OMB No. 1615-0061; Expires 01/31/2015

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-924A, Supplement to Form I-924

Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Barber	Patrick	J.

In Care Of: Encore Enterprises Incorporated

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas (b)(6)	State: TX	Zip Code: 75244

Date of Birth (mm/dd/yyyy):	Fax Number (include area code): (214) 259-7001	Telephone Number (include area code): (214) 259-7000

Web site address: www.encore.bz

USCIS-assigned number for the Designated Regional Center (attach the Regional Center's most recently issued approval notice) RC ID1201850576

Part 2. Application Type *(check one)*

☒ a. Supplement for the Fiscal Year Ending September 30, 2014 *(YYYY)*

☐ b. Supplement for a Series of Fiscal Years Beginning on October 1, _____ *(YYYY)* and Ending on September 30, _____ *(YYYY)*

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals, or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Encore Raleigh/Durham Regional Center

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas	State: TX	Zip Code: 75244

Web site Address: http://encoreeb5.com/eb-5-regional-centers/	Fax Number (include area code): (214) 259-7001	Telephone (include area code): (214) 259-7000

B. Name of Managing Company/Agency: Encore Enterprises Incorporated

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas	State: TX	Zip Code: 75244

Web site Address: www.encore.bz	Fax Number (include area code): (214) 259-7001	Telephone (include area code): (214) 259-7000

C. Name of Other Agent: Encore Global Investment Management, LLC

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas	State: TX	Zip Code: 75244

Web site Address: http://encoreeb5.com/	Fax Number (include area code): (214) 259-7001	Telephone (include area code): (214) 259-7000

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RECD 05/14/2014 2014
C30056

Part 3. Information About the Regional Center *(Continued)*

Answer the following questions for the time period identified in **Part 2** of this form. **Note:** If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1. Identify the aggregate EB-5 capital investment and job creation has been the focus of EB-5 capital investments sponsored through the regional center. (**Note:** Separately identify jobs maintained through investments in "troubled businesses.")

Aggregate EB-5 Capital Investment	Aggregate Direct and Indirect Job Creation	Aggregate Jobs Maintained
0	0	0

2. Identify each industry that has been the focus of EB-5 capital investments sponsored through the Regional Center, and the resulting aggregate EB-5 capital investment and job creation. (**Note:** Separately identify jobs maintained through investments in "troubled businesses".)

a. Industry Category Title:		NAICS Code for the Industry Category — — — — — —
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:
b. Industry Category Title:		NAICS Code for the Industry Category — — — — — —
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:
c. Industry Category Title:		NAICS Code for the Industry Category — — — — — —
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:

3. Provide the following information for each job creating commercial enterprise located within the geographic scope of your regional center that has received EB-5 investor capital:

a. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State: TX	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes?		☐ No	☐ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State: TX	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

b. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code
EB-5 Capital Investment	Direct and Indirect Job Creation	Jobs Maintained	

Part 3. Information About the Regional Center *(Continued)*

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

c. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

Part 3. Information About the Regional Center *(Continued)*

d. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

e. Name of Commercial Enterprise:		Industry Category Title:	
Address Street Number and Name:	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.			
(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

4. Provide the total number of approved, denied and revoked Form I-526 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-526 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
0	0	0

5. Provide the total number of approved, denied and revoked Form I-829 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-829 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
0	0	0

NOTE: USCIS may require case-specific data relating to individual EB-5 petitions and the job creation determination and further information regarding the allocation methodologies utilized by a regional center in certain instances in order to verify the aggregate data provided above.

Part 4. Applicant Signature *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete* ***Part 5.***

I certify, under penalty of perjury under the laws of the United States of America, that this supplemental form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant	**Printed Name of Applicant**	**Date** *(mm/dd/yyyy)*
	Patrick J. Barber	11/21/2014
Daytime Phone Number *(Area/Country Codes)* (214)259-7000	**E-Mail Address** pbarber@encore.bz	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.) President of Managing Member		

Part 5. Signature of Person Preparing This Form, If Other Than Above *(Sign Below)*

I declare that I prepared this form using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information are those provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☒ Yes

Signature of Preparer	**Printed Name of Preparer**	**Date** *(mm/dd/yyyy)*
	Shae Armstrong	11/21/2014
Firm Name and Address Law Office of Shae Armstrong, PLLC 6119 Greenville Ave., Suite 607 Dallas, Texas 75206		
Daytime Phone Number *(Area/Country Codes)* (214) 557-7300	**Fax Number** *(Area/Country Codes)* (214)292-8416	**E-Mail Address** (b)(6) [redacted]

COPY

RECEIPT NUMBER RCW1433952034		CASE TYPE I924A Supplement to Form I-924
RECEIVED DATE November 24, 2014		APPLICANT BARBER, PATRICK J
NOTICE DATE December 05, 2014	PAGE 1 of 1	
ENCORE RALEIGH/DURHAM REGIONAL CENTER 5005 LYNDON B JOHNSON FREEWAY STE 1200 DALLAS TX 75244		NOTICE TYPE: Receipt Notice

Receipt Notice - This notice confirms that USCIS received your application or petition as shown above. Please reference the receipt number, above, on any correspondence with USCIS. If any of the above information is incorrect, please immediately contact us at USCIS.ImmigrantInvestorProgram@dhs.gov to let us know. This will help avoid future problems.

This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing time – Processing times vary by kind of case. You can check our website at www.uscis.gov for our current processing times for this kind of case at the particular office to which this case is or becomes assigned. If you do not receive an initial decision or update from us within our current processing time, email us at USCIS.ImmigrantInvestorProgram@dhs.gov. Save this notice, and any other notice we send you about this case, and please make and keep a copy of any papers you send us by any means along with any proof of delivery to us. Please have all these papers with you if you contact us about this case.

If your address changes – If your mailing address changes while you case is pending, notify us at USCIS.ImmigrantInvestorProgram@dhs.gov, otherwise you may not receive notice of our action on this case.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
P.O. BOX 30111
LAGUNA NIGUEL CA 92607-0111
Customer Service Telephone: (800) 375-5283

Department of Homeland Security
U.S. Citizenship and Immigration Services

OMB No. 1615-0061; Expires 01/31/2015

Form I-924A, Supplement to Form I-924

Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Barber	Patrick	J.

In Care Of: Encore Enterprises Incorporated

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas (b)(6)	State: TX	Zip Code: 75244

Date of Birth *(mm/dd/yyyy)*:	Fax Number *(include area code)*: (214) 259-7001	Telephone Number *(include area code)*: (214) 259-7000

Web site address: www.encore.bz

USCIS-assigned number for the Designated Regional Center (attach the Regional Center's most recently issued approval notice) RC ID1201850576

Part 2. Application Type *(check one)*

☒ a. Supplement for the Fiscal Year Ending September 30, 2013 *(YYYY)*

☐ b. Supplement for a Series of Fiscal Years Beginning on October 1, _____ *(YYYY)* and Ending on September 30, _____ *(YYYY)*

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals, or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Encore Raleigh/Durham Regional Center

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas	State: TX	Zip Code: 75244

Web site Address: http://encoreeb5.com/eb-5-regional-centers/	Fax Number *(include area code)*: (214) 259-7001	Telephone *(include area code)*: (214) 259-7000

B. Name of Managing Company/Agency: Encore Enterprises Incorporated

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas	State: TX	Zip Code: 75244

Web site Address: www.encore.bz	Fax Number *(include area code)*: (214) 259-7001	Telephone *(include area code)*: (214) 259-7000

C. Name of Other Agent: Encore Global Investment Management, LLC

Street Address/P.O. Box: 5005 Lyndon B. Johnson Freeway, Suite 1200

City: Dallas	State: TX	Zip Code: 75244

Web site Address: http://encoreeb5.com/	Fax Number *(include area code)*: (214) 259-7001	Telephone *(include area code)*: (214) 259-7000

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Part 3. Information About the Regional Center *(Continued)*

Answer the following questions for the time period identified in **Part 2** of this form. **Note:** If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1. Identify the aggregate EB-5 capital investment and job creation has been the focus of EB-5 capital investments sponsored through the regional center. (**Note:** Separately identify jobs maintained through investments in "troubled businesses.")

Aggregate EB-5 Capital Investment	Aggregate Direct and Indirect Job Creation	Aggregate Jobs Maintained
0	0	0

2. Identify each industry that has been the focus of EB-5 capital investments sponsored through the Regional Center, and the resulting aggregate EB-5 capital investment and job creation. (**Note:** Separately identify jobs maintained through investments in "troubled businesses".)

a. Industry Category Title:		NAICS Code for the Industry Category — — — — — —
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:
b. Industry Category Title:		NAICS Code for the Industry Category — — — — — —
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:
c. Industry Category Title:		NAICS Code for the Industry Category — — — — — —
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:

3. Provide the following information for each job creating commercial enterprise located within the geographic scope of your regional center that has received EB-5 investor capital:

a. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State: — —	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes?		☐ No	☐ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

b. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code
EB-5 Capital Investment	Direct and Indirect Job Creation	Jobs Maintained	

Part 3. Information About the Regional Center *(Continued)*

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

c. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

Part 3. Information About the Regional Center *(Continued)*

d. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

e. Name of Commercial Enterprise:		Industry Category Title:	
Address Street Number and Name:	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? ☐ No ☐ Yes

Part 3. Information About the Regional Center *(Continued)*

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.			
(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

4. Provide the total number of approved, denied and revoked Form I-526 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-526 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
0	0	0

5. Provide the total number of approved, denied and revoked Form I-829 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (**Note:** If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-829 Petition Final Case Actions		
Approved	**Denied**	**Revoked**
0	0	0

NOTE: USCIS may require case-specific data relating to individual EB-5 petitions and the job creation determination and further information regarding the allocation methodologies utilized by a regional center in certain instances in order to verify the aggregate data provided above.

Part 4. Applicant Signature *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete* ***Part 5.***

I certify, under penalty of perjury under the laws of the United States of America, that this supplemental form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant	**Printed Name of Applicant**	**Date** *(mm/dd/yyyy)*
	Patrick J. Barber	11/20/2013
Daytime Phone Number *(Area/Country Codes)*	**E-Mail Address**	
(214)259-7000	pbarber@encore.bz	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.)		
President of Managing Member		

Part 5. Signature of Person Preparing This Form, If Other Than Above *(Sign Below)*

I declare that I prepared this form using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information are those provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☒ Yes

Signature of Preparer	**Printed Name of Preparer**	**Date** *(mm/dd/yyyy)*
	Shae Armstrong	11/20/2013
Firm Name and Address		
Law Office of Shae Armstrong, PLLC 5430 LBJ Freeway, Suite 1200 Dallas, Texas 75240		
Daytime Phone Number *(Area/Country Codes)*	**Fax Number** *(Area/Country Codes)*	**E-Mail Address**
(214) 557-7300	(214)292-8416	(b)(6) [redacted]

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

U.S. Citizenship and Immigration Services

Date: JUN 12 2013

Patrick J. Barber
Encore Raleigh/Durham Regional Center
5005 LBJ Freeway, Suite 1200
Dallas, TX 75244

Application:	Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program
Applicant:	Patrick J. Barber
Re:	Initial Regional Center Designation Encore Raleigh/Durham Regional Center RCW1201850576 / ID1201850576

This notice is in reference to the Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on January 18, 2012. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

I. Executive Summary of Adjudication

1. Effective the date of this notice, USCIS approves the Form I-924 request to designate Encore Raleigh/Durham Regional Center as a qualifying participant in the Immigrant Investor Program.

II. Regional Center Designation

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

A. Geographic Area

State	Counties
North Carolina	Durham
	Johnston
	Orange
	Wake

B. Industry Categories

NAICS	Industry Name
2362	Nonresidential Building Construction
5413	Architectural, Engineering, and Related Services
42	Wholesale Trade

III. Job Creation

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this regional center proposal. The job creation methodology presented in the economic impact analysis and underlying business plan is found to be reasonable based on the following inputs, when applying the RIMS II economic model:

NAICS	Industry Name	Input ($Millions)	Multiplier	Jobs
2362	Nonresidential Building Construction			
5413	Architecture, Engineering, and Related Services			
42	Wholesale Trade			

*Indirect and induced jobs only.

The approval of this Form I-924 application is based upon the economically and statistically valid assumptions and estimates provided in the business plan for job creation. Please refer to the input and multiplier analysis table above. (b)(4)

When filing Form I-526, it will be the responsibility of the individual investor to submit a comprehensive, detailed and credible business plan, showing by a preponderance of the evidence that his or her investment in the new commercial enterprise will create not fewer than 10 full-time positions. If prior to filing a form I-829, the job creation estimated in the business plan submitted by the individual investor materially changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

IV. Guidelines for Filing Form I-526 Petitions

Each individual petition, in order to demonstrate that it is affiliated with the Encore Raleigh/Durham Regional Center, LLC, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).

2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.

3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).

4. Legally executed organizational documents of the commercial enterprise.

Note: The projects reviewed with this Form I-924 application are hypothetical projects. Organizational and transactional documents associated with the new commercial enterprise (NCE) submitted with this Form I-924 have not been reviewed to determine compliance with program requirements since these documents will receive de novo review in subsequent filings (e.g., an amended Form I-924 application with a Form I-526 exemplar or the first Form I-526 petition filed by an investor under the regional center project).

V. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the

regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable, as any changes in management of the regional center will require the approval of an amendment to the approved regional center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov.

Sincerely,

Daniel M. Renaud
Acting Chief, Immigrant Investor Program

cc: M. Ford, Esq.

COPY

RECEIPT NUMBER		CASE TYPE I924A
RCW1333351310		Supplement to Form I-924
RECEIVED DATE		APPLICANT
November 25, 2013		BARBER, PATRICK J
NOTICE DATE	PAGE	
November 29, 2013	1 of 1	
ENCORE RALEIGH/DURHAM REGIONAL CENTER 5005 LYNDON B JOHNSON FREEWAY STE 1200 DALLAS TX 75244		NOTICE TYPE: Receipt Notice

Receipt Notice - This notice confirms that USCIS received your application or petition as shown above. Please reference the receipt number, above, on any correspondence with USCIS. If any of the above information is incorrect, please immediately contact us at USCIS.ImmigrantInvestorProgram@dhs.gov to let us know. This will help avoid future problems.

This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing time – Processing times vary by kind of case. You can check our website at www.uscis.gov for our current processing times for this kind of case at the particular office to which this case is or becomes assigned. If you do not receive an initial decision or update from us within our current processing time, email us at USCIS.ImmigrantInvestorProgram@dhs.gov. Save this notice, and any other notice we send you about this case, and please make and keep a copy of any papers you send us by any means along with any proof of delivery to us. Please have all these papers with you if you contact us about this case.

If your address changes – If your mailing address changes while you case is pending, notify us at USCIS.ImmigrantInvestorProgram@dhs.gov, otherwise you may not receive notice of our action on this case.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
P.O. BOX 30111
LAGUNA NIGUEL CA 92607-0111
Customer Service Telephone: (800) 375-5283

VI. Posting of Regional Center information on USCIS website.

Please use the following contact information for our regional center on your website:

Name of the regional center:	Encore Raleigh/Durham Regional Center
Public address:	5005 LBJ Freeway, Suite 1200
Public point of contact:	Patrick J. Barber
Phone/fax:	214-259-7000 / 214-259-7001
Email:	encoreeb5@encore.bz
Website:	www.encoreeb5.com

VII. List of Submissions

We hereby submit the following items as part of our Regional Center application and request for exemplar approval:

1. Form G-28, Notice of Entry of Appearance as Attorney;
2. Form I-924, Application for Regional Center;
3. Filing fee check in the amount of $6,230 payable to U.S. Department of Homeland Security;
4. Index of Exhibits and key documents;
5. **Exhibit A**, Operational Business Plan with attached maps, Economic Impact Study, pro forma financial statement, and organizational documents;
6. **Exhibit B**, Sample offering documents; and
7. **Exhibit C**, Regional Center Structure overview.

We look forward to the approval of this application for Regional Center designation for ERDRC. Please contact the undersigned with any questions or concerns.

Respectfully,

Brian Graham

Enclosures

Strasburger
ATTORNEYS AT LAW

January 16, 2012

BRIAN GRAHAM
Board Certified in Immigration and Nationality Law- Texas Board of Legal Specialization

brian.graham@strasburger.com
512.499.3605

USCIS
California Service Center
Attn: EB-5 Processing Unit
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

VIA FEDERAL EXPRESS

RE: **Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program**

Applicant: Encore Raleigh/Durham Regional Center

Dear Officer:

We hereby submit this application to designate the Encore Raleigh/Durham Regional Center ("ERDRC") as an approved Regional Center under the Immigrant Investor Pilot Program and in accordance with your regulations at 8 C.F.R. §204.6 and 8 CFR §216.6 (the "EB-5 Regulations").

The Manager of ERDRC Regional Center will be Encore Global Investment Management, LLC (the "Manager"), a subsidiary of Encore Equities Management, LLC, which in turn is a subsidiary of Encore Enterprises, Inc. ("Encore"). Encore is an entity born in 1999 as a diversified commercial real estate firm founded on the belief that by staying ahead of the market curve, Encore would be able to maximize opportunities to identify unique real estate investments. The company develops and redevelops mixed-use complexes, limited and full-service hotels, multi-family, retail projects and office buildings. In addition, Encore manages hotel and luxury vacation condominium resort properties as well as homeowner associations. By managing ERDRC and ERDRC funds, the Manager's team will bring investment, marketing and immigration expertise to ERDRC, creating a unique strategic partnership to develop the highest quality EB-5 investment opportunities for each ERDRC Fund investor, and spurring job creation for U.S. workers within the boundaries of the proposed Regional Center.

In accordance with USCIS regulations, the Manager will raise and deploy EB-5 capital into multiple, new commercial enterprises ("NCEs") and job creating entities ("JCEs") located within the territory of the ERDRC Regional Center.

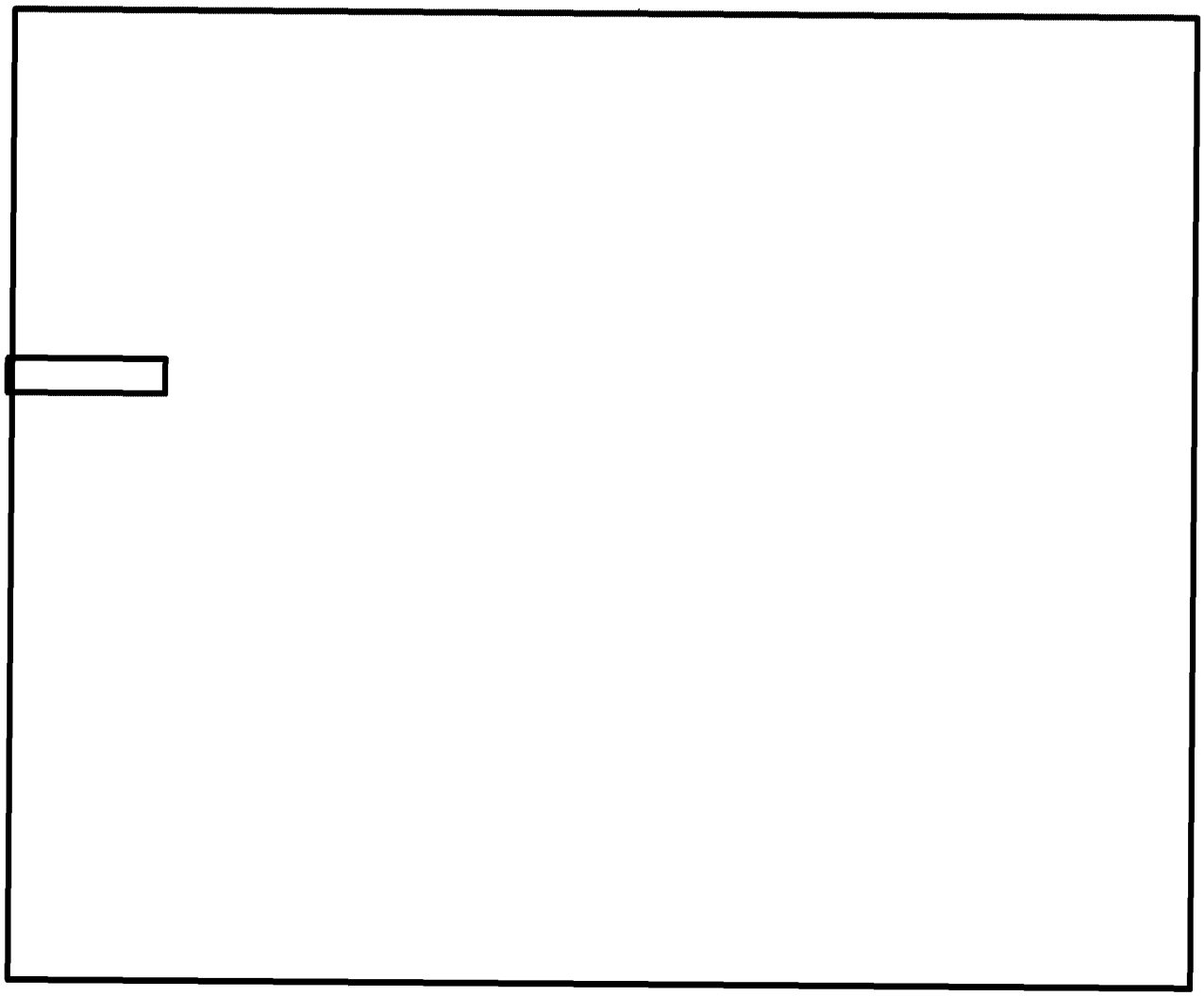
Our initial evidence submitted with this application addresses each of the following requirements:

