



EB-5 Program

Overview & Birch Capital Experience

www.birchcapital.com

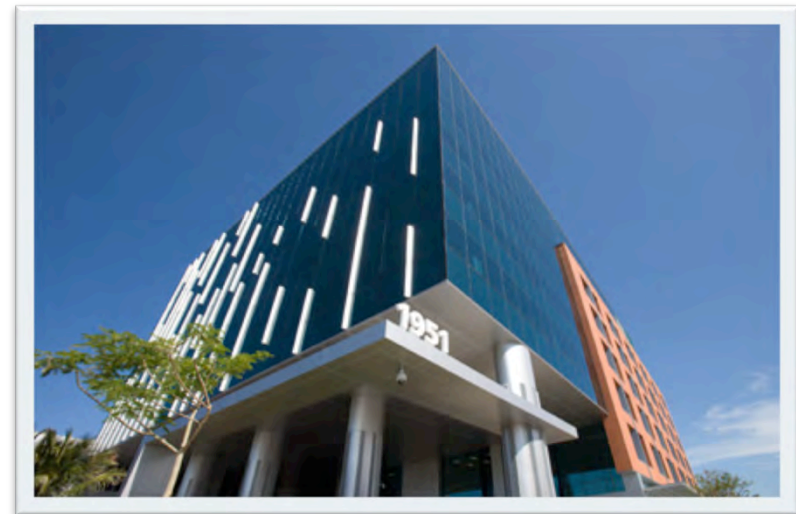
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Birch Capital LLC

