxation of Distributions in General**

**Distributions to U.S. Investors.** Distributions to U.S. Investors out of the Company's current or accumulated earnings and profits will be taxable as dividends. A U.S. Investor who receives a distribution constituting "qualified dividend income" may be eligible for favorable federal income tax rates. U.S. Investors are urged to consult their tax advisors regarding the characterization of corporate distributions as "qualified dividend income." Distributions in excess of the Company's current and accumulated earnings and profits will not be taxable to a U.S. Investor to the extent that the distributions do not exceed the adjusted tax basis of the U.S. Investor's Preferred Shares. Rather, such distributions will reduce the adjusted basis of such shares. Distributions in excess of current and accumulated earnings and profits that exceed the U.S. Investor's adjusted basis in its shares will be taxable as capital gain in the amount of such excess if the shares are held as a capital asset.

Prospective U.S. Investors should note that Section 1411 of the Code, added by the Health Care and Education Reconciliation Act of 2010 (the “2010 Act”), expands “FICA” taxes to include a new 3.8% tax on certain investment income, effective for taxable years beginning after December 31, 2012. In general, in the case of an individual, this new tax will be 3.8% of the lesser of (i) the taxpayer’s “net investment income” or (ii) the excess of the taxpayer’s adjusted gross income over the applicable threshold amount (\$250,000 for taxpayers filing a joint return, \$125,000 for married individuals filing separate returns and \$200,000 for other taxpayers). In the case of an estate or trust, the new 3.8% tax will be imposed on the lesser of (x) the undistributed net investment income of the estate or trust for the taxable year, or (y) the excess of the adjusted gross income of the estate or trust for such taxable year over a beginning dollar amount (currently \$7,500 of the highest tax bracket for such year). U.S. Investors should note that for tax years beginning in 2013 and thereafter dividends will be included as investment income in the determination of “net investment income” under Section 1411(c) of the Code. From that point in time, a U.S. Investor will be subject to the new 3.8% tax if such U.S. Investor’s adjusted gross income is in excess of the U.S. Investor’s applicable threshold amount. Further, in the case of distributions to a U.S. Investor in excess of the U.S. Investor’s adjusted basis, any taxable gain will be taken into account by the U.S. Investor for purposes of determining its “net investment income” under Section 1411(c).

**Distributions to non-U.S. Investors.** Distributions to non-U.S. Investors out of the Company’s current or accumulated earnings and profits will be taxable as United States source dividends. It is anticipated that the Company’s distributions to non-U.S. Investors will be United States source “fixed or determinable annual or periodical gains, profits and income” (as defined in the Code and including, but not limited to, interest and dividends) that is not effectively connected with a United States trade or business. Non-U.S. Investors will be generally subject to a withholding tax of 30% (unless reduced by an applicable treaty) on dividend distributions and other current distributions (distributions not made in the course of a liquidation, redemption, reorganization, or other extraordinary corporate event). Non-U.S. Investors are therefore generally subject to withholding on all current distributions with respect to their Preferred Shares even if such distributions are not considered dividend distributions of current or accumulated earnings and profits. The withholding tax imposed on a dividend distribution to a non-U.S. Investor is generally imposed on the gross amount of such dividend distribution.

#### **Taxation of Dispositions of Preferred Shares in General**

**Dispositions by U.S. Investors.** Upon any taxable sale or other disposition of his or her Preferred Shares a U.S. Investor will recognize gain or loss for federal income tax purposes on the disposition in an amount equal to the difference between:

- the amount of cash and the fair market value of any property received on such disposition; and
- the holder’s adjusted tax basis in the Preferred Shares.

A U.S. Investor’s adjusted tax basis in Preferred Shares generally equals his or her initial amount paid for the Preferred Shares and decreased by the amount of any distributions to the investor in excess of the Company’s current or accumulated earnings and profits.