I. The Regional Center is focused on a specific, contiguous geographic area.

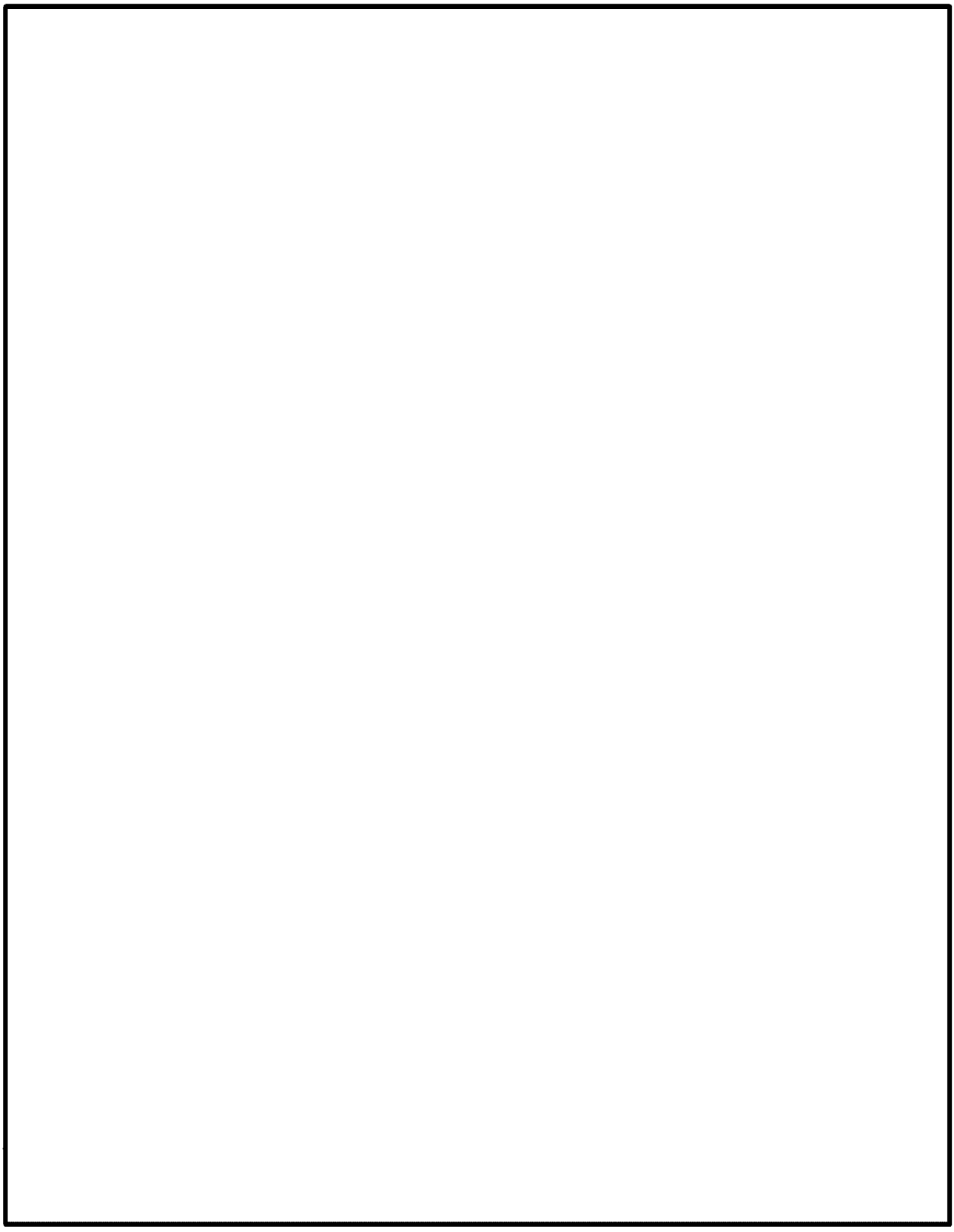
Appendix A of the Operational Business Plan describes the geographic boundaries of the proposed Regional Center. The geographic area of the proposed regional center is a contiguous area consisting of the following North Carolina counties: Chatham, Durham, Franklin, Johnston, Orange, Person, and Wake, which comprise the combined Raleigh-Cary and Durham-Chapel Hill MSA's. A detailed map of the proposed geographic area of the Regional Center can be found in the Operational Business Plan at Appendix A as well as the Executive Summary.

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II. At least 10 new full-time jobs will be created by each individual alien investor within the Regional Center, either directly or indirectly.



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Please refer to the Business Model section of the Operational Business Plan as well as Appendix B for more details.

III. The Regional Center Operational Business Plan addresses promotional activities, budgeting, recruitment and due diligence.

IV. The Regional Center Operational Business Plan predicts the prospective impact of investment projects with respect to increases in household earnings, greater demand for services & utilities, and construction.

V. The Regional Center Operational Business Plan fully describes the organizational structure of the proposed Regional Center.

A description of the organizational structure, including charts and diagrams, may be found in the Operational Business Plan in the EXECUTIVE SUMMARY section, with more detailed information in the BUSINESS MODEL and MANAGEMENT TEAM sections.

(b)(4)

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4	Operating Agreement-Encore Global Investment Management LLC (Manager)
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6	ERDRC -Fund I LP-Private Offering Memorandum
7	ERDRC -Fund I LP-Limited Partnership Agreement
8	Escrow Agreement
9	Management Agreement
10	Regional Center Structure

OPERATIONAL BUSINESS PLAN

ENCORE RALEIGH/DURHAM REGIONAL CENTER
c/o Encore Global Investment Management, LLC
5005 LBJ Freeway, Suite 1200
Dallas, Texas 75244
214.259.7000 (telephone)
214.259.7001 (fax)
Attn: Patrick J. Barber

ENCORE GLOBAL

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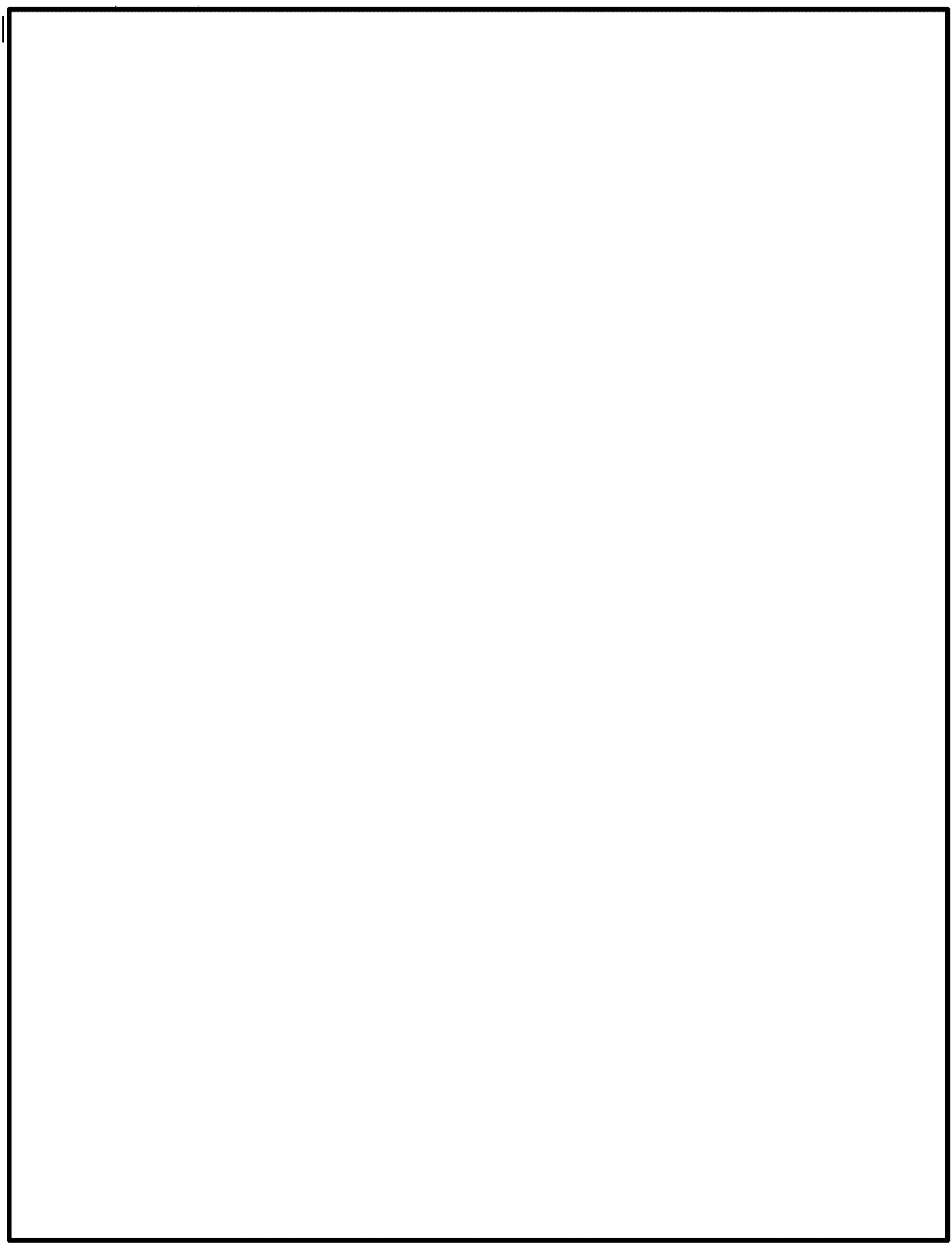
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EXECUTIVE SUMMARY

Overview



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Figure 1: Regional Center Ownership Structure

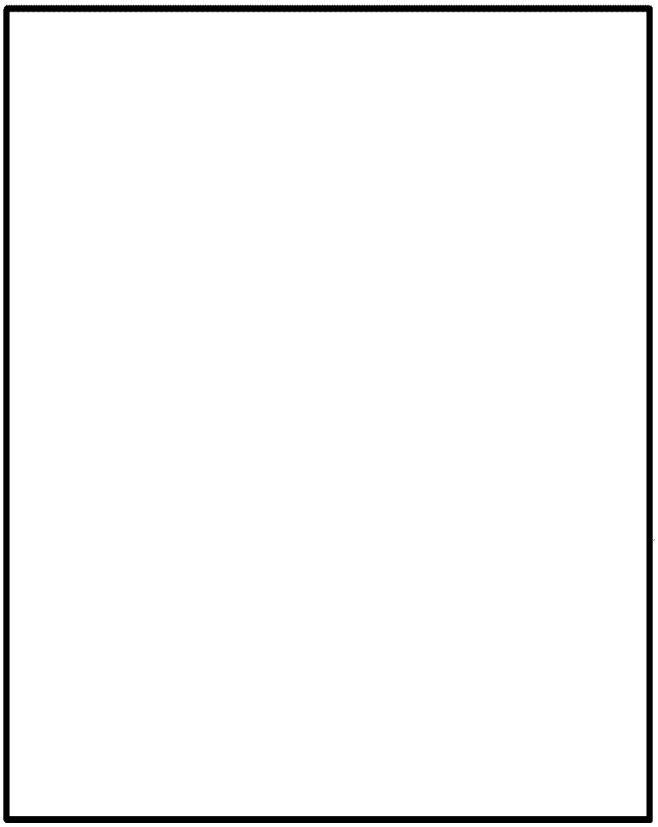
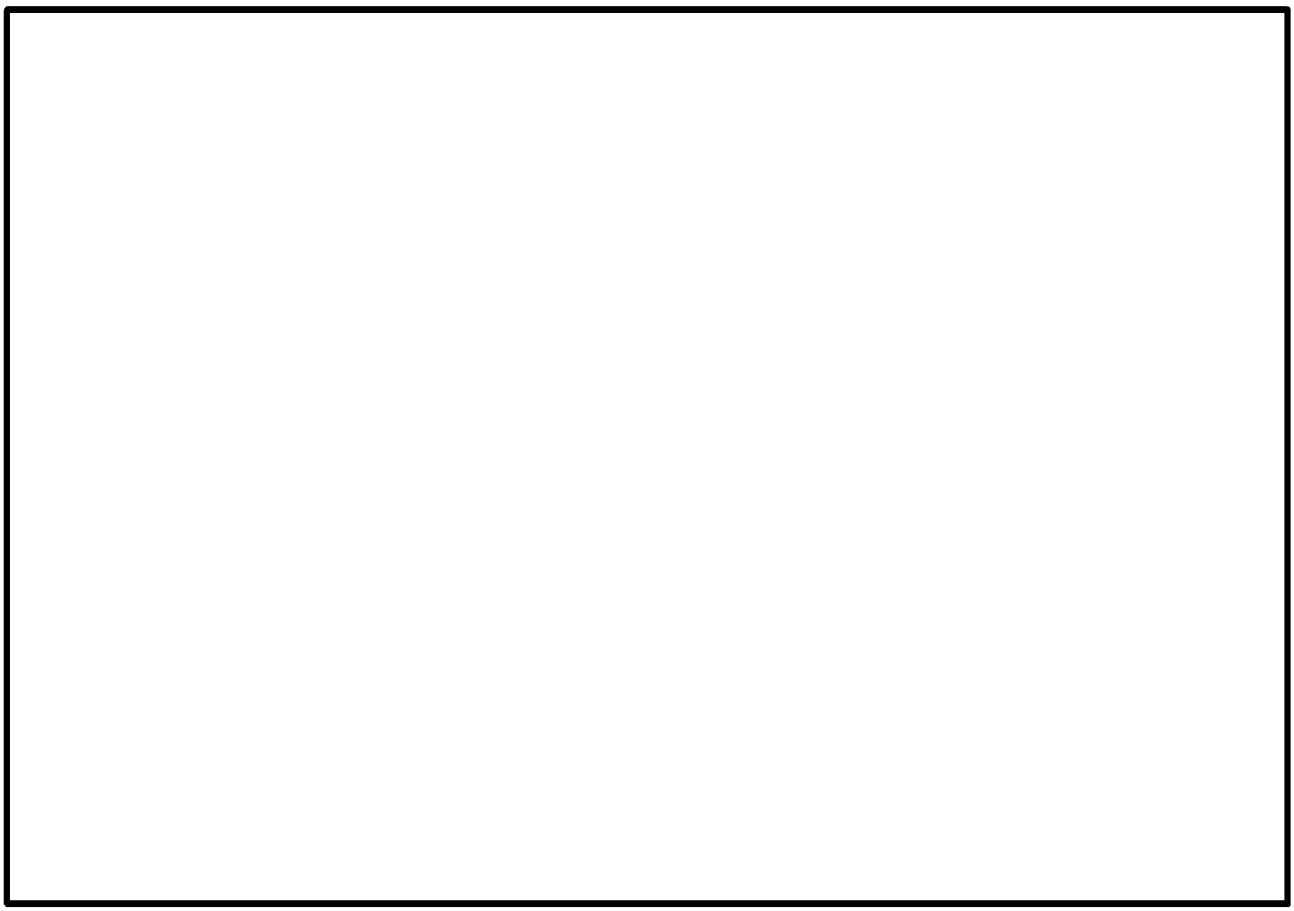


Figure 2: Initial and Prospective ERDRC Fund Structures

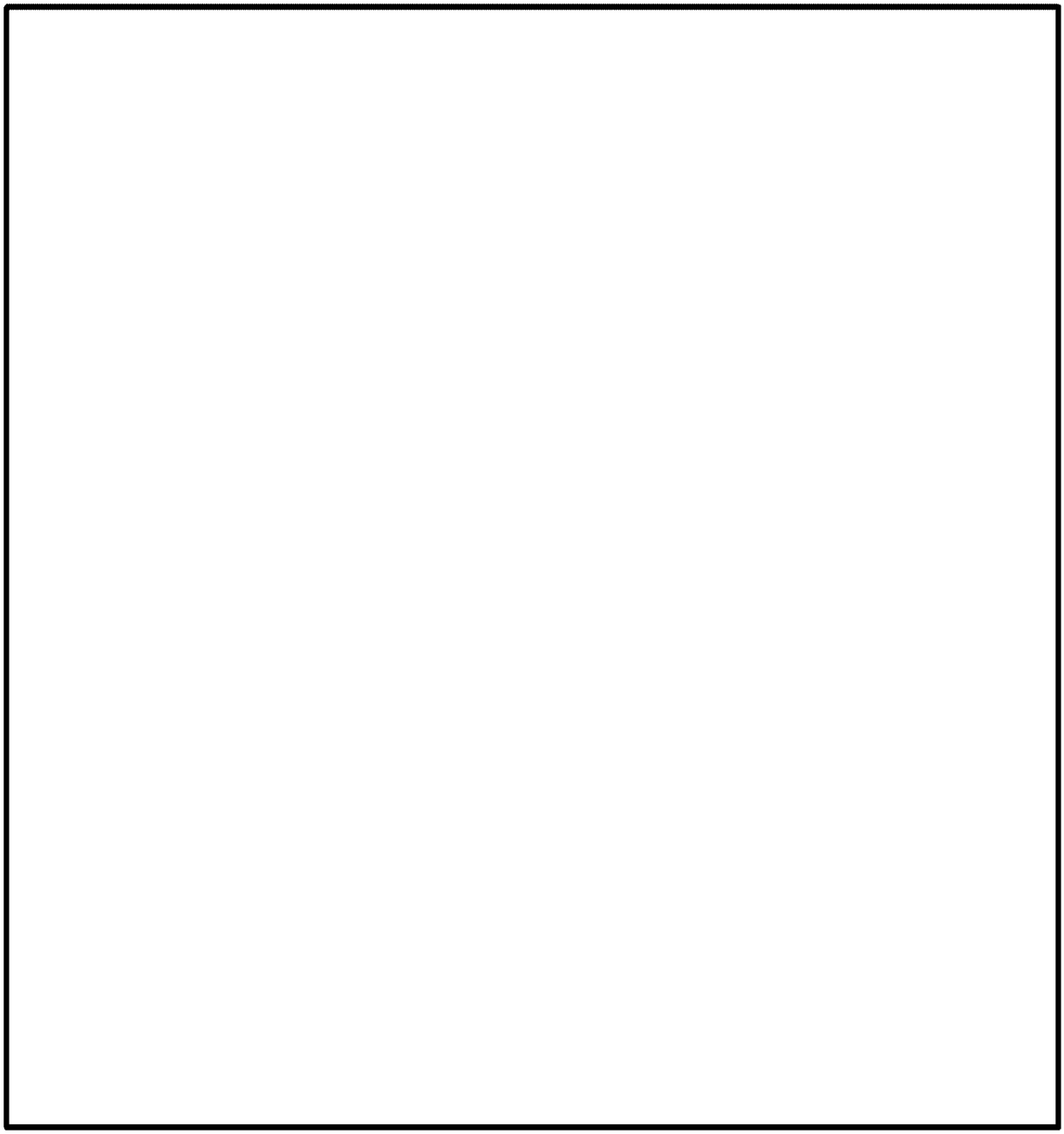


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Figure 3: ERDRC Fund Job Creation Flowchart



Commitment of Operational Capital



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ERDRC Regional Center Territory

The territory covered by ERDRC is set forth in detail in *Table 1* below and [*Appendix A*], along with economic data supporting the need for the creation of ERDRC and related development and investment, and includes the following North Carolina counties (the "*ERDRC Territory*"):