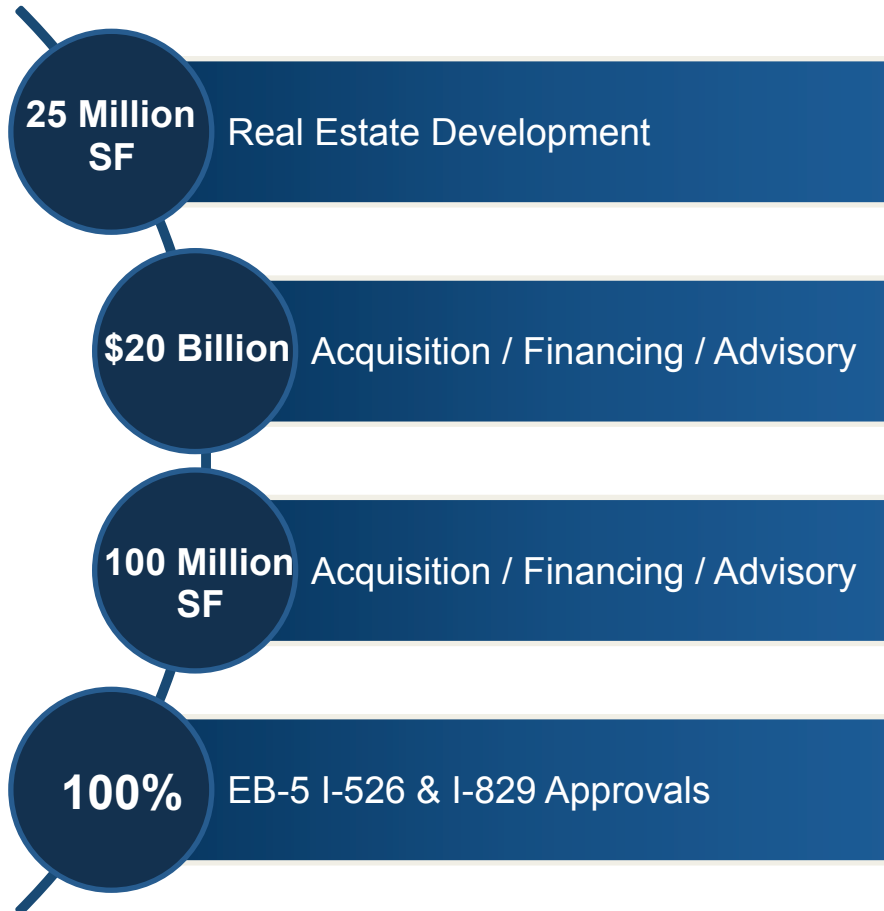
ABOUT BIRCH

Birch Capital Overview

- ◆ **Birch Capital LLC** is a commercial real estate investment firm that invests in projects through funding obtained from the U.S. EB-5 Immigrant Investor Pilot Program, as well as traditional capital sources.
- ◆ Birch invests in select real estate projects that provide a significant economic benefit to a community or region – in the form of job creation and tax revenue.
- ◆ Birch can provide debt and equity capital for projects including:
 - Hospitals & medical buildings
 - Municipal facilities
 - Institutional & special-use projects
 - Hotels
 - Mixed-use real estate
 - Traditional commercial real estate
- ◆ The Birch team is comprised of experienced real estate professionals as well as experts in the field of securities and immigration law.



Birch Capital Experience



- ◆ **Birch** has relationships with a broad spectrum of investors and clients, including:
 - Leading financial institutions & investment banks
 - National real estate companies & developers
 - Fortune 500 corporations
 - Leading retail companies

Senior Management

◆ Ben Cummings, Senior Advisor

- Ben is a founder and Senior Advisor of Birch Capital LLC. He advises on all real estate-related legal matters, as well as investment project identification and evaluation. Ben also oversees all economic studies to determine compliance with the USCIS unemployment rate and job creation criteria for our EB-5 projects.



◆ Bruce Ricciuti, Managing Director

- Bruce is a founder and Managing Director of Birch Capital LLC. He is responsible for sourcing investment projects, underwriting and conducting all due diligence processes, oversees the process of placing capital into investment projects and managing investor and banking relationships.



Track Record



- ◆ Investment
 - The Lakes at Myrtle Park – Bluffton, SC
 - Class A multi-family property
- ◆ Acquisition
 - Patent First Corporation – Baltimore, MD
 - The Company has over 40 urgent care locations
- ◆ Project Management
 - CarMax, Inc. – Richmond, VA
 - 230,000 SF corporate headquarters
- ◆ Advisory
 - Barnett Shale – Fort Worth, TX
 - Net lease advisory for shale gas well sites
- ◆ Private Equity
 - Blue Heron Capital – Fund I

U.S. EB-5 Immigrant Investor Pilot Program

WHAT IS EB-5?

EB-5 Program Overview

- ◆ Legislation enacted in 1991 to stimulate economic activity and create jobs for U.S. workers
- ◆ Provides eligible aliens the opportunity to become permanent residents
- ◆ Foreign investors invest funds in a “Regional Center”, an economic unit involved with the promotion of economic growth
- ◆ Regional Center operators act as intermediaries and are called “sponsors”
- ◆ Individual investments are pooled (since 1993) to fund large job-creating developments or businesses



**U.S. Citizenship
and Immigration
Services**



EB-5 Criteria

- ◆ \$500,000 unit investment
- ◆ Must create 10 new jobs for each \$500,000 of equity/loan investment
- ◆ Project must be in a Targeted Employment Area (150% of the national average unemployment) or in a rural area
- ◆ Below market rates; funds may be used as equity, first mortgage debt or mezzanine debt
- ◆ Funding timeline can be from 15-18 months
- ◆ Five Year Terms; Foreign investors prefer exit strategy in year 5 & return of principal
- ◆ Investments are made through a limited partnership or LLC
- ◆ Partner status satisfies investor's "direct and control" requirement

Benefits of EB-5 Funding

- ◆ Low interest rate funding to developer in the form of debt or equity for 5+ years
- ◆ Can fit anywhere in the capital structure and works with other federal, state or local sources of funds
- ◆ Uses a passive investor funding entity
- ◆ Less stringent underwriting than conventional debt



EB-5 Enabling Innovation

- ◆ Innovation projects, especially in life sciences & technology, are well suited for EB-5 investment
- ◆ Most foreign investors from China, South Korea and India are well educated in the sciences and understand medical, research & technology fields and like the university connection
- ◆ Many seek EB-5 visas so that their children can be educated in, and remain in, the U.S.
- ◆ University research parks are innovation ecosystems that spur economic development and create jobs, making EB-5 a viable form of alternative financing



