

Birch

Birch North Carolina Regional Center

Approved USCIS Regional Center



City of Wilmington Convention Center Hotel Project

Birch | Capital
LLC

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- ◆ Embassy Suites Flag (Hilton Hotels)
- ◆ 186 Rooms/Suites With Dining And Meeting Space
- ◆ Adjacent To New Convention Center
- ◆ Located In A TEA – Only \$500,000 Investment
- ◆ Anticipated Completion Fall 2015
- ◆ \$33,000,000 Total Project Cost
- ◆ \$9,000,000 EB-5 Preferred Equity Investment
- ◆ Number Of Investors - 18
- ◆ Number Of Jobs Projected - 338 (Direct & Indirect)
- ◆ Number Of Jobs Required - 180
- ◆ Experienced Development Team
- ◆ Endorsed By City Of Wilmington Government

This is not an offer to sell securities or the solicitation of an offer to purchase securities. Any offer of securities may only be made pursuant to a written offering memorandum and any sale of securities shall be evidenced by a subscription agreement executed by the investor.

Rev. 020514

Project Details

The Developer, Wilmington Convention Hotel, LLC, an affiliate of Harmony Hospitality, Inc. of Virginia Beach, Virginia, will be the developer and owner of the Wilmington, North Carolina convention center hotel. The hotel will be developed on a site adjacent and connected to the Wilmington Convention Center. The Convention Center and hotel site is in downtown Wilmington, fronting on the Cape Fear River, and accessed by North Water Street and Estelle Lee Drive.

Wilmington is a port city located in New Hanover County, North Carolina, near the state's southeastern border with South Carolina and within several miles of the Atlantic coastline in the region known as Cape Fear. Wilmington is the county seat of New Hanover County and is the principal city of the Wilmington Metropolitan Statistical Area. Over one million people live in the region, and its growing population includes newly arriving residents from around the world at all stages of life and career. Demographers project continued population growth for Southeast North Carolina during the coming five years, with all counties expected to see positive increases in residents. The region's workforce, which now numbers nearly 500,000, includes a diverse cross-section of workers in agriculture, manufacturing, distribution, construction, healthcare, government and the professions. Top private employers include GE, Smithfield Foods, Goodyear Tire & Rubber, Wal-Mart Corp., PPD, Inc., and International Paper.

The Wilmington Convention Center opened in November 2010 and held its grand opening in January 2011. The 107,000 square foot convention center offers approximately 63,000 square feet meeting space including a 30,000 square foot exhibit hall, 12,000 square foot ballroom, eight break-out rooms, and outdoor event lawn fronting the Cape Fear River and an adjacent 581 space parking deck.



Wilmington, N.C. Convention Center

The building that is the subject of this development will be a full service Embassy Suites hotel comprising approximately 186 hotel rooms and suites, meeting and conference facilities to complement the convention center and a full-service restaurant. The hotel site is located immediately adjacent to (and will be connected to) the convention center and its existing parking deck. Parking for the hotel will be by designated spaces within the existing parking structure. The facility is scheduled for groundbreaking in early 2014 with completion by Fall 2015.



Typical Embassy Suites Hotel

The Developer expects that the Hotel will be a Hilton flagged Embassy Suites hotel. Embassy Suites Hotels is the nation's largest brand of upscale, suite hotels with more total suites than any of its competitors. Embassy Suites Hotels helped create the all-suite segment of the lodging industry and remains a leader in this segment in terms of system size, geographic distribution, brand-name recognition and operating performance. Created in 1983, Embassy Suites Hotels was a pioneer in the all-suite concept and today is a market share leader with more than 200 locations and almost 50,000 suites in the United States, Canada and Latin America.

The Jacob France Institute of the Merrick School of Business at the University of Baltimore estimates job creation of 215 direct construction and support jobs during the construction phase and approximately permanent 207 jobs (including the multiplier effect) after the building is operational. Of these jobs, it is expected that 338 direct and indirect jobs may be counted for EB-5 job creation purposes.

The location of the hotel has been designated within a Targeted Employment Area (TEA) by the State of North Carolina.

Construction will be funded through a combination of financing from a bank loan, the EB-5 Limited Partnership equity investment, and developer cash equity. The following is a summary of projected sources and uses of funds:

Sources of Funds:

Bank Loan	\$21,000,000
Birch Fund Preferred Equity (EB-5 funds)	\$ 9,000,000
Harmony Cash Equity	\$ 3,250,000
<i>Total Sources of Funds</i>	\$33,250,000

Uses of Funds:

Hotel Construction Cost	\$33,250,000
<i>Total Uses of Funds</i>	\$33,250,000

The Limited Partnership, Birch Wilmington Fund, L.P., will enter into an Agreement to Purchase Preferred Equity in the Developer. The Limited Partnership will become a preferred equity owner in the Developer entity. The proceeds of the preferred equity purchase by the Limited Partnership will be used to help fund the costs of building the convention center hotel as outlined above.

The amount of the preferred equity investment to be made by the Limited Partnership in the Developer is a maximum of \$9,000,000, based upon the number of Units sold pursuant to this Offering and the number of direct and indirect jobs that will be created by the hotel development. In the event that the Limited Partnership does not purchase the maximum preferred equity amount, the Developer will arrange for alternative financing to make up the difference between the \$9,000,000 and the actual final amount of the preferred equity.

It is the Developer's intention to repurchase the preferred equity interests of the Limited Partnership in approximately five (5) years from the date of preferred equity funding with the proceeds of long term financing or from other sources, or from a sale of the property. In no event will the preferred equity interests held by the Limited Partnership be repurchased by the Developer before the investors in the Limited Partnership have their conditions removed from his/her permanent resident visa by way of each investor's I-829 petition. **However, there will be no guarantee that the Developer will be able to repurchase the preferred equity interests of the Limited Partnership at that time.**

Project Location



Wilmington, N.C. Convention Center Hotel Site



Contact Information

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Qualified investor registration is available on our web site at <http://www.birchcapital.com>