In computing gain or loss, the proceeds that U.S. Investors receive will include the amount of any cash and the fair market value of any other property received for their Preferred Shares, and the amount of any actual or deemed relief from indebtedness encumbering their Preferred Shares. The gain or loss will be long-term capital gain or loss if the Preferred Shares are held for more than one year before disposition. Long-term capital gains of individuals, estates and trusts currently are taxed at a maximum rate of 15% (plus any applicable state income taxes), but this rate will increase to 20% for taxable years beginning on or after January 1, 2013 unless the change is delayed or repealed by future legislation. The deductibility of capital losses may be subject to limitation and depends on the circumstances of a particular U.S. Investor; the effect of such limitation may be to defer or to eliminate any tax benefit that might otherwise be available from a loss on a disposition of Preferred Shares. Capital losses are first deducted against capital gains, and, in the case of non-corporate taxpayers, any remaining such losses are deductible against salaries or other income from services or income from portfolio investments only to the

extent of \$3,000 per year. U.S. Investors are urged to consult with their own tax advisors with respect to their capital gains tax liability.

**Dispositions by non-U.S. Investors.** A non-U.S. Investor generally will not be subject to U.S. federal income tax on any gain realized on the sale, redemption, exchange, retirement or other taxable disposition of Preferred Shares unless:

- gain is effectively connected with the conduct of his or her U.S. trade or business (or, if a tax treaty applies to them, is attributable to their permanent establishment in the United States);
- he or she is an individual who has been present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are met; or
- he or she had previously been a citizen or long-term resident of the United States and is subject to special rules that apply to certain expatriates.

#### **Income or Gain Effectively Connected with a U.S. Trade or Business.**

The preceding discussion of the tax consequences of the purchase, ownership, and disposition of Preferred Shares by non-U.S. Investors generally assumes that they do not hold their Preferred Shares in connection with the conduct of a U.S. trade or business. If any distributions with respect to Preferred Shares or gain from the sale, exchange, or other taxable disposition of Preferred Shares is effectively connected with a U.S. trade or business conducted by non-U.S. Investors (or, if pursuant to an applicable tax treaty, is attributable to his or her permanent establishment in the United States), then the income or gain will be subject to U.S. federal income tax at regular graduated income tax rates and the non-U.S. Investor will be required to file U.S. federal income tax returns, but will not be subject to withholding tax if certain certification requirements are satisfied. Non-U.S. Investors can generally meet the certification requirements by providing a properly executed IRS Form W-8ECI or an appropriate substitute form to the Company.

#### **Information Reporting and Backup Withholding.**

**U.S. Investors.** Information reporting will apply to payments of distributions with respect to Preferred Shares, and to proceeds of the sale, redemption, or other disposition of, Preferred Shares held by a U.S. Investor, and backup withholding may apply to payments of distributions unless the U.S. Investor provides the appropriate intermediary with a taxpayer identification number, certified under penalties of perjury, as well as certain other information, or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a credit against U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed a U.S. Investor's actual U.S. federal income tax liability and such U.S. Investor timely provides the required information or appropriate claim form to the IRS.

**Non-U.S. Investors.** Payments of distributions allocated to non-U.S. Investors, and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and to such non-U.S. Investors. United States backup withholding tax generally will not apply to payments of distributions on Preferred Shares held by a non-U.S. Investor if the non-U.S. Investor provides the Company with the relevant IRS Form W-8, duly completed and executed, or the non-U.S. Investor otherwise establishes an exemption, provided that the Company does not have actual knowledge or reason to know that the non-U.S. Investor is a United States person.

Payment of the proceeds of a disposition of Preferred Shares effected by the U.S. office of a U.S. or foreign broker will be subject to information reporting requirements and backup withholding unless non-U.S. Investors properly certify under penalties of perjury as to their foreign status and certain other conditions are met or they otherwise establish an exemption. The backup withholding tax rate is currently 28%. For payments made after 2012, the backup withholding rate will be increased to 31%.