Challenges with EB-5 Funding

- ◆ Project must be in a Targeted Employment Area “TEA” (high unemployment or rural)
- ◆ Job creation requirements (10 jobs per investment)
- ◆ USCIS Delays – Can take 15-18 months or more from inception to funding
- ◆ Need an exit strategy to return funds after 5 years
- ◆ Documentation intensive (offering documents, partnership agreements, USCIS filings, marketing materials)
- ◆ Compliance reporting requirements

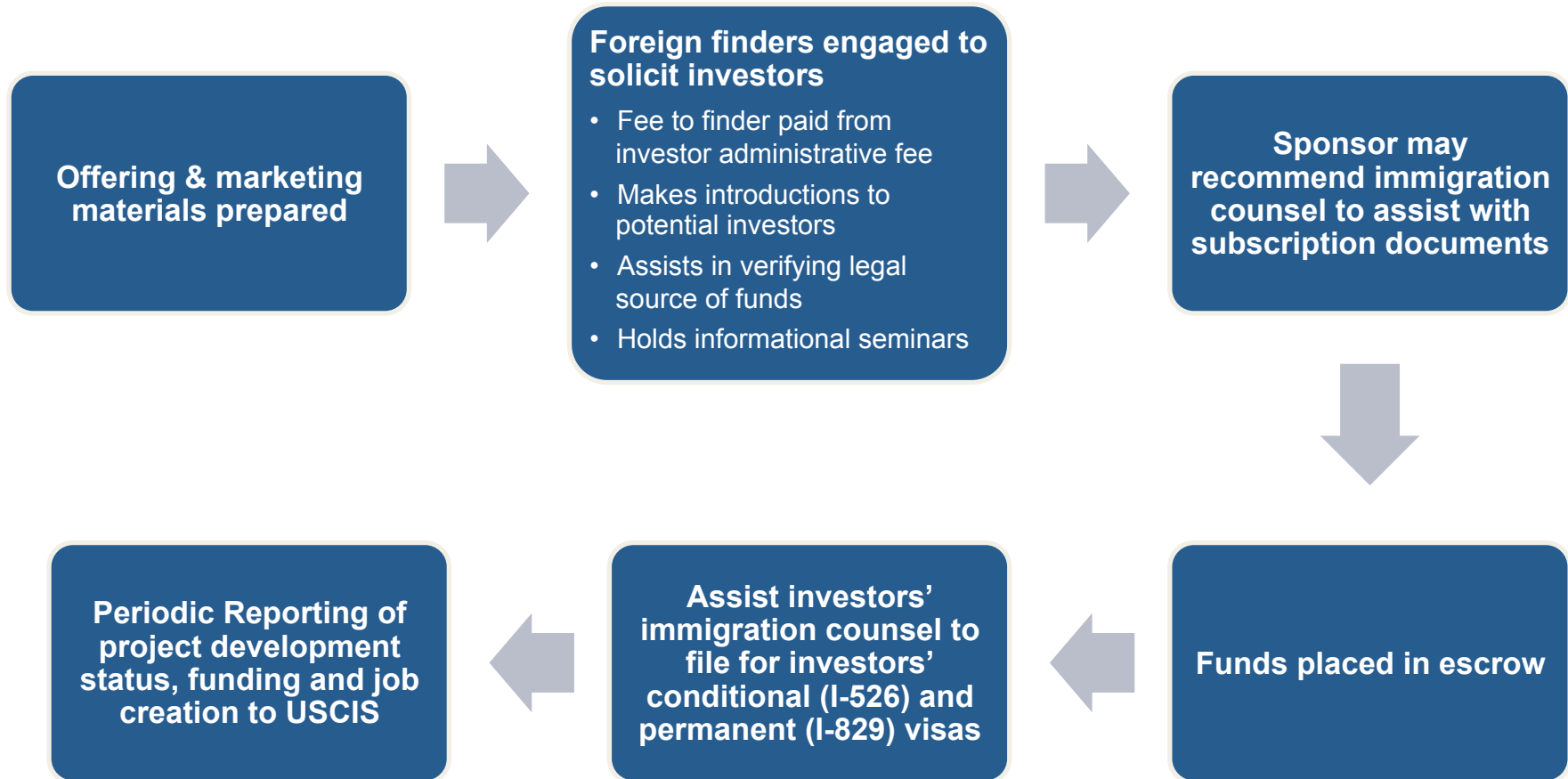


Role of “Sponsor”