Table 1: ERDRC Counties
Chatham
Durham
Franklin
Johnston
Orange
Person
Wake

Figure 4: Overview of ERDRC Territory

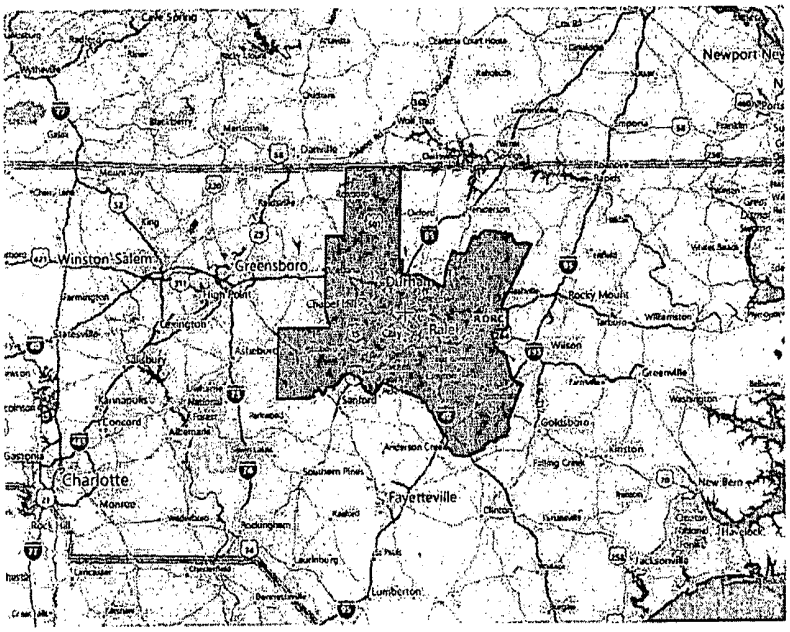
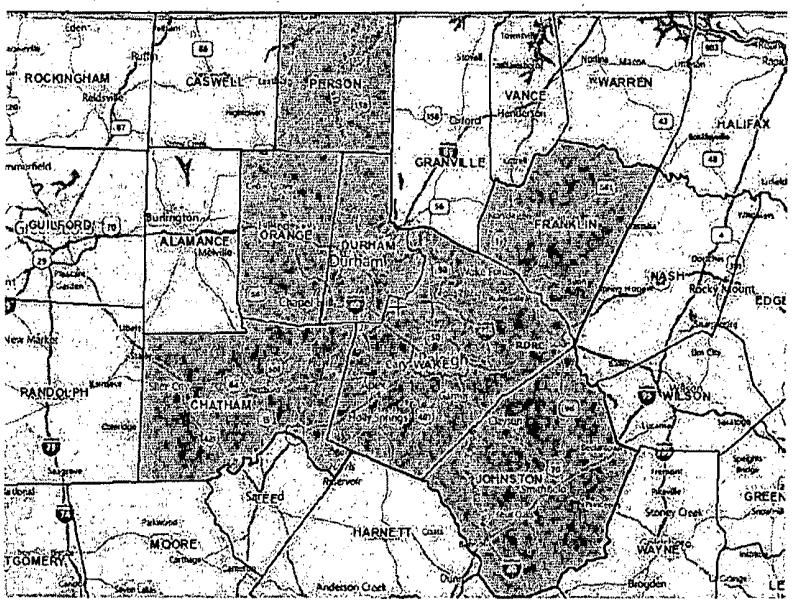


Figure 5: Detail of ERDRC Counties



The industry sectors for which ERDRC (the "***Approved Sectors***") is seeking authorization are set forth in detail in *Table 2* below:

Table 2: Industry Sectors (NAICS)	
23	Construction
236116	New Multifamily Housing Construction (except Operative Builders)
236117	New Housing Operative Builders
236118	Residential Remodelers
236220	Commercial and Institutional Building Construction
44	Retail Trade
45	Sporting Goods, Hobby, Book, and Music Stores
53	Real Estate and Rental and Leasing
531110	Lessors of Residential Buildings and Dwellings
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)
531311	Residential Property Managers
531312	Nonresidential Property Managers
54	Professional, Scientific, and Technical Services
541611	Administrative Management and General Management Consulting Services
55	Management of Companies and Enterprises
561110	Office Administrative Services
72	Accommodation and Food Services
721110	Hotels (except Casino Hotels) and Motels
722110	Full-Service Restaurants
722211	Limited-Service Restaurants
62	Health Care and Social Assistance
621111	Offices of Physicians (except Mental Health Specialists)
622210	Psychiatric and Substance Abuse Hospitals
622310	Specialty (except Psychiatric and Substance Abuse) Hospitals

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ERDRC Business Model Summary

ERDRC Economic Impact Summary

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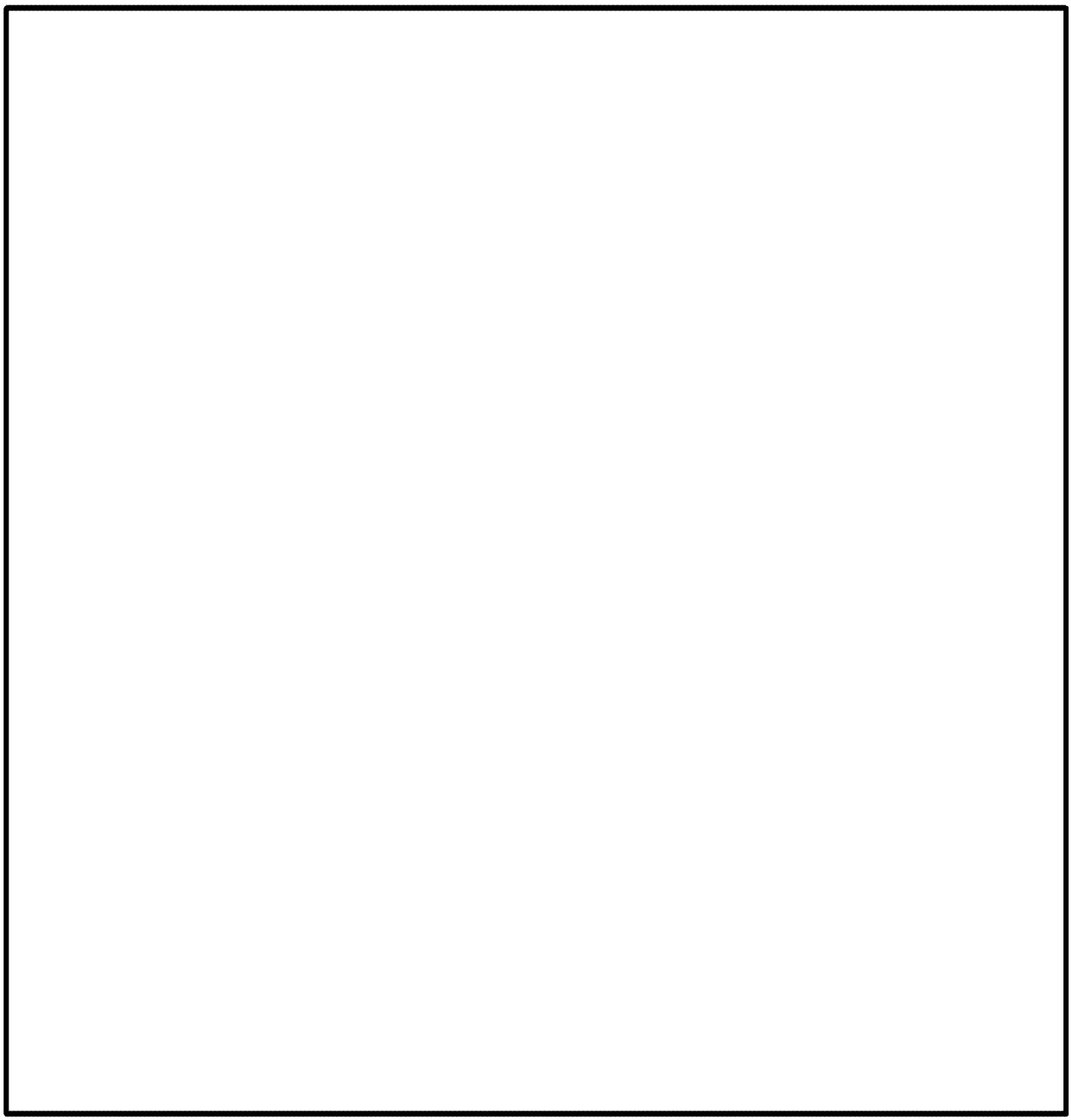
ERDRC Management Summary

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ERDRC BUSINESS MODEL

Overview



Encore Background and Current Operations



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Proven Performance Sets the Future

In 2007, Encore realized the U.S. real estate market was highly over-leveraged and overpriced. As a result, Encore sold the majority of its real estate portfolio to institutional buyers in order to protect investment capital and potential profits.



Technology, Leadership and Entrepreneurial Excellence



Poised for Future Growth



Encore Enterprises Management Team

Bharat Sangani, MD, Chairman and Founder

When he founded Encore in 1999, Dr. Bharat Sangani's vision was to create a vertically-integrated commercial real estate investment corporation comprised of specialized companies designed to address specific real estate sectors. His plan was to leverage the expertise of seasoned professionals with proven real estate development and acquisition track records, as well as deep sector-specific insights and relevant market knowledge. Today, Encore offers an end-to-end approach, with services ranging from development and construction to management and investments. Dr. Sangani is a Fellow of the American

College of Cardiology and the American College of Chest Physicians, as well as a member of nine other organizations in the United States, England and India.

Patrick Barber, President and CEO

Patrick Barber brings more than 30 years and $4 billion of commercial real estate experience to his position as a board member, president and CEO of Encore. In this role, Mr. Barber manages Encore's day-to-day focus on growth opportunities through acquisition, development, equity and finance. Under his leadership over the past decade, Encore acquired more than $1.2 billion in properties, and developed and re-developed over 80 hospitality, multi-family and retail properties. Mr. Barber is an advisory board member with the Urban Land Institute.

Mahesh Shetty, Chief Operating Officer and Chief Financial Officer

Mahesh Shetty has management oversight and responsibility for all of Encore's financial functions, overseeing all revenues, costs and capital expenditures. With more than 25 years of experience as a senior finance executive, including 11 years of experience in the hospitality and commercial real estate industry, Mr. Shetty served in leadership roles at PricewaterhouseCoopers, LLP. Mr. Shetty is a Certified Public Accountant, a Certified Information Technology Professional and a chartered accountant (FCA). He holds a bachelor's degree from Osmania University, India, and received his M.B.A. from the University of Texas at Dallas.

Alan Murray, General Counsel

Alan Murray has over 30 years of experience in managing the legal and administrative aspects of commercial real estate. Before joining Encore, he spent six years with Dave and Busters, Inc., where he helped guide the company through a tax-free spin-off from its NYSE parent to become an independent NYSE company. In addition, Mr. Murray served more than five years as vice president and general counsel for TGI Fridays, Inc., where he played a critical role in company expansion and revenue growth.

Yatin Gandhi, Corporate Controller

As corporate controller for Encore, Yatin Gandhi brings with him 13 years of experience with a strong background in the financial management of multiple real estate asset classes. Mr. Gandhi has also overseen the management of portfolios in excess of $1 billion. Mr. Gandhi oversees all aspects of the financial statements and management analysis, development of accounting and internal audit systems, management of accounts payable, management of all treasury, payroll and HR functions. He is also actively involved in the areas of corporate and shareholder tax planning.

Prior to Encore, Mr. Gandhi began his career as an audit manager working for a well-known public accounting firm where he was actively involved in organizing, conducting, supervising and finalizing the audits of public companies. He also served various clients in developing their internal control systems and guiding the clients in the area of investment and tax planning.

Mr. Gandhi has a Bachelor of Business Administration from Mumbai University in India. He is a Certified Public Accountant and a Chartered Accountant.

David McCampbell, Controller

David McCampbell brings to Encore 25 plus years of financial and real estate experience to Encore as controller for the company's Retail, Multi-Family, Office, and Construction divisions. During his career,

he has managed the financials for over 10 million square feet of commercial real estate including retail, office, multifamily, industrial and hospitality properties.

Prior to Encore, Mr. McCampbell served as Controller for Simon Property Company managing a 2 million square-foot portfolio with 250 tenants handling all financial aspects for the properties. He also served as the North American controller for Hudson Advisors, LLC where he oversaw the rollup of operational and financial reporting from the investment level to the fund level simultaneously for multiple funds totaling $6 billion in assets. Mr. McCampbell has also served as a real estate accounting manager with J.E. Robert Companies where he managed the accounting staff and operations for over 250 active properties totaling over $2 billion in assets.

Mr. McCampbell has a Bachelor of Science in Accountancy and a Bachelor of Science in Finance from Miami University. He is also a Certified Public Accountant.

Kumar Shah, Vice President of Technology

Since beginning with Encore Enterprises in 2002 as the Vice President of Technology, Mr. Shah has provided the company seamless integration of cloud based technology and processes over the past decade at the property and corporate levels. His strategic thinking and perseverance have enabled Encore to perform at peak efficiency levels, even during the aftermath of hurricane Katrina in 2006 when the company seamlessly relocated to Dallas. On a daily basis, Mr. Shah manages and oversees the operational efficiency and business procedures of all Encore entities, ensuring Encore's technology infrastructure and business processes are always ahead of the curve and meeting industry and company demands.

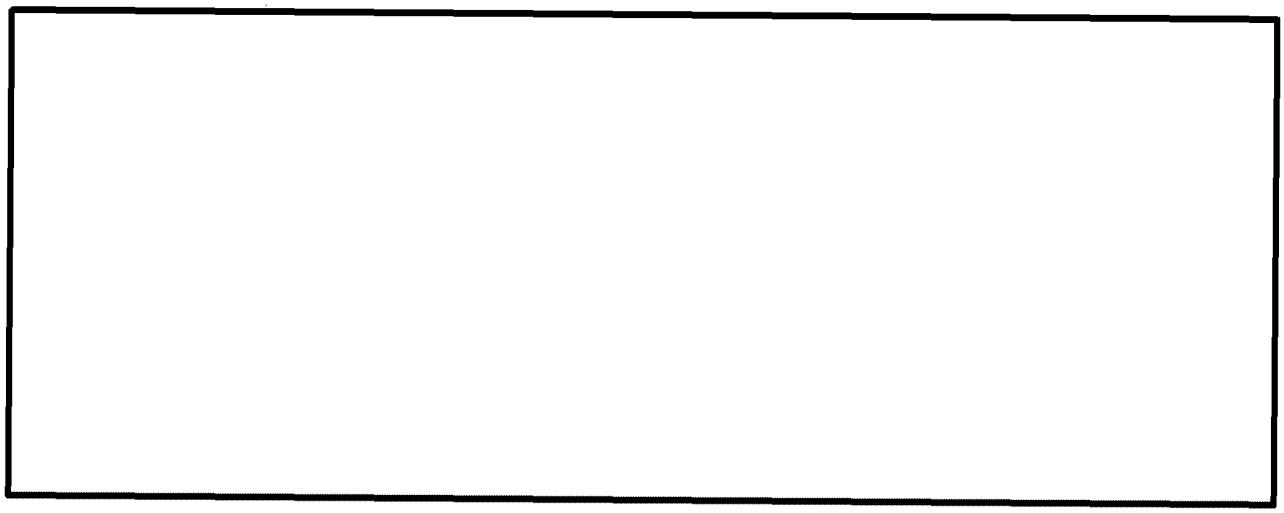
Prior to joining Encore, Mr. Shah worked at The Reliance Group as a senior analyst managing the project management system or (PMS) for the world's largest petro-chemical complex in the world, located in Hazira, Surat, India. He has also worked with Larsen & Toubro Limited as a programmer and team supervisor, where he managed the installation of various infrastructure services for the Heavy Engineering Division in Hazira, Surat.

Mr. Shah holds a Bachelor of Science degree in Computer Science from R.G. Shah Science College, Ahmedabad, Gujarat, India. He also holds SAP R/3 and ABAP4 certifications.

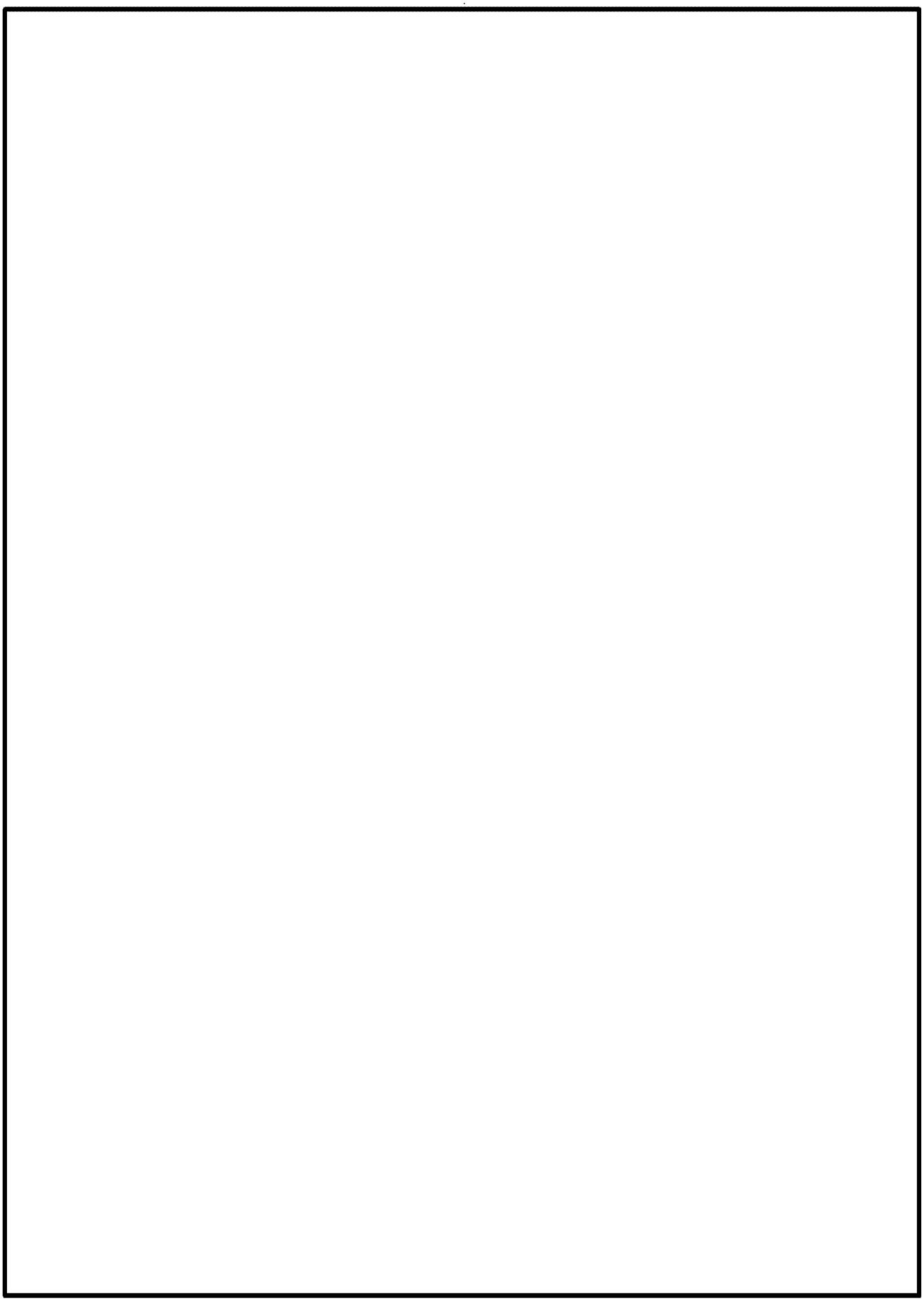
Encore Equities

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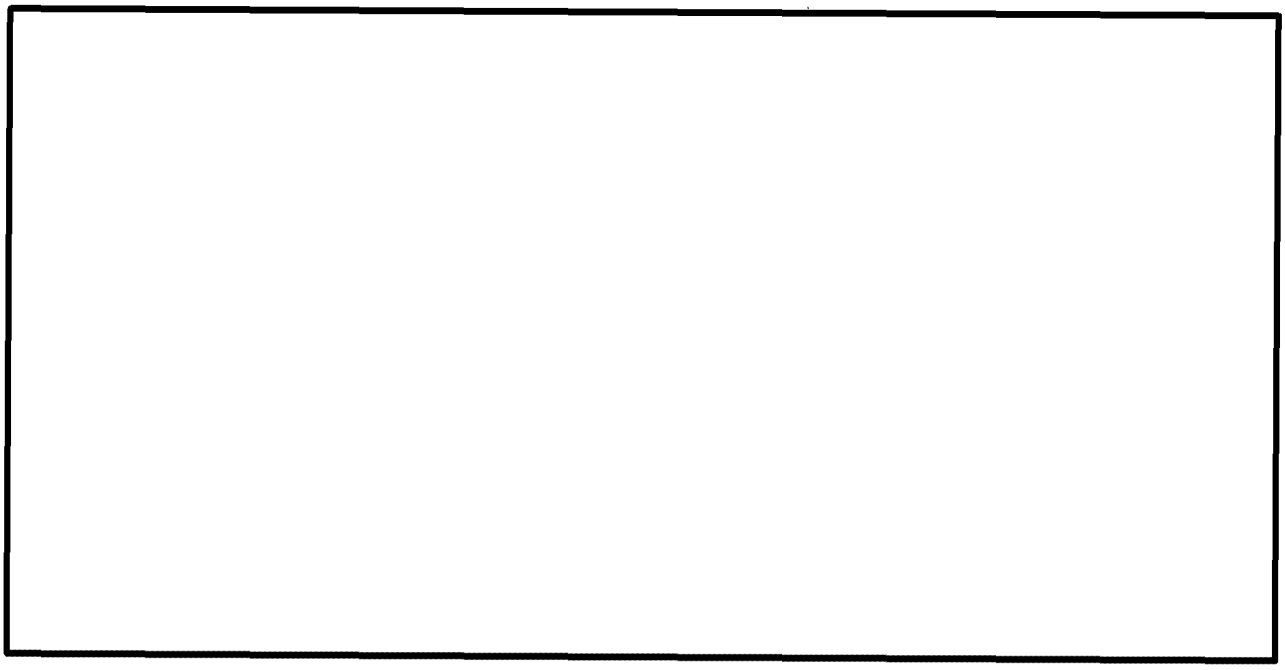
Overview



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Encore Equities Management Team

John Drennan, President

John Drennan has over 14 years of capital markets and private equity experience, investing $1 billion of capital in transactions with an aggregate enterprise value of over $5 billion. Prior to joining Encore, he was a principal at American Capital, a leveraged buyout firm with $14 billion in capital under management. He started his career as a CPA in Ernst & Young's audit department.