Any amount withheld under the backup withholding rules may be credited against the non-U.S. Investor's U.S. federal income tax liability, if any, and any excess may be refundable if the proper information is timely provided to the IRS and an income tax return is filed.

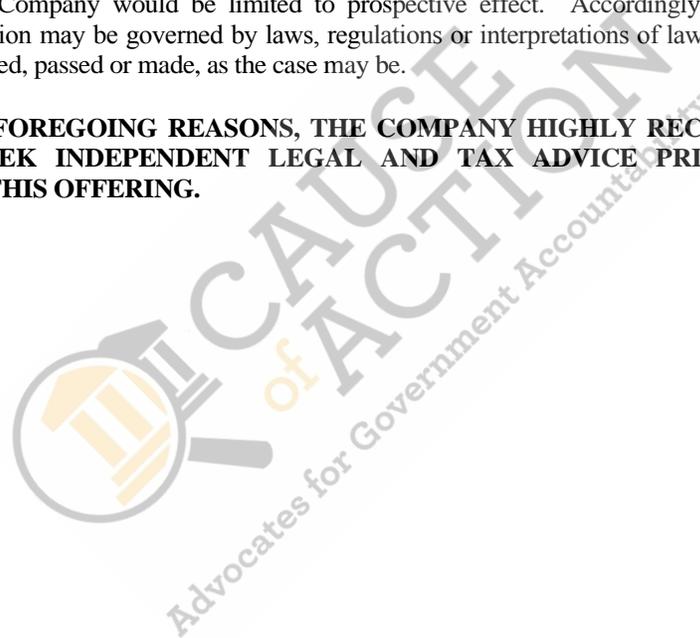
#### **Possible FATCA Withholding**

Beginning in 2014, amounts paid to an investor through an account maintained at a non-U.S. financial institution could be subject to a 30% withholding tax (or a lower rate if an applicable tax treaty applied), if the non-U.S. financial institution is not a "Participating Foreign Financial Institution." Investors who intend to hold their Preferred Shares at a non-U.S. financial institution, or intend to direct payments on their Preferred Shares to be made to an account at a non-U.S. financial institution, are urged to consult with their own tax advisors regarding withholding under the Financial Account Tax Compliance Act ("FATCA") provisions of the Code.

#### **Possible Changes in Federal Tax Laws**

The Code is subject to change by Congress, and interpretations of the Code may be modified or affected by judicial decisions, by the Treasury Department through changes in Regulations and by the Service through its audit policy, announcements, and published and private rulings. Although significant changes historically have been given prospective application, no assurance can be given that any changes made in the tax law affecting an investment in the Company would be limited to prospective effect. Accordingly, the ultimate effect on an investor's tax situation may be governed by laws, regulations or interpretations of laws or regulations which have not yet been proposed, passed or made, as the case may be.

**FOR ALL THE FOREGOING REASONS, THE COMPANY HIGHLY RECOMMENDS THAT ALL INVESTORS SEEK INDEPENDENT LEGAL AND TAX ADVICE PRIOR TO PURCHASING INTERESTS IN THIS OFFERING.**



# GREENTECH AUTOMOTIVE, INC.

## X. CERTAIN REGULATORY CONSIDERATIONS

In the United States NEVs are regulated as a “low speed vehicle” by the NHTSA and are regulated under federal standard FMVSS500. This calls for such features as seatbelts, headlights and tail lights, and automotive glass. Under federal regulations, MyCars will be restricted from highway use. In Europe MyCar will be regulated as an ECE L7e vehicle, defined as four wheel vehicles, with a maximum unladen mass of 400kg or 550kg for a goods carrying vehicle (not including the mass of the batteries in an electrically powered vehicle) and a maximum net power, whatever the type of engine or motor, of 15kW. Furthermore, ECE L7e regulations mandate compliance with braking, electromagnetic interference, demist/defrost, wash/wipe, and seatbelt anchorage strength requirements, among other provisions.