- ◆ Manage preparation of offering documents
- ◆ Create marketing materials
- ◆ Contract with foreign “finders” to solicit investors
- ◆ Coordinate 3rd party advisors (securities counsel, immigration counsel, economists, real estate counsel, business plan writers)
- ◆ Manage the funding entity during the 5-year compliance period
- ◆ Assist investors with subscription documents & manage funds in escrow
- ◆ File for investors’ conditional (I-526) and permanent (I-829) visas
- ◆ Track and report job creation



Investor Solicitation Process



Birch EB-5 Team



Birch Capital LLC
EB-5 Lender
www.birchcapital.com



Miller Mayer LLP
Immigration Counsel
<http://www.millermayer.com>



BirchLEAF LLC
Birch EB-5 Project
<http://umlsp.com/>



Birch MD BioPark
Birch EB-5 Project
<http://www.umbiopark.com/>



EB-5 Jobs for Massachusetts, Inc.
Regional Center
<http://www.eb5ma.com>



Hirschler Fleischer
Securities & Corporate/Real Estate Counsel
<http://www.hf-law.com>



Evans, Carroll & Associates
Economic Study
<http://www.evanseb5.com>



Lucid Professional Writing
EB-5 Compliant Business Plan
<http://lucidtext.com>

Regional Center Projects

BIRCH EB-5

Birch Capital EB-5 Experience

- ◆ **Birch Capital** and its affiliates have identified several investment opportunities in the life sciences, university, and municipal/hotel project sector.
- ◆ Birch is currently involved with:
 - **Miami Life Science & Technology Park**
 - **University of Maryland BioPark**
 - **Wilmington Convention Center Hotel**
- ◆ These projects have Regional Centers that are USCIS-approved.



BirchLEAF Miami 31 Regional Center

University of Miami Life Sciences & Technology Park



- ◆ Project **Sold Out**
- ◆ Located in Miami Health District
- ◆ 252,000 SF Life Science Building
- ◆ Completed June 2011
- ◆ Project Cost: \$107 million
- ◆ EB-5 Loan: \$20 million
- ◆ 40 Investors
- ◆ 1500+ jobs projected
- ◆ 400 jobs required
- ◆ **I-526s Approved March 2011**
- ◆ **I-829s Approved April 2014**

Birch MD BioPark Regional Center

- ◆ University of Maryland BioPark
- ◆ Located in Baltimore, Maryland within a Targeted Employment Area (TEA)
- ◆ 198,000 SF building to be leased to life science affiliated tenants
- ◆ \$84,783,000 Development Cost
- ◆ \$10,000,000 EB-5 Funding
- ◆ 20 Investors
- ◆ 739 jobs projected
- ◆ 200 jobs required



Birch North Carolina Regional Center



- ◆ Located in Wilmington, NC within a Targeted Employment Area (TEA)
- ◆ Adjacent to new Convention Center
- ◆ Embassy Suites Flag (Hilton Hotels)
- ◆ Anticipated Completion – Late 2015
- ◆ \$33,000,000 Project Cost
- ◆ \$9,000,000 EB-5 Funding
- ◆ 18 Investors
- ◆ Preferred Equity Investment
- ◆ 346 jobs projected
- ◆ 180 jobs required

The Point, Boston, Massachusetts

- ◆ 23 Story Luxury Mixed-Use Development
- ◆ Urban Location in Boston's Fenway Neighborhood
- ◆ Project Cost \$199,000,000
- ◆ EB-5 Loan \$49,500,000
- ◆ 99 Investors
- ◆ 1452 Jobs Projected
- ◆ 990 Jobs Required
- ◆ Highly Experience Development Team
- ◆ Endorsed by City of Boston Government
- ◆ Partnered with EB-5 Jobs for Massachusetts, Inc. Regional Center



The Point

Contact Us

- ◆ To receive more information about EB-5 investing please visit www.birchEB5.com
- ◆ Visit www.birchcapital.com/contact/borrower for a downloadable version of this presentation



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