Mr. Drennan received his M.B.A. from Southern Methodist University and his Bachelor of Business Administration from the University of Oklahoma.

Sejal Desai, Vice President

Sejal Desai brings to Encore, 20 years of investment banking and venture capital raising experience as the vice president of Encore Equities. During her career she has worked primarily in the relationship management space working with over 300 entrepreneurs and 35 venture backed companies and non-profit networks raising capital for their startup projects.

Prior to Encore, Ms. Desai served as the founder and CEO of SevaYatra, a social venture that offers short-term service project opportunities at non-profit organizations in India. She has also served as a principal at MHT Partners, a boutique investment bank based in Dallas where she worked on cross-border merger and acquisitions primarily between U.S. and Indian companies. Ms. Desai also was co-founder and principal of STARTech Early Ventures, a seed stage venture firm that invested in early stage technology ventures in Texas. Ms. Desai also served as a manager in the corporate advisory services division for Ernst & Young in Mumbai, India working on foreign inward investment projects.

Ms. Desai has an MBA from the University of Texas at Dallas and a Bachelor of Commerce and Accounting from the University of Mumbai. She is a Chartered Accountant from the Institute of Chartered Accountants of India. Ms. Desai serves on the boards of The Dallas Assembly and thinkIndia Foundation. She also serves on the Leadership and Education Advisory Councils for the American India Foundation.

Michaeljohn Kudlik, CFP®, Senior VP of National Sales

Michaeljohn Kudlik has over 30 years of securities industry experience with a distinguished career beginning on the floor of the New York Stock Exchange at the age of 18. Mr. Kudlik's extensive work in financial planning and successful raises of equity for real estate funds include many accomplishments such as being one of the first to raise over $1 billion in equity in real estate while working for one of the major NYSE firms.

Prior to joining Encore, Mr. Kudlik was the national sales manager of New York Life Investment Management (Mainstay Funds), where he managed 25 wholesalers. He has taught for the College of Financial Planning in Denver, Colorado educating financial professionals about the securities industry best practices and standards of ethics in business. As a wholesaler, Mr. Kudlik has worked with insurance, variable annuities, mutual funds, real estate limited partnerships, and managed accounts. His wholesaling activities included all distribution channels including wire houses, regional firms, insurance based broker-dealers, financial institutions, independent financial planning firms, independent broker-dealers and RIAs

Mr. Kudlik holds a Bachelor of Arts in Sociology and Political Science from Texas A&M University. He has held a CFP® designation since 1977, is a member of the Financial Planning Association, is a member on the nominating committee of REISA, and serves as chairman of the membership committee for the Investment Program Association. Mr. Kudlik also currently holds FINRA licenses 24, 7, 63, and 65.

Retail

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Overview



Strategy



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Investment Criteria



Deal Flow



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Exit Strategies

Sample Portfolio

Lakeview Village D'Iberville, Mississippi 910,000 square feet	Gulfport Plaza Gulfport, Mississippi 26,596 square feet	Governor's Pointe Cincinnati, Ohio 360,000 square feet
Darlington Square Darlington, South Carolina 80,950 square feet	Washington Plaza Washington, Georgia 93,842 square feet	Pelham Towne Center Pelham, Alabama 74,008 square feet

Encore Retail Management Team

Nicholas Barber, President

Nic Barber joined Encore in 2000 as the director of development and acquisitions and has quickly become a key member of the executive management team. He has been responsible for many facets of Encore's real estate transaction operations, including management of the day-to-day sourcing of all of the company's future acquisition and development projects, providing oversight to Encore's financial analyst staffing and presenting projects for approval to the investment committee and board of directors.

He has also been responsible for overseeing the due diligence, pre-development, acquisition and development processes, and assisting with sourcing and structuring of new debt and equity for approved projects. Since joining Encore, Mr. Barber has successfully closed over $150 million dollars of real estate underwriting, negotiating, financing and development transactions.

In January 2008, Mr. Barber was named president of Encore's newly formed Retail division. In this role, he is focused on continuing the company's management philosophies to lead a dynamic portfolio growth strategy of developing and acquiring profitable retail properties. His experience in closing complicated real estate transactions with Encore provides an added advantage in determining the proper deal structure and analyzing financing options that are available in the marketplace. Mr. Barber holds a Bachelor of Science in Accounting from the University of Louisiana.

Mike Nelson, Vice President and Director of Leasing

Mike Nelson has over 25 years of commercial real estate experience and has a successful record of maximizing asset value for developers, owners and third party management firms. Mr. Nelson uses a consultive approach, emphasizing the development and implementation of a marketing and business plan for each asset and measuring performance for effective results-based management of the lease-up process, tenant retention and value add strategies.

Prior to joining Encore Retail, LLC, Mr. Nelson was the managing director for RM Crowe where he sourced new leasing and management assignments, and focused on real estate solutions for national and international investors in the Southwest region. Prior to assuming leadership of this new division, Mr. Nelson was the chief operating officer of RM Crowe for five years where he was responsible for all

aspects of operations, leasing, construction, client/lender relationships and investment research for 5.3 million square feet of commercial property across a multi-state region. Mr. Nelson directed a total organization of 55 associates and was recognized for outstanding performance and innovative leadership for his focus on adding value, marketing, supervision and management to increase short-term cash flow and long-term appreciation of assets.

Mr. Nelson's commercial real estate career also includes service as senior vice president for the Southwest region for PM Realty Group, regional portfolio manager in charge of the Houston Portfolio for Cushman & Wakefield and property manager for Hines Interests Limited Partnership in their retail/mixed-use division. Mr. Nelson has a Bachelor of Science in Political Science from Oregon State University and has a Texas Real Estate License.

Dan Underwood, Senior Property Manager

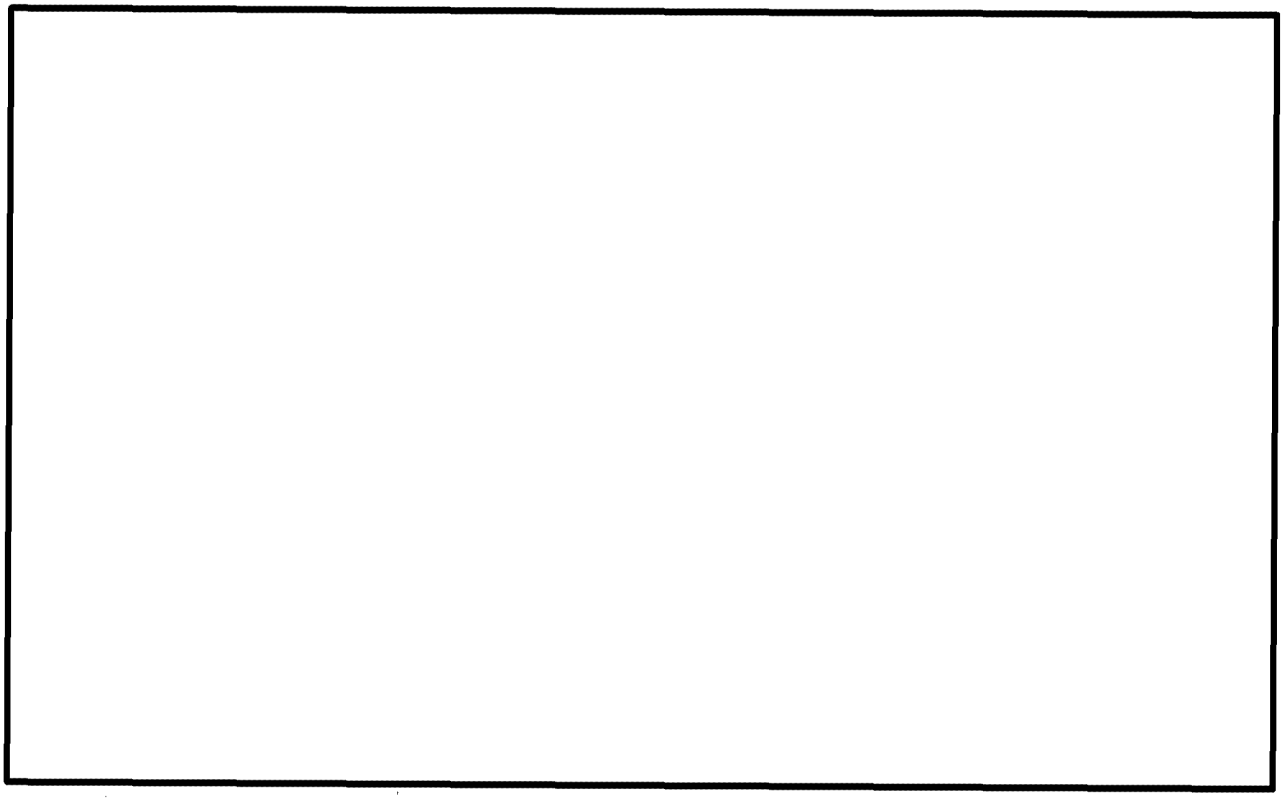
Dan Underwood has over 20 years of commercial real estate experience and has a successful record of managing both retail and industrial properties. Prior to joining Encore Retail, LLC, Mr. Underwood was the senior property manager for Emerson's Commercial and was instrumental in growing business, adding two new portfolios.

Mr. Underwood has a significant reputation as being a problem solver, coordinator and overall property manager. His ability to work with tenants, vendors and owners is just one of many assets he brings to Encore Retail. Mr. Underwood's commercial real estate career also includes service as senior property manager for Lincoln Properties and senior property manager for Cencor/Weitzman Realty. Mr. Underwood has a Bachelor of Arts in Business Administration and a Bachelor of Arts in Business Management with a minor in Accounting.

Hospitality

(b)(4)

Overview



(b)(4)

Strategy

Investment Criteria

Deal Flow

(b)(4)

Exit Strategies

[redacted]

Encore Hospitality Management Team

Glenn Pedersen, President

Glenn Pedersen began his career as president of Pineapple Management Services in 1994. His responsibilities are to oversee hotel development, construction, design and management, including contract negotiations, guest and employee satisfaction, capital expenditure planning, budgeting and the day-to-day operations of all hotels. Mr. Pedersen has been involved in the hotel industry for over 34 years, starting out his career as a front office manager of the Royal Sonesta Hotel in New Orleans, Louisiana in 1976. Through his hard work, dedication and design for achievement, he has been a picture of success throughout his career.

Glenn Pedersen began working for Marriott International in 1980 where he was assigned to the New Orleans Marriott full service hotel. After 4 years in the full service hotel division he was given the responsibility of opening his first Marriott hotel in Columbus, Georgia. He was completely responsible for the operation of the hotel and was proud to produce $2.5 million dollars in annual sales in the first year. Having proven his ability to succeed, Mr. Pedersen was promoted to the Marriott Corporation/Courtyard division regional director of rooms in 1987, where, during the course of 14 months, oversaw the opening of 25 hotels.

In November of 1987, Mr. Pedersen was promoted again to regional manager of the Courtyard/Fairfield Inn division in Georgia and Alabama, where he supervised the complete strategic and operational responsibility of 29 Courtyard and Fairfield Inns, representing over $75 million dollars in sales. At that time, Mr. Pedersen achieved the highest market share and yield goals in the Southeastern United States, and was one out of only four managers to qualify for Courtyard Division Achievement Forum recognition program seven straight years.

In 1994 Mr. Pedersen left Marriott International and started Pineapple Management Services where he developed, built and opened 20 Marriott hotels in three-and-a-half years.

Multi-Family

Overview

[redacted]

(b)(4)

Strategy

Investment Criteria

(b)(4)

(b)(4)

Deal Flow

Exit Strategies

Sample Portfolio

Bayou Reserve Thibodaux, Louisiana 240 units August 2009	Encore Crossing Corpus Christi, Texas 200 units December 2010	Encore Highpointe Park Thornton, Colorado (Denver) 220 Units January 2013	Encore Memorial Tulsa, Oklahoma 248 units June 2012
Oceanaire Biloxi (St. Martin), Mississippi 196 units February 2009	Encore Alsbury Burleson, Texas (Dallas/Fort Worth) 200 units August 2011	Encore Waggoner Creek Texarkana, Texas 168 Units April 2012	Encore Landing Temple, Texas 180 units April 2012

Encore Multi-Family Management Team

Brad Miller, President

Brad Miller has over 25 years of multi-family development and investment experience. He is a senior executive with a distinguished career in building relationships, and leading investment and management teams in the real estate and software industries. His decisive and pro-active management style is one of the many assets he brings to Encore Multi-Family, LLC. Over his prestigious career, he has overseen the development and acquisition of over 20,000 multi-family units.

Prior to joining Encore Multi-Family, LLC, Mr. Miller served as a national partner for Fore Property Company where he oversaw development activities in multiple markets, including Florida, Arizona, Nevada and Texas. He also was directly responsible for developing the first ever LEED Certified multi-family community in North Texas.

Mr. Miller's prestigious career also includes service as CEO for a subsidiary of Olympus Real Estate Partners, a former affiliate and real estate investment arm of Hicks, Muse, Tate & Furst. He also served as managing director of the Investments Division where he oversaw development of approximately 3,000 residential lots and 20-plus investments comprising $350 million in asset value. In addition, he was a 17 year residential partner with Lincoln Property Company and oversaw development and investment activities for a division of Archstone Smith. Mr. Miller has a Bachelor of Business Administration in Accounting from Texas Christian University and is a Certified Public Accountant in Texas. He also is a Certified Class A General Contractor in Florida.

Todd Thomas, Vice President of Development

Todd Thomas brings over 15 years of multifamily development experience to Encore Multi-Family, LLC. Mr. Thomas is highly motivated and skilled in all facets of property acquisition, development, and construction of multifamily projects. Mr. Thomas excels at problem solving, negotiation, leadership, project management, coordination and teamwork.

Prior to joining Encore, Mr. Thomas was a founding Partner for Crosswind Development Partners (CDP) where he pursued and managed real estate transactions in the traditional and student housing multifamily arenas. Prior to starting CDP, Mr. Thomas was a regional manager with ZOM Texas, Inc. where he managed all aspects of the real estate development processes and value creation through multifamily real estate investments in the Dallas – Fort Worth market totaling over $160 million in value.

Previously he was with the Fortis Group, where he served as a partner and was responsible for all real estate transactions, underwriting and value creation within the company in several markets in Texas. Before joining the Fortis Group, Mr. Thomas served as Vice President of Development for JPI Student Living Group. During this time, he was responsible for securing and executing real estate transactions for student housing multifamily projects throughout the country (TX, FL, AZ, PA, OK, LA, KS, CO) totaling over $320 million in value.

Mr. Thomas has a Master of Science in Land Development and a Bachelor of Science in Civil Engineering from Texas A&M University.

Mark Williams, Senior Construction Manager

Mark Williams is the senior construction manager with Encore Multi-Family, possessing over 30 years of experience in multi-family development and construction management with a consistent track record of profitable, on time and under-budget properties. Successful completions include 12,000 luxury apartment units, ranging from high end themed luxury to quality work force apartments.

Mr. Williams has a proven track record and broad-based business proficiency in creating, implementing and managing development and construction projects. Before joining Encore, Mr. Williams was president of Vision Senior Housing. He was responsible for development and acquisition of seniors housing in the North Texas area. He also conducted feasibility and due diligence of several new developments with land owners using HUD 221 (d)(4) financing.

Mr. Williams holds a Bachelor of Business Administration from Texas Tech University. He is also a member of the Real Estate Financial Executives Association, Urban Land Institute, National Association of Homebuilders and Texas Association of Builders.

Pat Ivie, Asset Manager

Pat Ivie is the asset manager for Encore Multi-Family, possessing over 30 years of experience in all facets of operating apartment communities from ground-up developments through successful turn-arounds and dispositions.

Prior to joining Encore, Ms. Ivie served as regional property management executive for Orion Real Estate, Pacific West Management, and Quest Asset Management. In addition, she spent 18 years at Lincoln Property Company in various supervisory positions. Throughout her career, she has distinguished herself in the areas of leadership and motivation of property management teams to achieve superior results from operations. Her experience covers a broad base of product types including market-

rate Class A, seniors, and affordable housing; financed both conventionally, and through government sponsored programs.

Ms. Ivie's professional designations include Certified Apartment Supervisor and Certified Occupancy Specialist from the National Apartment Association. She is also a CPM candidate from the Institute of Real Estate Management.

Charlie Keels, Lead Underwriter/Development Coordinator

Charlie Keels is the development coordinator of the Encore Multi-Family division, where he is responsible for underwriting, due-diligence, predevelopment, asset management, development and acquisitions.

He is actively involved in all functions of the Multi-Family group for Encore. He has experience in HUD/FHA financing as well conventional financing, and is actively involved with structuring new debt. Mr. Keels comes from a healthcare background in which he served as the controller of a skilled nursing facility chain. He was responsible for all financing functions and helped the chain achieve tremendous growth. Mr. Keels holds a Bachelor of Business Administration in Accounting from Texas A&M University.

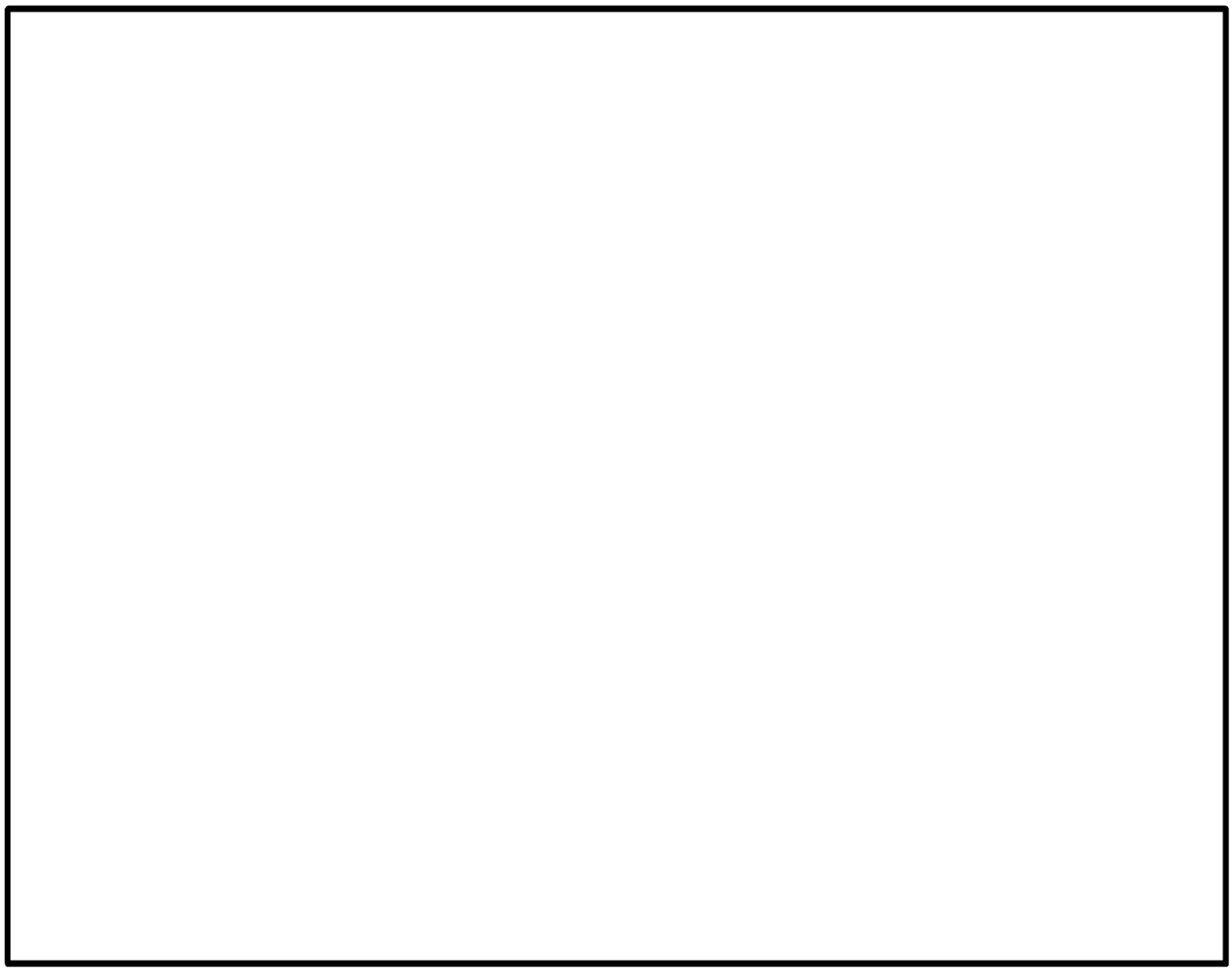
Office (b)(4)

Overview

Strategy

(b)(4)

(b)(4)



Investment Criteria



Deal Flow



(b)(4)

(b)(4)

Exit Strategies

[redacted]

Encore Office Management Team

Mark Cypert, President

Mark Cypert brings to Encore more than two decades of expertise and a proven track record in managing commercial real estate investments completing approximately $1.8 billion in commercial office investments and acquiring, developing and managing over 15 million square-feet of commercial office space during his career.