In the United States, our Vehicles may be subject to numerous regulatory requirements established by the NHTSA including applicable FMVSSs. As a manufacturer, we must self-certify that a vehicle meets or otherwise obtains an exemption from all applicable FMVSSs, as well as the NHTSA bumper standard, before the vehicle can be imported into or sold in the United States. There are numerous FMVSSs that may apply to our intended vehicles. Examples of these requirements include:

- Electric vehicle requirements, including limitations on electrolyte spillage, battery retention, and avoidance of electric shock following specified crash tests;
- Crash-worthiness requirements, including applicable and appropriate level of vehicle structure and occupant protection in frontal, side and interior impacts including through use of equipment such as seat belts and airbags which must satisfy applicable requirements;
- Crash avoidance requirements, including appropriate steering, braking, electronic stability control and equipment requirements, such as, headlamps, tail lamps, and other required lamps, all of which must conform to various photometric and performance requirements;
- Windshield defrosting and defogging requirements; and
- Rearview mirror requirements.

Several FMVSS regulations that NHTSA has promulgated or amended recently contain provisions requiring increasing percentages of a manufacturer’s vehicles to comply over phase-in periods. Those FMVSSs generally allow low volume manufacturers (those who manufacture fewer than 5,000 vehicles annually for sale in the United States) and limited line manufacturers (those who sell three or fewer vehicle lines in the United States) to defer compliance until the end of the phase-in period. Initially, we intend to qualify as both a low volume manufacturer and a limited line manufacturer, and as a result, we expect to be initially exempt from certain requirements, such as some new advanced airbag requirements, the advanced side impact requirements, and certain electronic stability control requirements, until the end of the applicable phase-in periods.

We are also required to comply with other NHTSA regulations, including the Corporate Average Fuel Economy standards, consumer information labeling requirements, early warning reporting requirements regarding warranty claims, field reports, death and injury reports and foreign recalls, and owner’s manual requirements.

We anticipate that the vehicles we intend to sell in Europe will be subject to European Union safety regulations. In Europe MyCar will be regulated as an ECE L7e vehicle, defined as four wheel vehicles, with a maximum unladen mass of 400kg (or 550kg for a goods carrying vehicle) without battery and a maximum net power, whatever the type of engine or motor, of 15kW. EU Directives also provide design specifications for vehicles such as forward vision, rearward vision, interior dimensions and exterior dimensions. Specifically, ECE L7e regulations mandate compliance with braking, electromagnetic interference, demist/defrost, wash/wipe, and

seatbelt anchorage strength requirements, among other provisions. Many of the EU requirements are different from FMVSSs and may require additional design and testing. Such differences relate to forward vision, allowable radii and protrusion of exterior and interior components, lighting design and installations, and drive-by noise limits, among others. Furthermore, several occupant safety tests contained in the European Union Directives are structured differently from those contained in the FMVSS regulations.

Other countries have similar laws to the United States and/or the European Union but may have their own requirements. If we expand our sales market to these countries, any car sold for that market will have to comply with such requirements.

The Federal Trade Commission (“FTC”) requires us to calculate and display the range of our electric vehicles on a label we affix to the vehicle’s window. The FTC specifies that we follow testing requirements set forth by the Society of Automotive Engineers (“SAE”), which further requires that we use the EPA’s combined city and highway testing cycles. The EPA announced in November 2009 that it would develop and establish new energy efficiency testing methodologies for electric vehicles. Based on initial indications from the EPA, we believe it is likely that the EPA will modify its testing cycles in a manner that, when applied to our vehicles, could reduce the advertised range of our vehicles by up to 30%. However, there can be no assurance that the modified EPA testing cycles will not result in a greater reduction. To the extent that the FTC adopts these procedures in place of the current procedures from the SAE, this could impair our ability to advertise our cars as a vehicle that has a range of 50 to 115 miles.