As a member of Encore's senior leadership team, Mr. Cypert is focused on the day to day operations of the office division, as well as raising institutional investor equity and managing Encore's research and underwriting programs. Prior to joining Encore, he was managing director and principal of Cawley Partners where he oversaw the firm's commercial real estate investment funds. Mr. Cypert previously served as senior vice president of CRT Properties (NYSE office REIT) where he oversaw the firms Southwestern and Mid-Atlantic regions. He also was the director of asset management for UBS Realty Investors, where he was responsible for an office investment portfolio in the Central U.S.

Mr. Cypert is a senior instructor for the CCIM Institute with a specialty in commercial real estate market analysis. Mr. Cypert has a Bachelor of Science in Construction Engineering Technology from Texas Tech University.

Rodrigo Godoi, Director of Acquisitions

Rodrigo Godoi has over 11 years of commercial real estate experience handling financial analysis, asset management, acquisitions and dispositions. He has successfully negotiated more than $500 million of real estate deals during his career. As the director of acquisitions, Mr. Godoi manages the sourcing and acquisition pipeline of Encore Office as well as other responsibilities including asset management, underwriting and due diligence.

Prior to joining Encore, Mr. Godoi served as a managing director with Centrus Capital management, providing acquisitions due diligence, asset management and financial modeling services to U.S. and Latin American commercial real estate investment groups. He also served as the senior director of asset management with Ashford Hospitality Trust (NYSE:AHT) where he was responsible for the asset management of 105 hotels. Mr. Godoi previously worked with Toll Brothers, Inc. (NYSE:TOL) as a land acquisition manager where he prospected and negotiated acquisition and disposition deals throughout Florida and with PricewaterhouseCoopers as a consultant.

Mr. Godoi has a Master's degree in Real Estate from Cornell University concentrating in finance and investments as well as a Bachelor of Science in Economics from Louisiana State University.

Construction (b)(4)

Overview



Strategy



Resources and Specialties



(b)(4) 31

(b)(4)

Project Delivery Systems

[redacted]

Sample Project History

Listed next is a sample of projects Encore Construction Group, LLC has completed over the past 5 years.

Project	Owner	Contract Amount
D'Iberville Courtyard	D'Iberville Hotel	[redacted]
Bayour Reserve Apartments	Encore Multi-Family	
Courtyard by Marriott	Spanish Fort North	
Gulfport Plaza	Encore Retail	
Marriott Fairfield Inn AL	Spanish Fort South	
Retail center 65,000 SF	Encore Retail	
Archon 29 hotels portfolio	BRV Realty	
Shops at Lakeview	Encore Retail	
Lakeview Retail Phase V	Encore Retail	
Milwaukee portfolio renovation	Pineapple Management	
Residence Inn portfolio renovation	Pineapple Management	
Camellia Pointe Development 24 Unit	Camellia Pointe LLC	
Hurricane Katrina 9 hotel restoration	Pineapple Management	
Lakeview Retail Phase III	Encore Retail	
Musselmen Portfolio Renovation	Pineapple Management	
Memphis Radisson	Pineapple Management	
Camellia Poitne Development 15 Units	Camellia Pointe LLC	
Lakeview Retail Phase III	Lakeview Investments	
Camellia Pointe Development Phase I	Camellia Pointe LLC	

(b)(4)

Encore Construction Management Team

Dwayne Rash, President

Dwayne Rash oversees all construction management for Encore. Mr. Rash has over twenty-two years of commercial and industrial construction experience ranging from project superintendent to president of operations. He is a licensed general contractor in all states where Encore currently conducts business. Mr. Rash is an experienced construction professional who has supervised the construction of over 10 million square feet of commercial and industrial projects including hotels, office buildings, electronics and semiconductor plants, telecommunications facilities and distribution centers. He has served in the capacities of field superintendent, resident manager, construction manager and vice president of construction operations and has successfully managed budgets for projects ranging from under $1 million to $200 million.

Mr. Rash has a strong background in estimating, QA and scheduling and supervision of subcontractors and direct-hire employees. He also has extensive experience in procurement, subcontract negotiation, safety, field engineering and document control.

Prior to joining Encore in 1999, Mr. Rash served for six years as resident manager for Raytheon Engineers and Constructors. In this capacity, he served as the company's on-site representative responsible for management and execution of a variety of construction projects in the Southeast. Among his many responsibilities, he hired and managed all employees on each project, established public relations with local government and civic groups, monitored labor productivity and cost projections, and implemented Environmental, Safety and Health programs.

Prior to Raytheon, Mr. Rash spent six years as vice president of construction in charge of all field personnel and construction activities for Metrolina Builders in Charlotte, North Carolina. He has also served as project manager with Crawford Construction in Dallas, Texas.

Mr. Rash attended Louisiana State University, majoring in Business Administration. He has also taken specialized courses in construction estimating, industrial management, and OSHA certification.

Taylor Trochesset, Project Manager

Taylor Trochesset is a home office project manager for Encore Construction, LLC. He has 11 years' experience in the construction industry. Mr. Trochesset has strong project management and estimating experience with government contracting, high rise condominium construction and retail construction. He has managed projects in excess of $70 million. Over Mr. Trochesset's career he has served as a field engineer, onsite superintendent, onsite project manager, and home office project manager. His experience, strong attention to detail and communication skills makes him an asset to any development or construction company.

Prior to coming to Encore, Mr. Trochesset spent three years with W. G. Yates and Sons Construction, a $1 billion construction company, as an onsite project manager along the Florida panhandle supervising condominium developments. Before joining Yates and Sons, he spent three years with Sanders Engineering as a project estimator/manager. Mr. Trochesset graduated with a Bachelor of Science in Construction Engineering from the University of Southern Mississippi. In pursuit of his degree he did three semesters of field and office internships with W. G. Yates and Sons Construction.

Curtis Parker, Superintendent

Curtis Parker is one of Encore Construction's top superintendents. Mr. Parker has 20 years' experience in the construction industry. He has successfully overseen numerous projects for Encore including over 200,000 square feet of retail and office space. Mr. Parker has also been involved in numerous high-rise hotel projects in Las Vegas and along the Gulf Coast. He has strong communication skills, an excellent eye for detail and is experienced in coordinating subcontractors to ensure timely completion of projects.

Prior to coming to Encore, Mr. Parker was project superintendent at White-Green Construction concentrating on lodging facilities for the federal government and the casino industry. He was project superintendent for Tri-Star Builders and participated in the construction of the Aladdin Casino and Resort in Las Vegas.

John Newman, Superintendent

John Newman has been with Encore Construction, LLC for six years, and has over 25 years' experience in the construction industry. Starting out in the business as a union electrician, Mr. Newman quickly moved up the ladder to electrical superintendent and has managed electrical projects in excess of $5

million with over 300 men directly reporting to him. He has worked in all parts of the country and overseas managing large commercial projects. Mr. Newman has completed numerous projects for Encore most notably a $20 million condominium project that was interrupted by Hurricane Katrina in 2005. He has also been involved in numerous high-rise hotel and casino projects in New Orleans, Tunica and along the Gulf Coast. Mr. Newman has a great ability to see all aspects of a project and knows how to bring them all together for a successful completion for both Encore and our Clients.

Prior to coming to Encore Mr. Newman was project superintendent with a number of electrical and general contractors spending 15 years with Haynes Electric as a general superintendent. One of his more notable projects for Haynes was the completion of the Isle of Capri Casino Resort Biloxi, which consisted of a gaming facility with more that 200,000 square feet of entertainment and a high rise hotel with over 500 rooms.

ERDRC Investment Strategy (b)(4)

Primary Strategy

Asset Classes

Investor Relations/Reporting

Types of Capital Investments

(b)(4)

(b)(4)

Structure for EB-5 Investors

Projected Investment Volume

Summary of Investment Process and Fees

(b)(4)



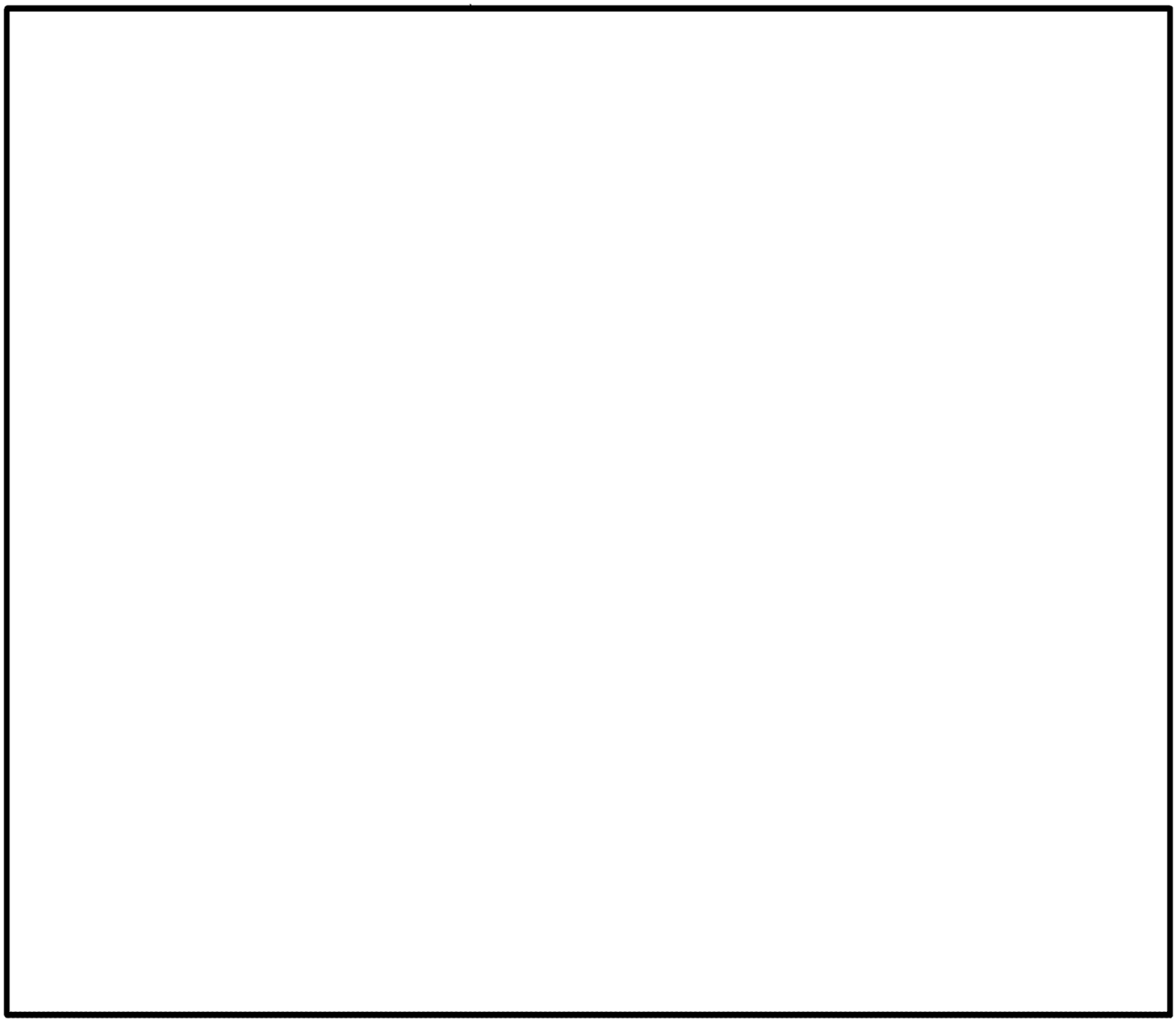
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ERDRC ECONOMIC IMPACT

Forecasted Results

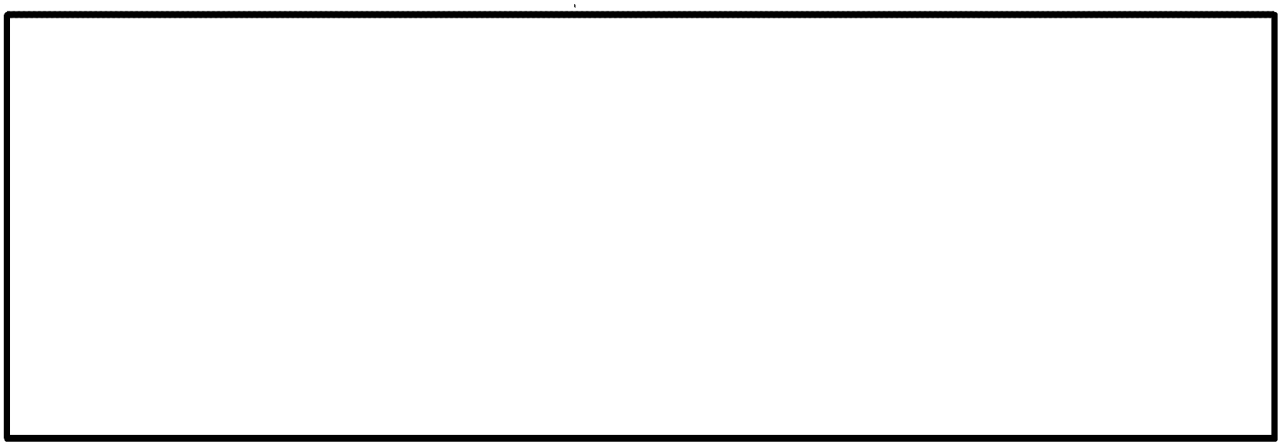
Calculation Detail

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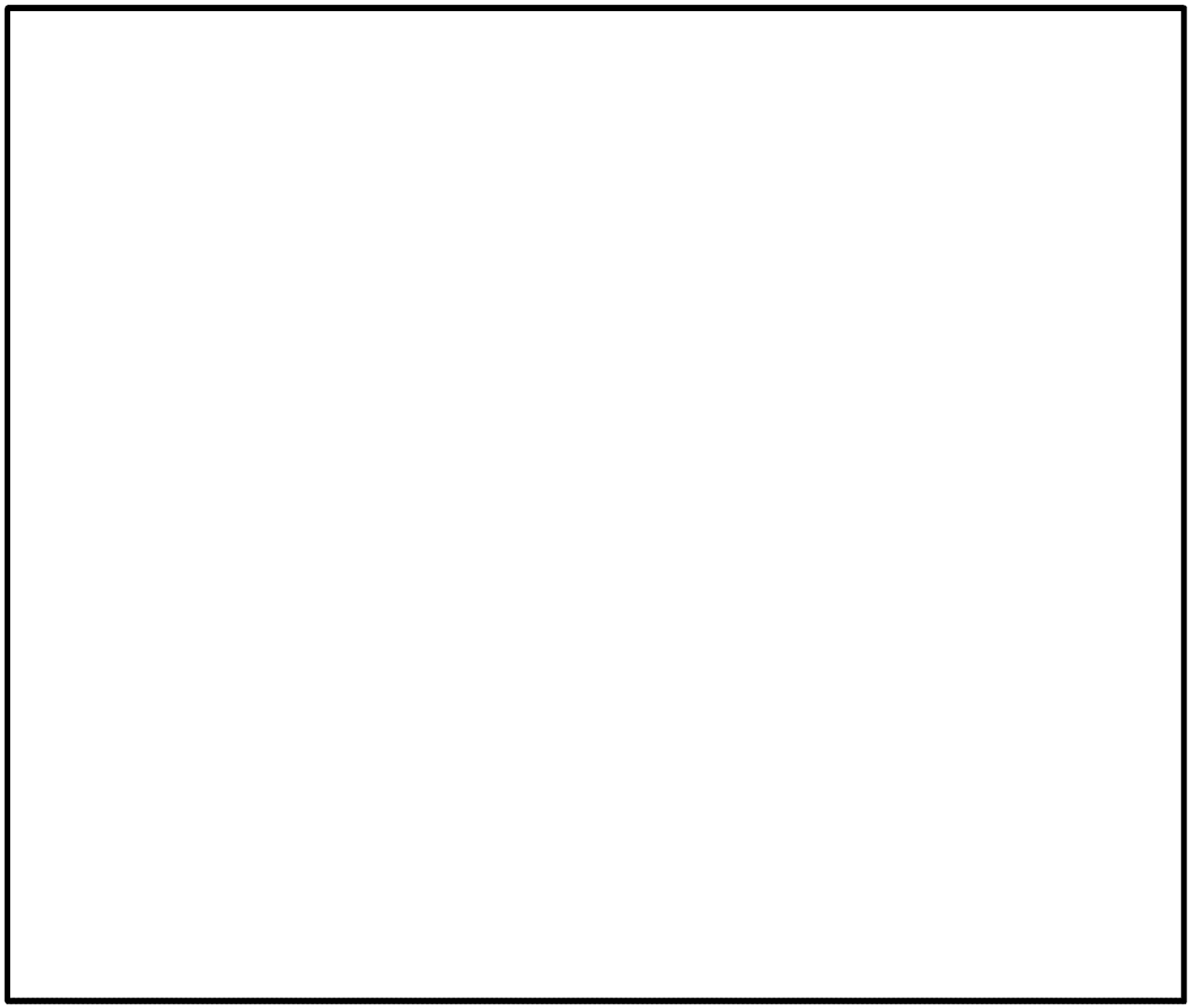
RIMS II Economic Forecast Model

The Manager used the RIMS II economic model to forecast the increased economic impacts of the Representative Projects within the ERDRC Territory. The RIMS II model is based on an accounting framework called an Input-Output ("***I-O***") multiplier table. For each industry, an I-O table shows the industrial distribution of inputs purchased and outputs sold.





Economic Multipliers



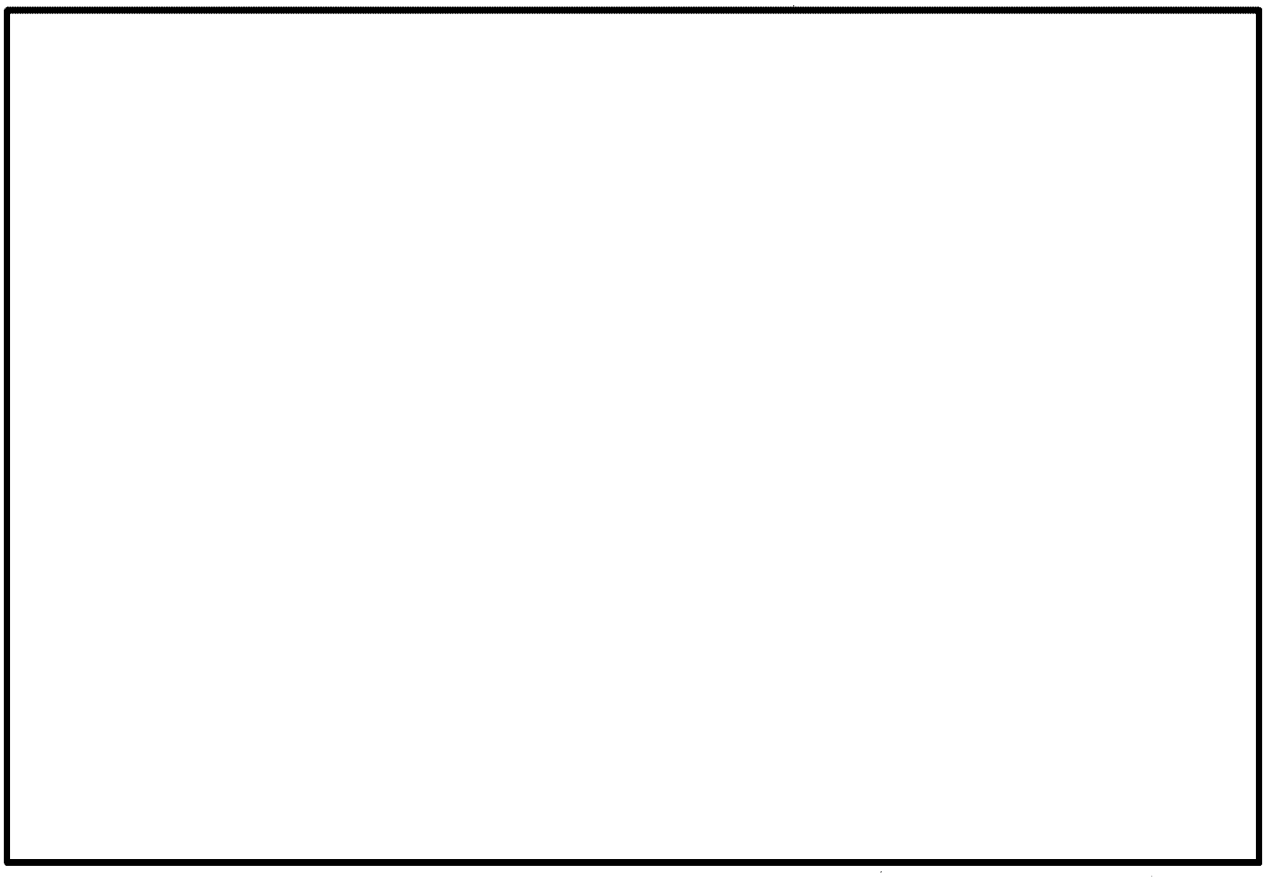
RIMS II Assumptions





Summary Conclusions

The analysis of the Representative Projects and their total impact on the ERDRC Territory reveals the following:



Targeted Employment Area Analysis



(b)(4)

Figure 6: Overview of TEA Territory within the ERDRC

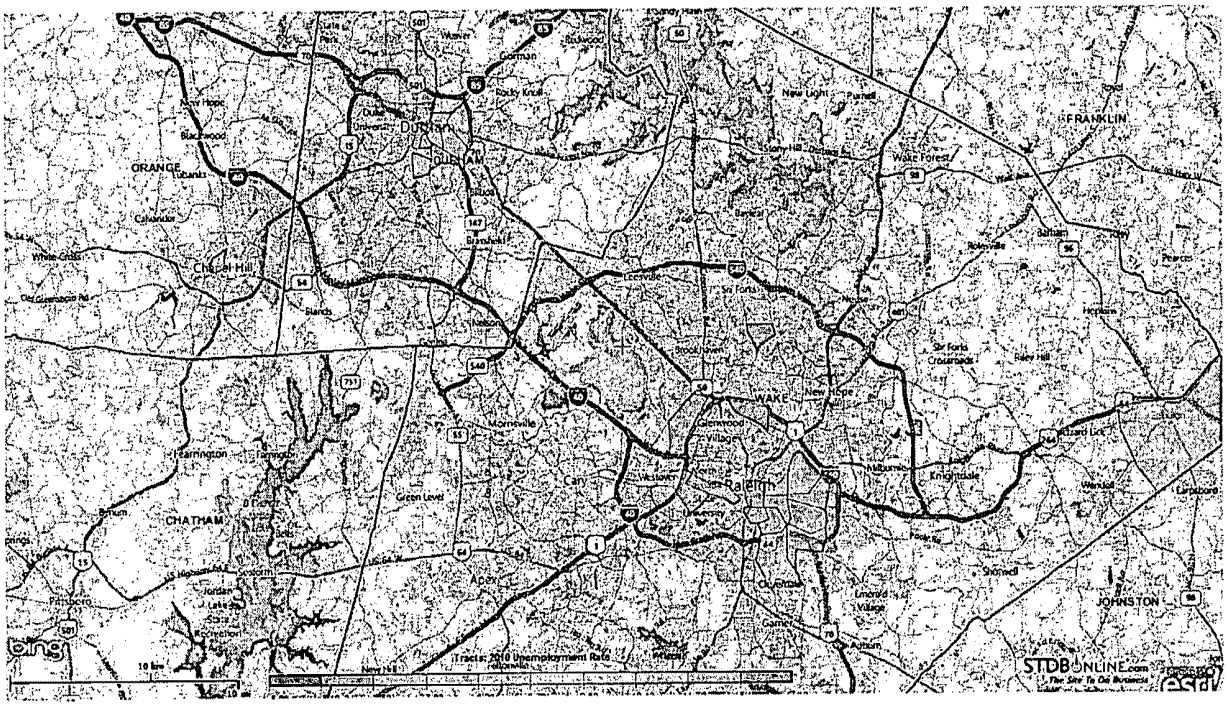


Figure 7: Overview of TEA Territory within Raleigh

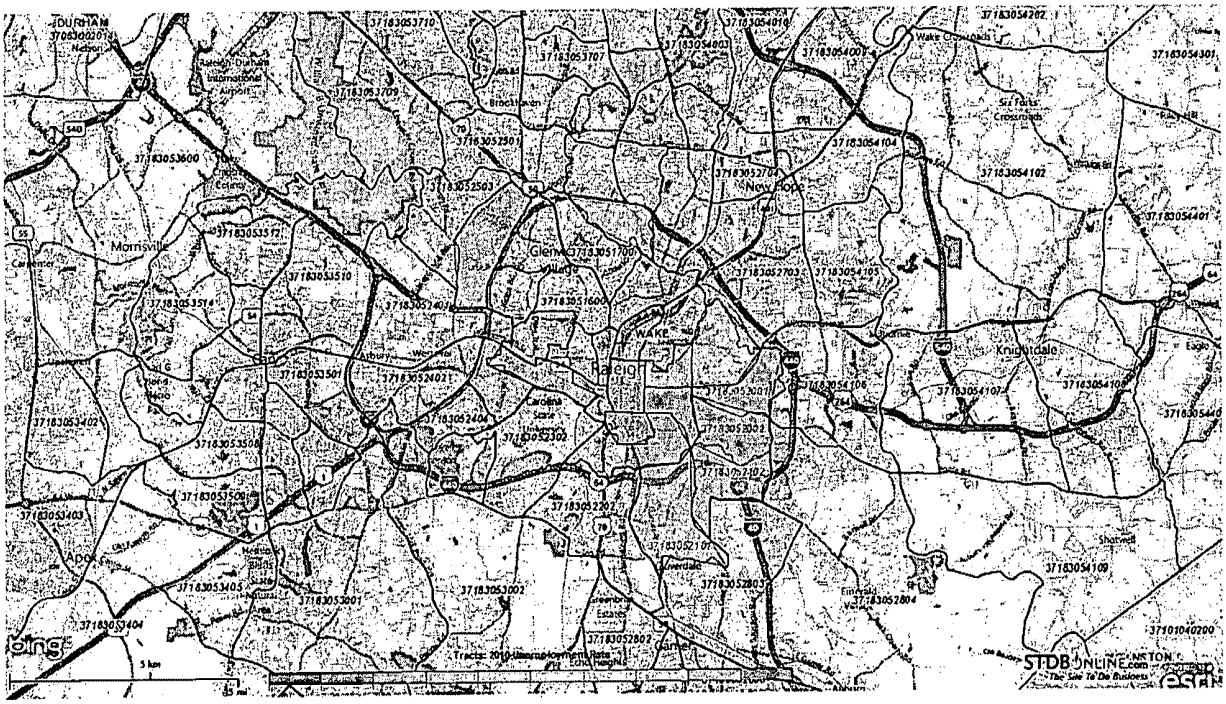
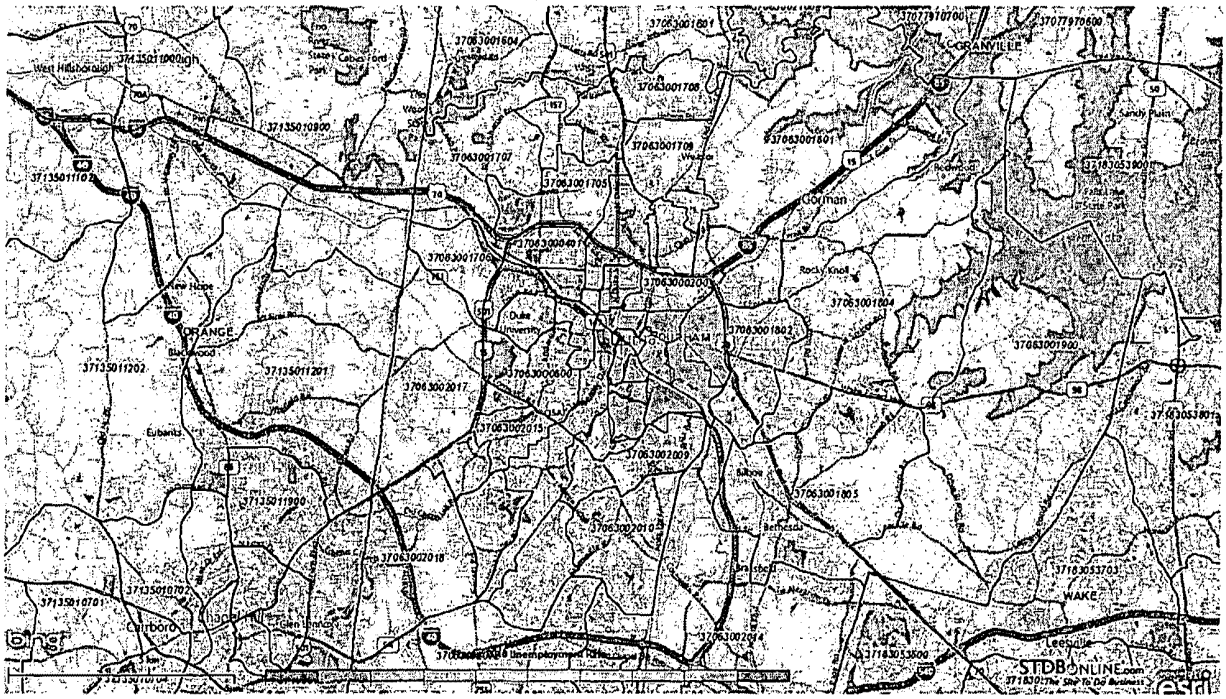


Figure 8: Overview of TEA Territory within Durham



ERDRC MANAGEMENT

Management and Organization

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The following members of the Manager and Encore will provide support to ERDRC as needed.

The Manager's Management

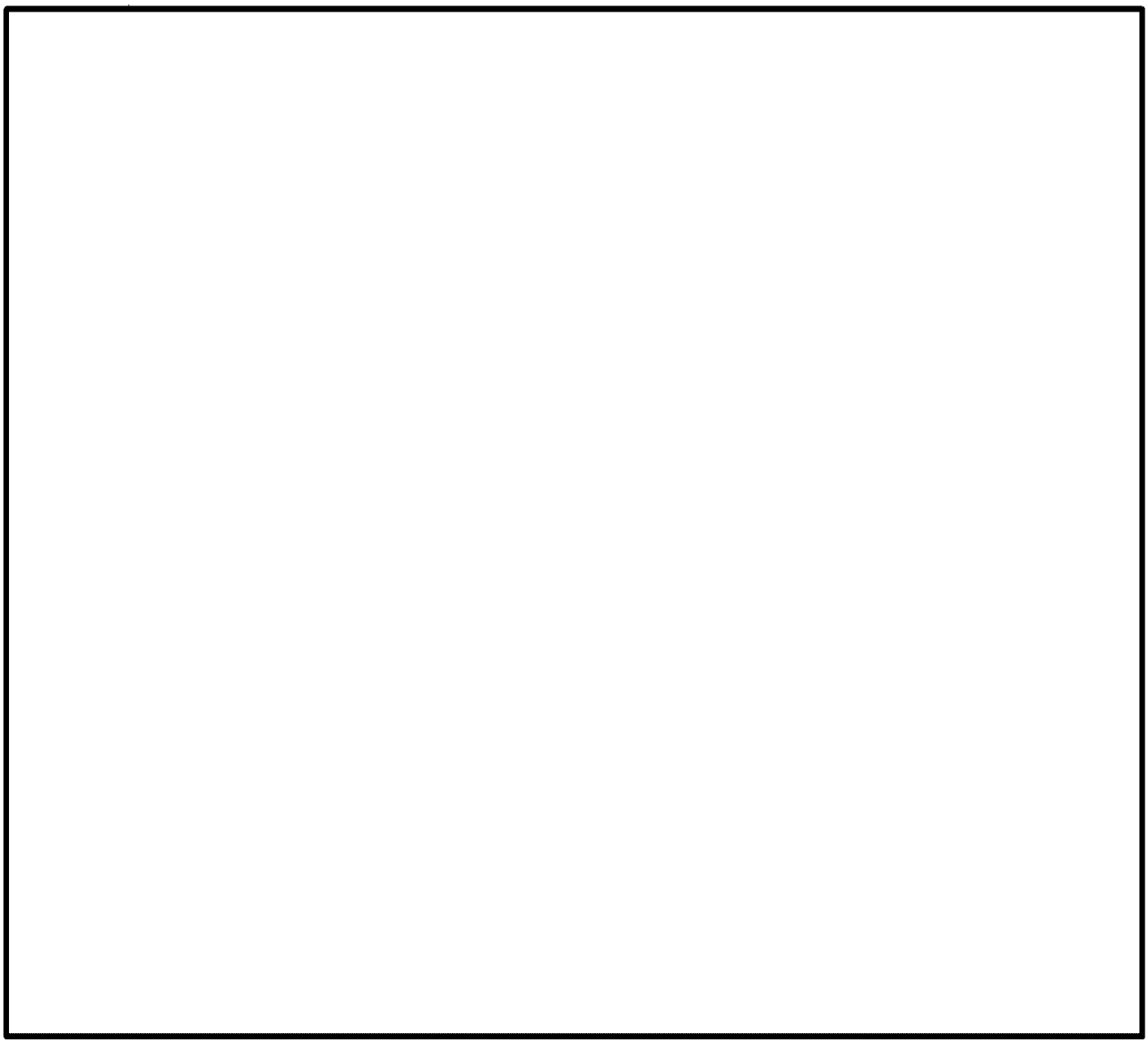
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SOURCING TRANSACTIONS

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INVESTOR MARKETING PLAN

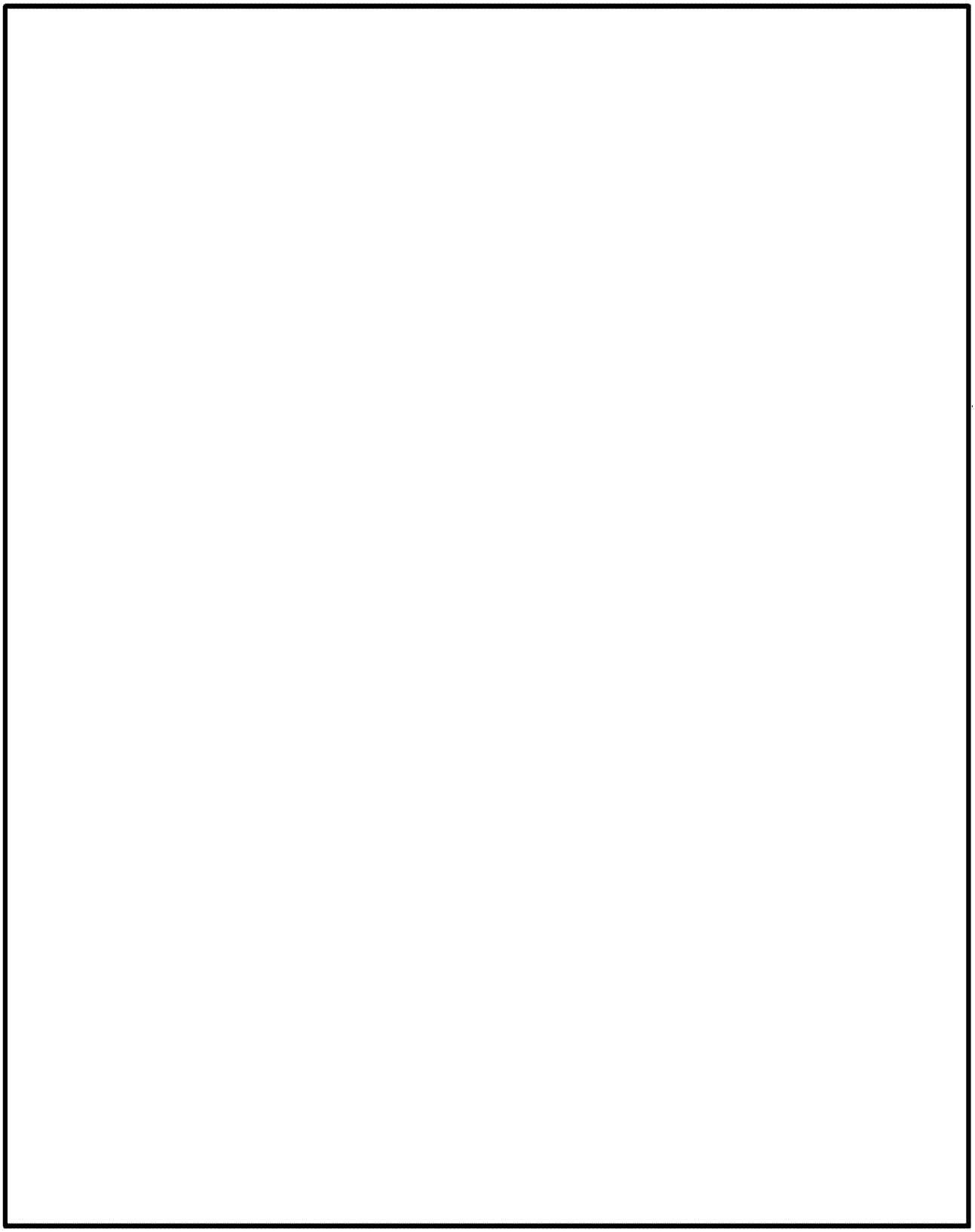
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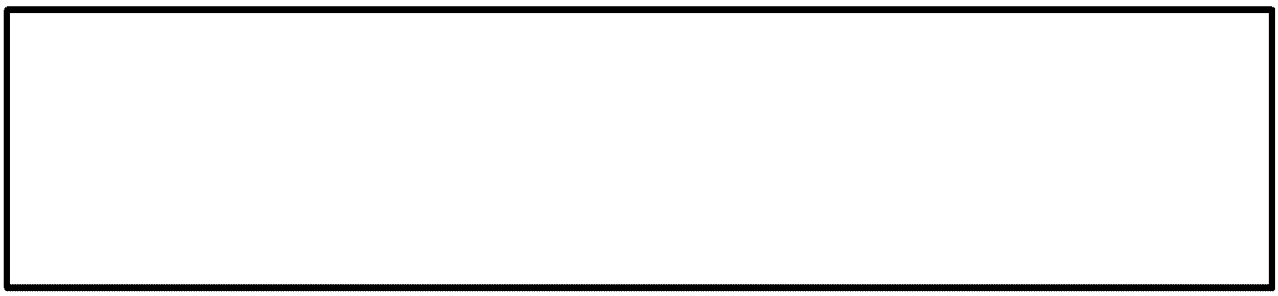
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PROCESSING AND SCREENING PROCESS

The Manager will establish detailed protocols for soliciting, screening and processing potential investors in ERDRC.