The Automobile Information and Disclosure Act (“AIDA”) requires manufacturers of motor vehicles to disclose certain information regarding the manufacturer’s suggested retail price, optional equipment and pricing. In addition, the Act requires inclusion of crash test ratings as determined by NHTSA if such tests are conducted.

#### *State Regulation*

State law regulates the manufacture, distribution and sale of automobiles, and generally requires motor vehicle manufacturers and dealers to be licensed. Currently, we are not registered as a motor vehicle manufacturer or dealer in the State of Mississippi or any other state. A number of states prohibit automobile manufacturers from making direct sales other than to independent dealerships. In such states, we may be unable to directly sell to our target customers. We will need to identify states that permit direct sales by manufacturers to pursue our current marketing strategy. Some states have requirements that service facilities be available for vehicles sold in the state. In addition, state laws may require us to provide specified product warranties to our customers. State laws may also restrict the ability of licensed dealers to advertise or take deposits for vehicles before they are available. In addition to licensing laws, specific laws and regulations in each of the states (and their interpretation by regulators) may limit or determine how we intend to sell, market, advertise, and otherwise solicit sales, take orders, take reservations and reservation payments, deliver, and service vehicles for consumers and engage in other activities in that state. The foregoing examples of state laws governing the sale of motor vehicles are just some of the regulations we will face as we sell our vehicles.

#### *Environmental Regulations*

GTA is subject, both in the United States and abroad, to national, state, provincial and/or local environmental laws and regulations, including laws relating to the use, handling, storage, disposal and human exposure to hazardous materials. GTA will also have to comply with any laws regarding health and safety including the regulations of the Occupational Safety and Health Administration.

Certain automobile components are made of materials that may be considered “hazardous substances” under environmental laws, including lithium-ion cells. We may from time to time ship, handle, or assemble such components. Such activities will need to comply with all environmental laws and such costs are likely to increase as production increases. For example, there are regulations governing the assembly and transportation of lithium-ion batteries, such as the UN Recommendations of the Safe Transport of Dangerous Goods Model Regulations and regulations adopted by the U.S. Pipeline and Hazardous Materials Safety Administration. In addition, we may

become responsible for the final disposal of batteries used in our Vehicles as a result of stricter laws governing recycling, especially in Europe. If not properly disposed, electric car batteries will pose serious environmental and fire hazards because of the chemicals and metals contained therein. Additionally, our construction and operation of our Facility and the Pilot Production Facility will also need to comply with all environmental laws. While the amount of such costs and expenses are difficult to estimate, we believe that the costs and expenses of compliance with environmental laws may result in material increases in overhead costs and/or increased component costs.

#### *Import/Export Regulations*

Any products produced at the Facility and ultimately transferred for sale in a foreign country will need to comply with the export laws of the United States and the import laws of one or more foreign countries. Both the import and export of products requires significant costs to comply with these regulations, including import and export duties and fees, and applicable taxes. In certain countries, we or our dealers may need to obtain an import license or similar approval.

#### *U.S. Securities Act of 1933*

The offer and sale of Preferred Shares have not and will not be registered under the Securities Act, or any other securities law, including state securities or blue sky laws. Within the United States, this offering is made as a private placement pursuant to Section 4(2) of the Securities Act and Regulation D promulgated thereunder, and only to parties that are “accredited investors” as defined in Rule 501(a) of Regulation D. Outside the United States, this offering is made pursuant to Regulation S under the Securities Act, only to parties that are not “U.S. Persons” as defined in such regulation.

The Company will require each investor to represent in writing, among other things, that: (i) by reason of the investor’s business or financial experience, or that of the investor’s professional advisor, the investor is capable of evaluating the merits and risks of an investment in the Company and of protecting his or her own interests in connection with such investment; (ii) the investor is acquiring Preferred Shares for his or her own account and not with a view toward the distribution thereof; and (iii) the investor is aware that the Preferred Shares and Common Shares have not been registered under the Securities Act, any State securities laws or any applicable securities laws of other countries (“Foreign Securities Laws”), that transfer thereof is restricted by such laws, the Subscription Agreement and the absence of a market for the Preferred Shares and that accordingly the investor will not transfer his or her Preferred Shares other than: (A) pursuant to registration under the Securities Act, pursuant to an exemption therefrom, or in a transaction outside the United States pursuant to the resale provisions of Regulation S; (B) pursuant to an exemption from the registration requirements of Foreign Securities Laws, if any, applicable to the transfer; and (C) otherwise in compliance with the terms of the Subscription Agreement. With respect to interests offered and sold within the United States, the Company will additionally require each investor to represent in writing that the investor is an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the Securities Act.

With respect to interests offered and sold outside the United States, the Company will additionally require each investor to represent in writing, among other things, that: (i) the investor is not a “U.S. person” as defined in Regulation S under the Securities Act and is not acquiring an interest in the Company for the account or benefit of any “U.S. person”; (ii) at the time the investor executes and delivers its subscription to purchase Preferred Shares, the investor is outside of the United States; and (iii) the investor will not engage in hedging transactions with respect to Preferred Shares unless in compliance with the Securities Act.

It is not contemplated that registration of the Preferred Shares under the Securities Act or other securities laws will ever be affected. There is no public market for the Preferred Shares, and none is expected to develop.

#### *U.S. Investment Advisers Act of 1940*

The Management Company is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Management Company reserves the right to register as an

investment adviser under the Advisers Act in the future. Each Preferred Shareholder will be required to represent to the Company that it is a “qualified client” under the Investment Advisors Act.

#### *Non-United States Securities Law Matters*

Offers and sales of Preferred Shares will not be registered under the laws of any jurisdiction. Neither the securities commission of any non-United States jurisdiction nor any other agency has reviewed or passed upon the merits of this offering.

#### *Anti-Money Laundering Requirements*

In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the Company may request prospective purchasers of Preferred Shares and Preferred Shareholders to provide additional documentation verifying, among other things, such purchaser’s or investor’s identity and source of funds used to purchase Preferred Shares. The Company may decline to accept a subscription if this information is not provided or on the basis of such information that is provided. Requests for additional documentation may be made at any time. The Company may be required to provide this information, or report the failure to comply with such requests, to governmental authorities in certain circumstances without notifying the investor or investors that the information has been provided. The Company will take such steps as it determines may be necessary to comply with applicable law, regulations, orders, directives or special measures that may be required by government regulators. Governmental authorities are continuing to consider appropriate measures to implement anti-money laundering laws, and at this point it is unclear what steps the Company may be required to take; however, these steps may include prohibiting such investor or investors from making further contributions or advances to the Company, as applicable, depositing distributions to which such investor or investors would otherwise be entitled in an escrow account, and/or causing the withdrawal of such investor or investors from the Company, as applicable.

#### *The PATRIOT and Related Acts*

Preferred Shares may not be offered, sold, transferred or delivered, directly or indirectly, to any “Unacceptable Investor.” “Unacceptable Investor” means any person who is a:

- person or entity who is a “designated national,” “specially designated national,” “specially designated terrorist,” “specially designated global terrorist,” “foreign terrorist organization,” or “blocked person” within the definitions set forth in the Foreign Assets Control Regulations of the United States Treasury Department;
- person acting on behalf of, or an entity owned or controlled by, any government against whom the United States maintains economic sanctions or embargoes under the Regulations of the United States Treasury Department—including, but not limited to—the “Government of Sudan,” the “Government of Iran,” the “Government of Libya” and the “Government of Iraq;”
- person or entity who is within the scope of Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001; or
- person or entity subject to additional restrictions imposed by the following statutes or Regulations and Executive Orders issued thereunder: the Trading with the Enemy Act, the Iraq Sanctions Act, the National Emergencies Act, the Antiterrorism and Effective Death Penalty Act of 1996, the International Emergency Economic Powers Act, the United Nations Participation Act, the International Security and Development Cooperation Act, the Nuclear Proliferation Prevention Act of 1994, the Foreign Narcotics Kingpin Designation Act, the Iran and Libya Sanctions Act of 1996, the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act and the Foreign Operations, Export Financing and Related Programs Appropriations Act, or any other

law of similar import as to any non-U.S. country, as each such Act or law has been or may be amended, adjusted, modified or reviewed from time to time.