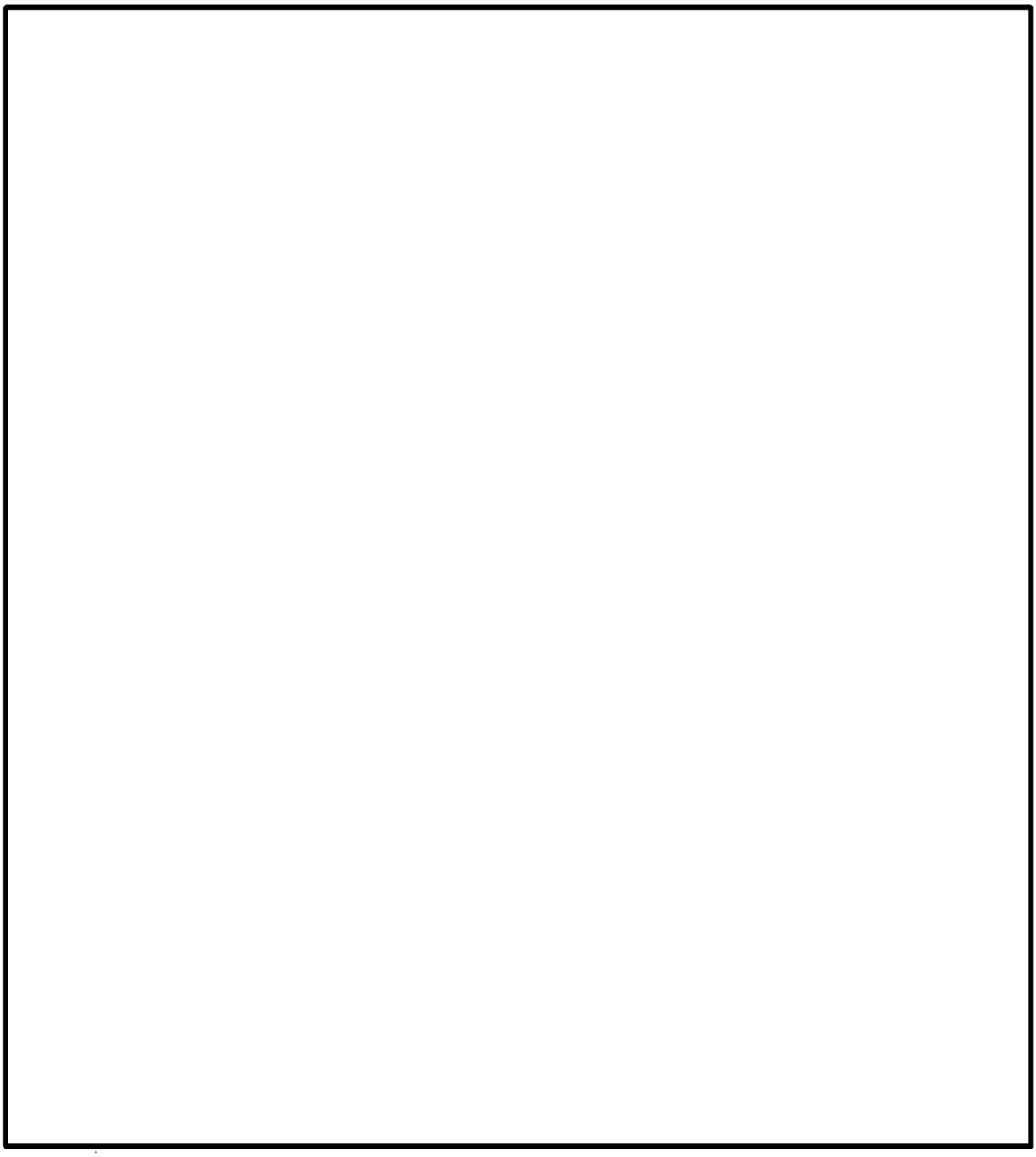


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REPORTING AND FINANCIAL COMPLIANCE



APPENDIX A: ERDRC REGIONAL COVERAGE AND MAP

The territory covered by ERDRC is set forth in detail in *Table 3* below and *Appendix A*, along with economic data supporting the need for the creation of ERDRC and related development and investment, and includes the following North Carolina counties (the "*ERDRC Territory*"):

Table 3: ERDRC Counties
Chatham
Durham
Franklin
Johnston
Orange
Person
Wake

Figure 9: Overview of ERDRC Territory

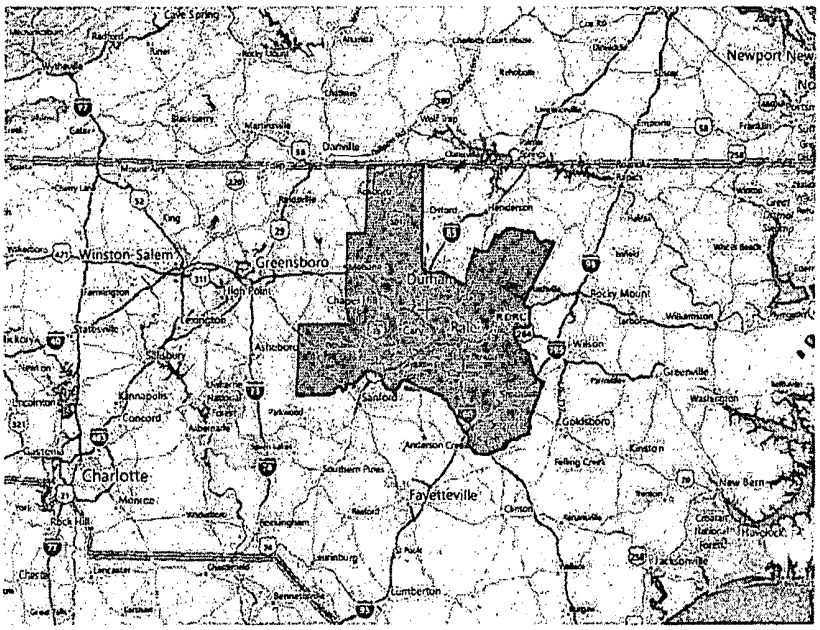
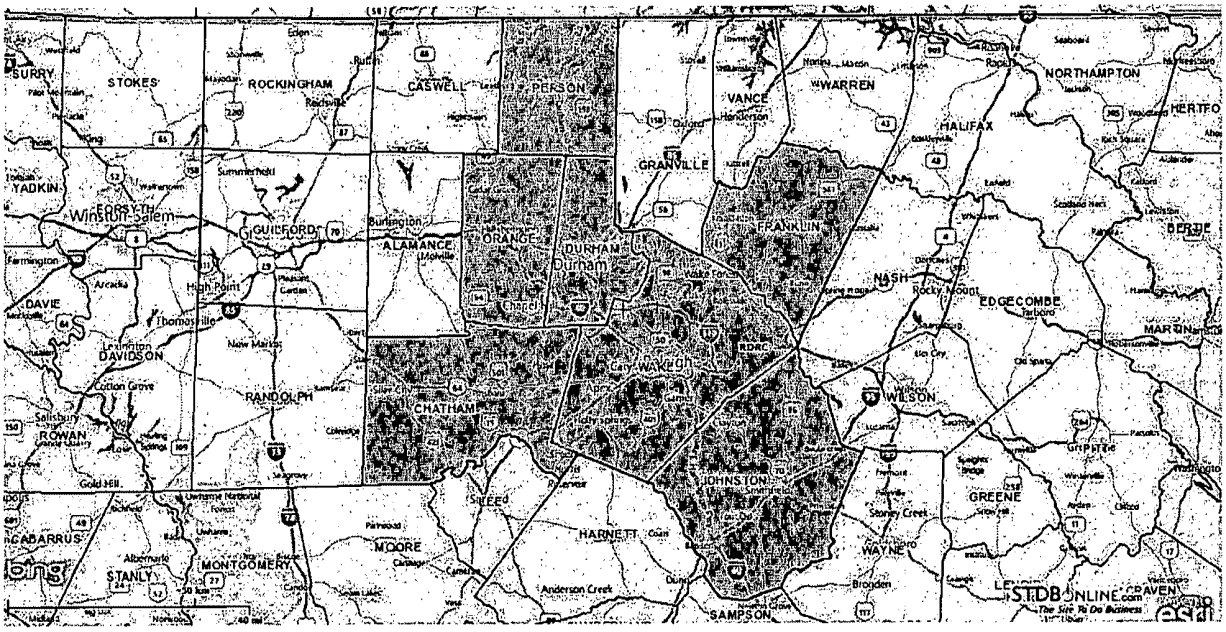


Figure 10: Detail of ERDRC Counties



APPENDIX B: ERDRC ECONOMIC IMPACT STUDY

[See Attached]

An Economic Analysis of the

Raleigh-Durham Regional Center

Encompassing 7 Contiguous Counties in the State of North Carolina

Prepared by: Encore Enterprises, Dallas, Texas

January 10, 2012

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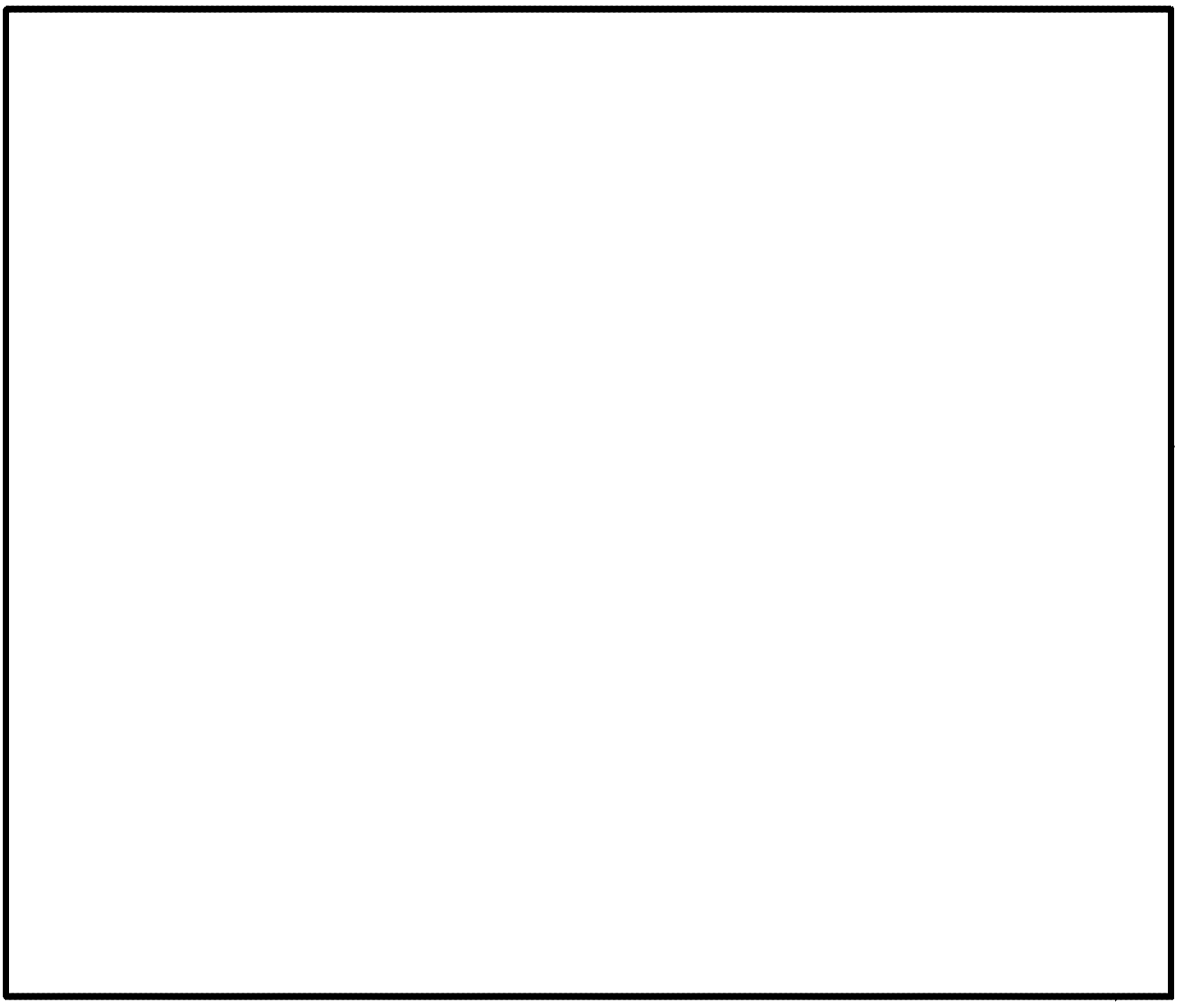
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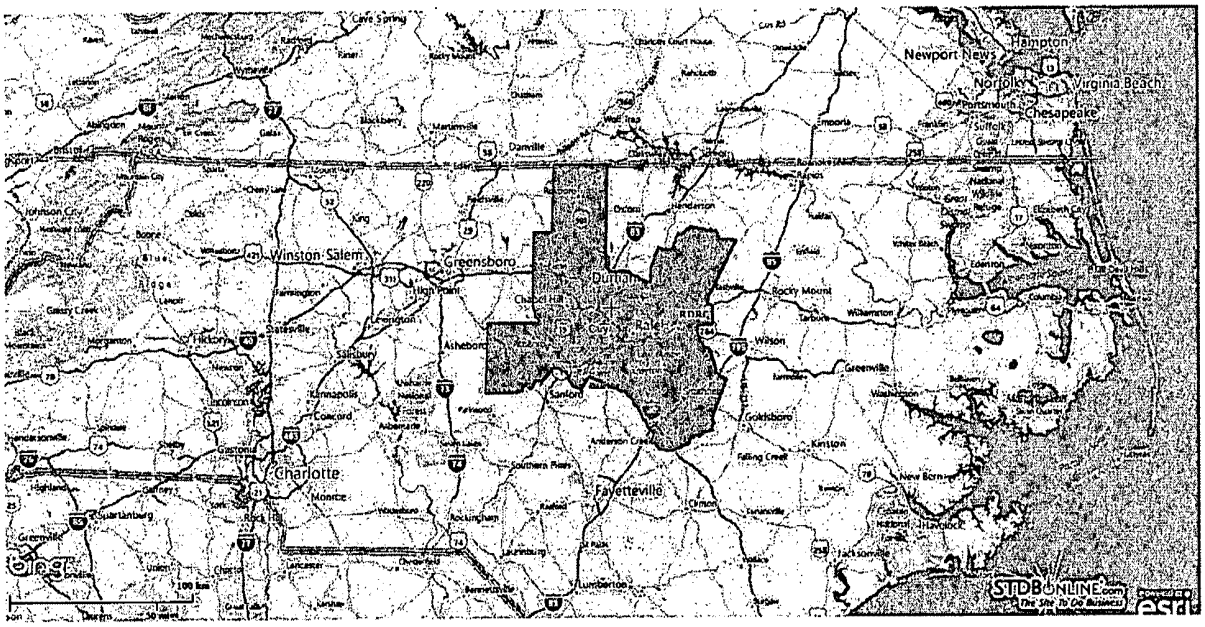
(b)(4)

Executive Summary



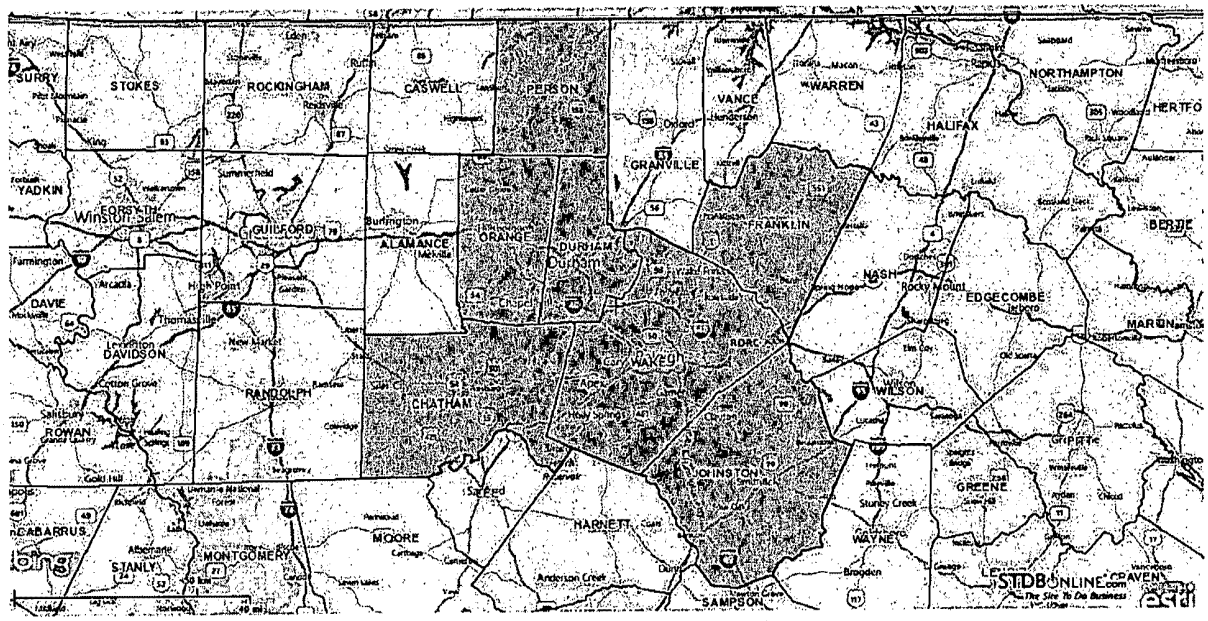
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Regional Center Geographic Area



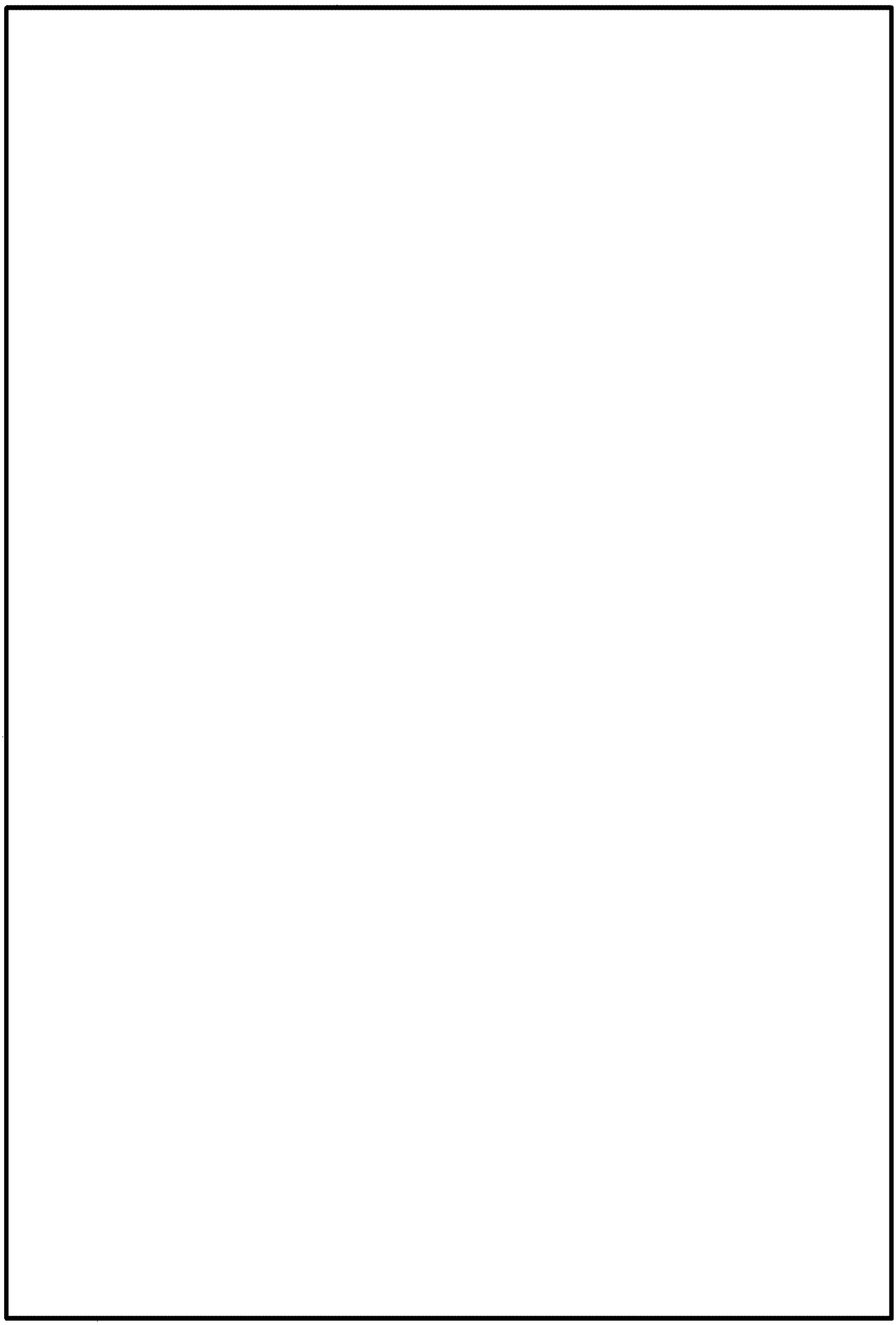
The geographic region of the proposed Regional Center consists of the combined **Raleigh-Cary and Durham-Chapel Hill MSA's**.