# GREENTECH AUTOMOTIVE, INC.

## XI. SECURITIES LAW LEGENDS

### NOTICE TO NON-U.S. INVESTORS GENERALLY

**THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER AND SALE OF PREFERRED SHARES IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES MAY BE RESTRICTED BY LAW. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. PROSPECTIVE NON-U.S. INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF PREFERRED SHARES, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.**

Preliminary Note: As used herein, the term “Preferred Shares” shall mean Series A-2 Preferred Shares of GreenTech Automotive, Inc. (the “Company”)

### NOTICE TO RESIDENTS OF EU MEMBER STATES

The European Union Prospectus Directive (203/71/EC) (the “Prospectus Directive”), as implemented by the member states of the European Union, contains various exemptions from the prospectus requirements arising under the Prospectus Directive and under the securities laws of the European Union member states. To the extent such exemptions apply to the offering of Preferred Shares, the Company reserves the right to offer the Preferred Shares in accordance with such exemptions, notwithstanding references herein to any other provision of the securities laws of any European Union member state.

Each person in a relevant member state who receives any communication in respect of, or who acquires any securities under, the offer contemplated in this Memorandum will be deemed to have represented, warranted and agreed that: (i) the investor is a qualified investor within the meaning of the law in that relevant member state implementing article 2(1)(E) of the Prospectus Directive and (ii) in the case of any securities acquired by the investor as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (A) the securities acquired by the investor in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant member state other than qualified investors, as that term is defined in the Prospectus Directive, or (B) where securities have been acquired by the investor on behalf of persons in any relevant member state other than qualified investors, the offer of those securities to the investor is not treated under the Prospectus Directive as having been made to such persons.

### NOTICE TO RESIDENTS OF HONG KONG

The contents of this Memorandum have not been reviewed or approved by any regulatory authority in Hong Kong. This Memorandum does not constitute an offer or invitation to the public in Hong Kong to acquire the Preferred Shares. Accordingly, except as permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issuing, this Memorandum or any advertisement, invitation or document relating to Preferred Shares, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than in relation to Preferred Shares which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) (the “SFO”) and the subsidiary legislation made thereunder) or in circumstances which do not constitute an offer or an invitation to the public for the purposes of the SFO. The offer of Preferred Shares is personal to the person or company to whom this Memorandum has been delivered by or on behalf of the Company, and a subscription for Preferred Shares will only be accepted from such person or company. No person or company to whom a copy of this

Memorandum is issued may issue, circulate or distribute this Memorandum in Hong Kong or make or give a copy of this Memorandum to any other person. Each Hong Kong resident is advised to exercise caution in relation to the offer of Preferred Shares and to obtain independent professional advice regarding such offering.

#### **NOTICE TO RESIDENTS OF JAPAN**

No public offering of Preferred Shares is being made to investors resident in Japan. Preferred Shares are being offered only to a limited number of investors in Japan pursuant to applicable exemptions from the registration requirements of the Financial Instruments and Exchange Law. Neither the Company nor any of its affiliates is or will be registered as a “financial instruments firm” pursuant to the Financial Instruments and Exchange Law. Neither the Financial Services Agency of Japan nor the Kanto Local Finance Bureau has passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Preferred Shares to investors resident in Japan.

#### **NOTICE TO RESIDENTS OF PEOPLE’S REPUBLIC OF CHINA**

No invitation to offer, or offer for, or sale of, Preferred Shares will be made to the public in the People’s Republic of China (which, for such purposes, does not include the Hong Kong or Macau special administrative regions or Taiwan) or by any means that would be deemed public under the laws of the People’s Republic of China. The information relating to Preferred Shares contained in this Memorandum has not been submitted to or approved by the China Securities Regulatory Commission or other relevant governmental authorities in the People’s Republic of China. Preferred Shares may only be offered or sold to Chinese investors that are authorized to buy and sell securities denominated in foreign exchange. Potential investors resident in the People’s Republic of China are responsible for obtaining all relevant approvals from the Chinese government authorities, including but not limited to the State Administration of Foreign Exchange, before purchasing Preferred Shares.

#### **NOTICE TO RESIDENTS OF SINGAPORE**

This Memorandum has not been lodged or registered as a prospectus with the Monetary Authority of Singapore and the offering of Preferred Shares is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Preferred Shares will be offered in Singapore only pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “Act”). Accordingly, the Company has not offered or sold and will not offer or sell Preferred Shares nor will it circulate or distribute this Memorandum or any other offering document or material relating to the Preferred Shares, either directly or indirectly, in Singapore other than in circumstances under which such offer, sale, circulation or distribution are permitted under the Act.

#### **NOTICE TO RESIDENTS OF THE REPUBLIC OF KOREA**

This Memorandum is not, and under no circumstances is to be construed as, a public offering of securities in the Republic of Korea (“South Korea”). Neither the Company nor any placement agent makes any representation with respect to the eligibility of any recipients of this Memorandum to acquire the interests under the laws of South Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The Preferred Shares have not been registered under the Securities and Exchange Act, Securities Investment Trust Business Act or the Securities Investment Company Act of South Korea, and none of the Preferred Shares may be offered, sold or delivered, directly or indirectly, or offered or sold to any person for reoffering or re-sale, directly or indirectly, in South Korea or to any resident of South Korea, except pursuant to the applicable laws and regulations of South Korea.

#### **NOTICE TO RESIDENTS OF TAIWAN (REPUBLIC OF CHINA)**

Preferred Shares cannot be offered, distributed or resold to the public within the Republic of China without prior approval from the regulatory authorities in the Republic of China.

# GREENTECH AUTOMOTIVE, INC.

## XII. ADDITIONAL INFORMATION

Prior to the consummation of the offering, the Company will provide to each prospective investor and such investor's representatives and advisors, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information which the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. Any such questions should be directed as set forth below. No other persons have been authorized to give information or to make any representations concerning this offering and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company.

Prospective investors may request additional information by contacting the following persons:

GreenTech Automotive, Inc.  
Attn.: **Mr. Lee Burlison**  
1600 Tysons Blvd, Suite 1150  
McLean, VA 22102  
Tel: (703) 666-9001  
Fax.: (703) 666-9008

**THIS MEMORANDUM IS INTENDED TO PRESENT A GENERAL OUTLINE OF THE OFFERING OF PREFERRED SHARES AND THE STRUCTURE OF THE COMPANY. THE SUBSCRIPTION AGREEMENT AND THE ARTICLES OF INCORPORATION, WHICH SPECIFIES THE RIGHTS AND OBLIGATIONS OF THE PREFERRED SHAREHOLDERS, SHOULD BE REVIEWED THOROUGHLY BY EACH PROSPECTIVE INVESTOR. THE SUMMARY OF PRINCIPAL TERMS OF CERTAIN PROVISIONS OF PREFERRED SHARES AND THE SUBSCRIPTION AGREEMENT AND THE OFFERING OF PREFERRED SHARES CONTAINED HEREIN IS NECESSARILY INCOMPLETE AND IS QUALIFIED BY REFERENCE TO SUCH AGREEMENT AND DOCUMENTS. COPIES OF THE SUBSCRIPTION AGREEMENT, ARTICLES OF INCORPORATION AND BYLAWS OF THE COMPANY WILL BE MADE AVAILABLE UPON REQUEST.**