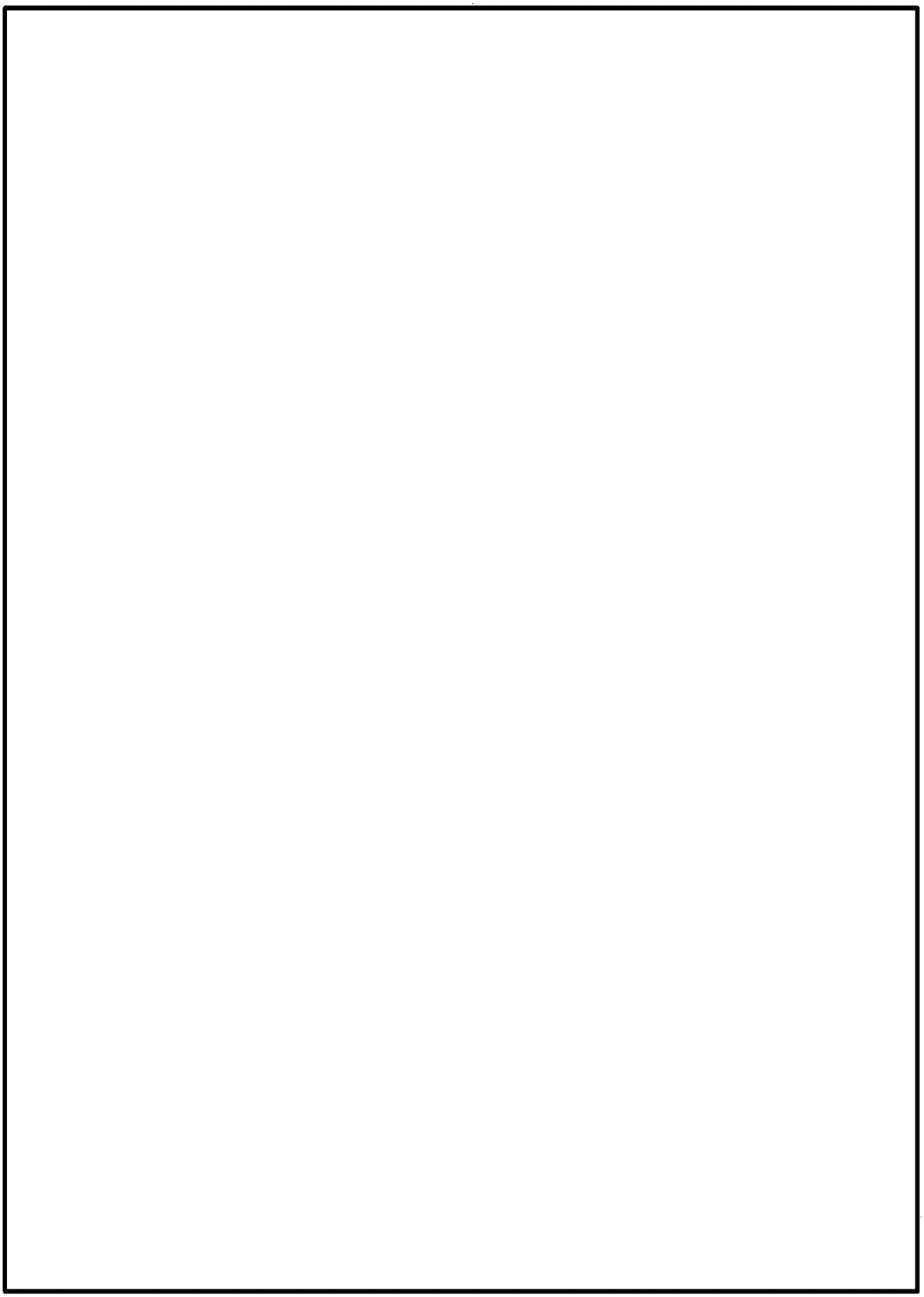
Regional Center County Cluster



The Regional Center geographic area encompasses **7-counties** which include: **Chatham; Durham; Franklin; Johnston; Orange; Person and Wake**.

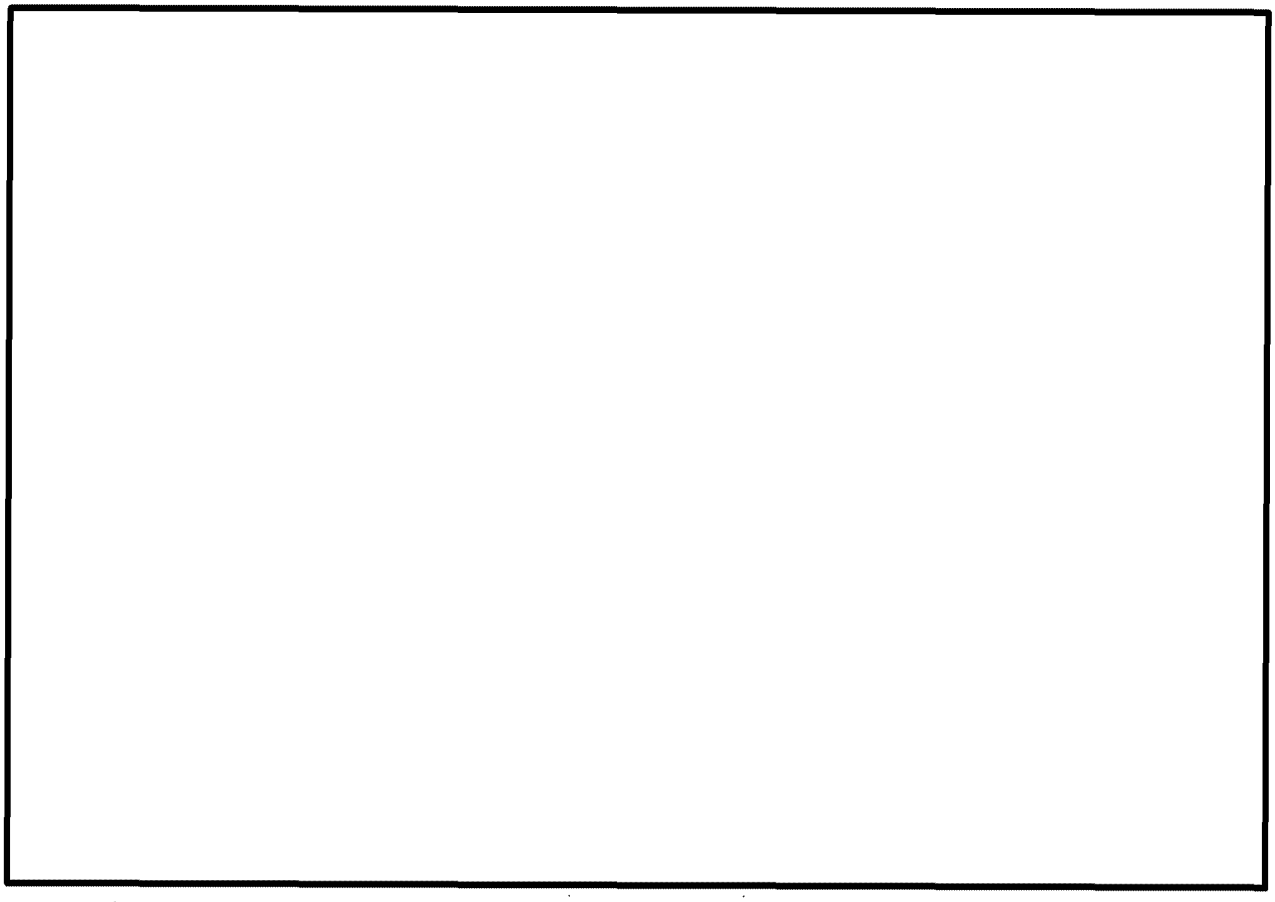
Population





(b)(4)

RIMS II Economic Forecast Model



Economic Multipliers

Income multipliers are derived from the relationship between income and output. In the RIMS II study area data there is total industry output and total income for each sector. From this data we can calculate income per dollar of output.

An employment multiplier is created in the same manner as the income multiplier, but using output per worker ratios instead of output per dollar of income.

Multipliers report the effects on economic activity through three components:

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

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

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

There are two different multipliers developed for predictive modeling: Type I and Type II multipliers.

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

2. The Type II multiplier In addition to the inter-industry effects, the Type II multiplier also takes into account the income and expenditures of households. Households spend their increased income on personal consumption, which leads to demands from local industries.

The Output of an economy is the amount of production in dollars, including all intermediate goods purchased as well as value-added (labor, capital and profit). We can also think of output as sales for both final goods and services and intermediate goods and services. Output is dependent upon consumption in the area, state government spending, investment and exports of the industries in the region.

RIMS II Assumptions

RIMS II multipliers are based on the average relationships between the inputs and outputs produced in a local economy. The multipliers are a useful tool for studying the potential impacts of changes in economic activity. However, the relative simplicity of input-output multipliers comes at the cost of several limiting assumptions that produce what are likely to be upper bound estimates.

1. Firms have no supply constraints—Input-output based multipliers assume that industries can increase their demand for inputs and labor as needed to meet additional demand. If local firms are already operating at full capacity, then additional inputs may need to come from outside the region, thereby reducing the local impact.

2. Firms have fixed patterns of purchases—Input-output based multipliers assume that an industry must double its inputs to double its output. If a firm can increase its output without hiring additional employees and without purchasing additional inputs, then the impact of the change on the local economy will be smaller than the impact that is estimated using a full multiplier.

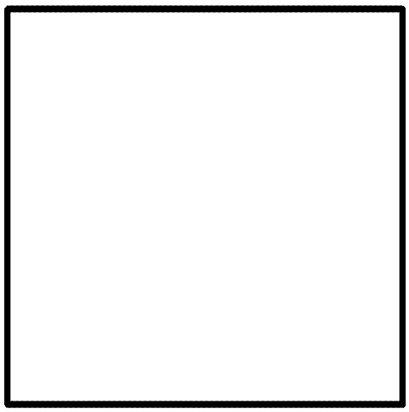
3. Firms have fixed patterns of purchases—Input-output based multipliers assume that an industry must double its inputs to double its output. If a firm can increase its output without hiring additional employees and without purchasing additional inputs, then the impact of the change on the local economy will be smaller than the impact that is estimated using a full multiplier.

4. The method used by RIMS II to develop regional multipliers assumes that firms will purchase inputs from firms in the region before using imports. If a clothing manufacturer located in an area that produces textiles, purchases its textiles from outside the region, then the impact of a change in clothing production on the local economy will be smaller than implied by the full multiplier.

Project 1: Surgery Center and Medical Office Building



(b)(4)



Project 1 will be located in **Raleigh, NC** within **Wake County**. The total investment into Project 1 is estimated to be [redacted] and the EB-5 investment is projected to be [redacted] The remaining [redacted] would come from domestic sources.

Construction Budget

USCIS guidelines state that the number of construction jobs must be based upon the capital expended on the "hard costs" of construction only. Soft costs, such as architectural plans and permitting are not included. Furniture, fixtures, and equipment expenditures are not counted. It is assumed that most furniture, such as a desk, fixtures, and equipment, are manufactured outside of the region and do not create employment within the region.

For this analysis the final estimates of all expenditures in Project 1 is [redacted] Included in this amount is [redacted] in hard construction costs. The following table summarizes the total construction budget of the proposed Project 1 in 2012 dollars.

	YEAR 1 (2012)	TOTAL
[redacted]		

Construction Economic Impact

USCIS guidelines state that direct construction jobs lasting less than two years should not be counted for the purpose of determining EB-5 job count. However, the indirect and induced jobs can be counted. The method used to determine indirect and induced employment creation is capital expenditure to determine direct, indirect, and induced job creation and then to subtract the direct jobs. The proposed [redacted] The total estimated number of indirect and induced construction jobs created for the Project 1 is [redacted]

(b)(4)

Construction	Jobs Created

Final Output	Earnings

Input-Output Construction Impact Model

(b)(4)

[redacted]

[redacted]

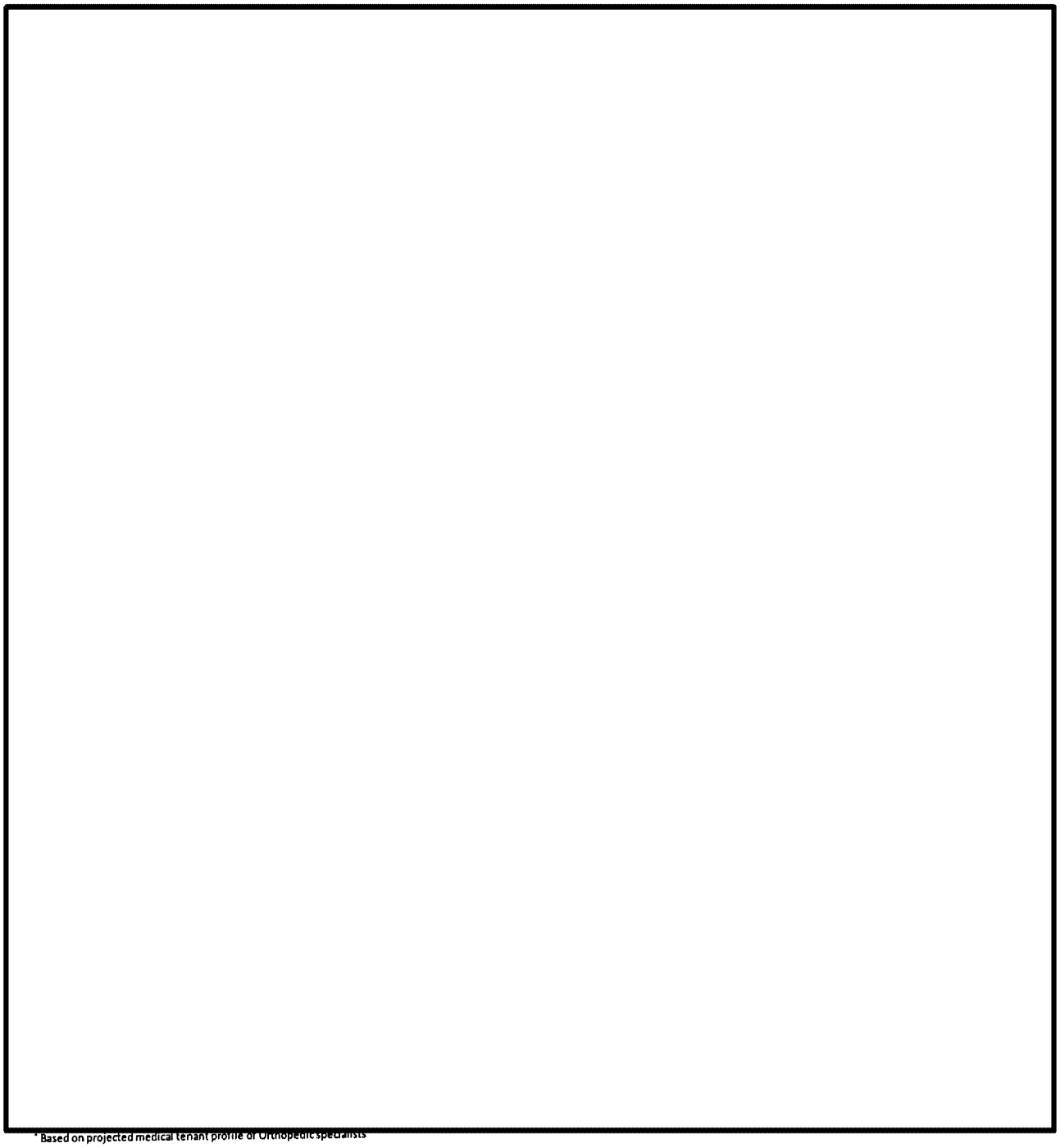
[1] RIMS II Type II Multipliers, Table 2.1, 2.2, 2.3

Operations Economic Impact

[redacted]

(b)(4)

(b)(4)



[1] Based on projected medical tenant profile of Orthopedic specialists
[2] RIMS II Type II Multipliers Table 1.5

The table above shows that the operations of the office space would create [redacted] new jobs. The increase in output would be about [redacted] and the increase in household earnings would be about [redacted]

(b)(4)

(b)(4)

[redacted]

[1] RIMS II Type II Multipliers, Table 1.5

[2] Derived from the Hospital Operating Budget created by Encore Enterprises. A more detailed table with the converstions from Purchaser's price into Producer's prices can be found in the Appendix

The Surgical Hospital will create a total of [redacted] jobs. As you can see in the table above, the total number of indirect and induced jobs created by the hospital is [redacted] while the actual number of direct jobs created through the operations of the hospital is [redacted]

Overall Economic Impact Summary

[redacted]

(b)(4)

Project 2: Neighboorhood Retail Center

[redacted]

Project 2 will be located in **Durham, NC** within **Durham County**. The total investment into Project 2 is estimated to be [redacted] and the EB-5 investment is projected to be [redacted] The remaining [redacted] would come from domestic sources.

Construction Budget

USCIS guidelines state that the number of construction jobs must be based upon the capital expended on the "hard costs" of construction only. Soft costs, such as architectural plans and permitting are not included. Furniture, fixtures, and equipment expenditures are not counted. It is assumed that most furniture, such as a desk, fixtures, and equipment, are manufactured outside of the region and do not create employment within the region. For this analysis the final estimates of all expenditures on the Project 2 is [redacted] Included in this amount is [redacted] n hard construction costs. The following table summarizes the total construction budget of the proposed Project 2 in 2012 dollars.

[redacted]

Construction Economic Impact

USCIS guidelines state that direct construction jobs lasting less than two years should not be counted for the purpose of determining EB-5 job count. [redacted]

[redacted]

[redacted]

Input-Output Construction Impact Model

(b)(4)

[redacted]

[1] RIMS II Type II Multipliers, Table 2.1,2.2, 2.3

Operations Economic Impact

[redacted]

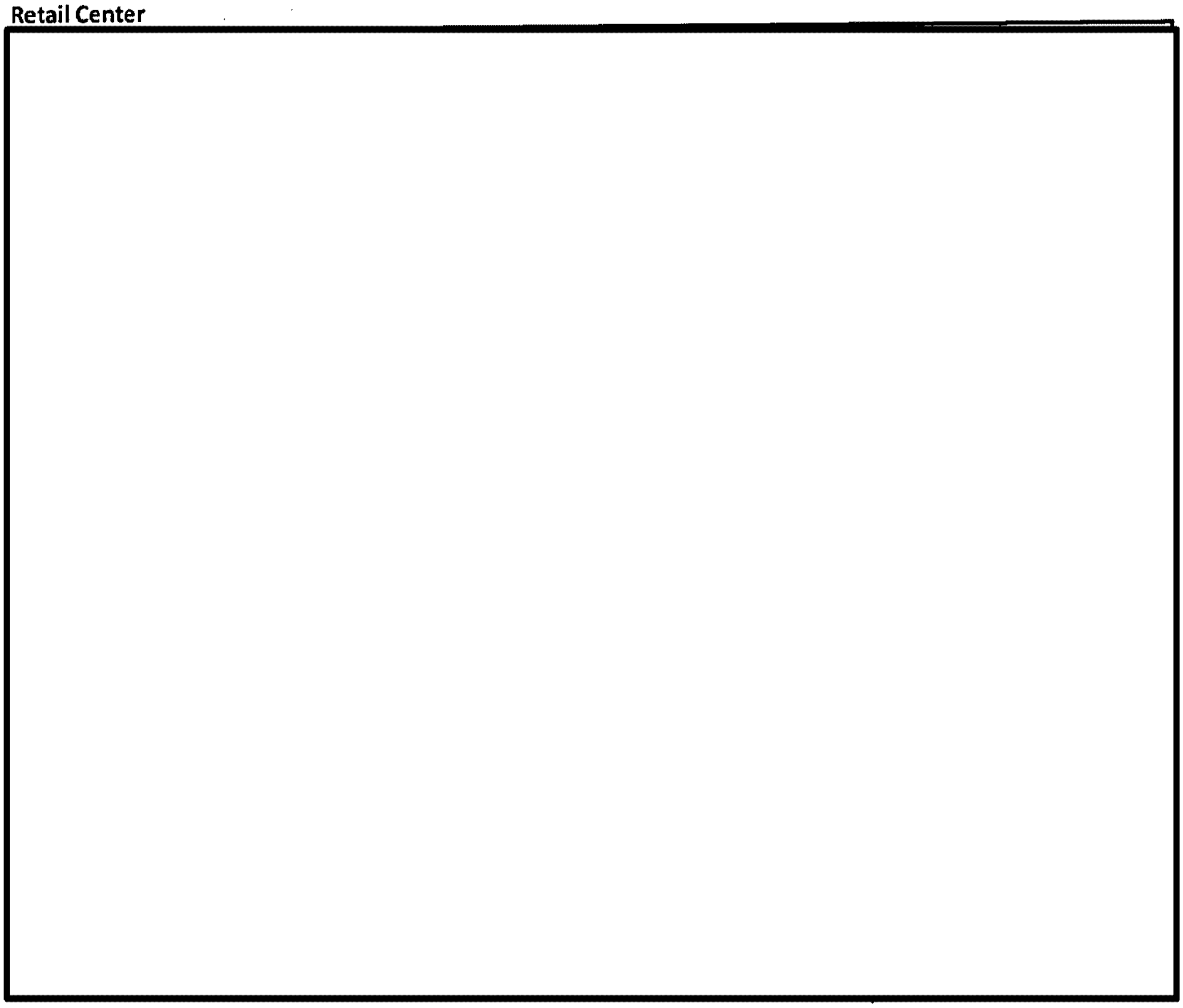
(b)(4)

(b)(4)



Input-Output Operations Impact Model

Retail Center



(b)(4)

(b)(4)

[redacted]

[3] RIMS II Type II Multipliers, Table 1.5

Overall Economic Impact Summary

[redacted]

(b)(4)

(b)(4)

Project 3: Limited Service Hotel

Project 3 will be located in **Raleigh, NC** within **Wake County**. The total investment into Project 3 is estimated to be and the EB-5 investment is projected to be The remaining would come from domestic sources.

Construction Budget

USCIS guidelines state that the number of construction jobs must be based upon the capital expended on the "hard costs" of construction only. Soft costs, such as architectural plans and permitting are not included. Furniture, fixtures, and equipment expenditures are not counted. It is assumed that most furniture, such as a desk, fixtures, and equipment, are manufactured outside of the region and do not create employment within the region. For this analysis the final estimates of all expenditures on the Project 3 Included in this amount is in hard construction costs. The following table summarizes the total construction budget of the proposed Project 3 in 2012 dollars.

Construction Economic Impact

USCIS guidelines state that direct construction jobs lasting less than two years should not be counted for the purpose of determining EB-5 job count.

(b)(4)

(b)(4)

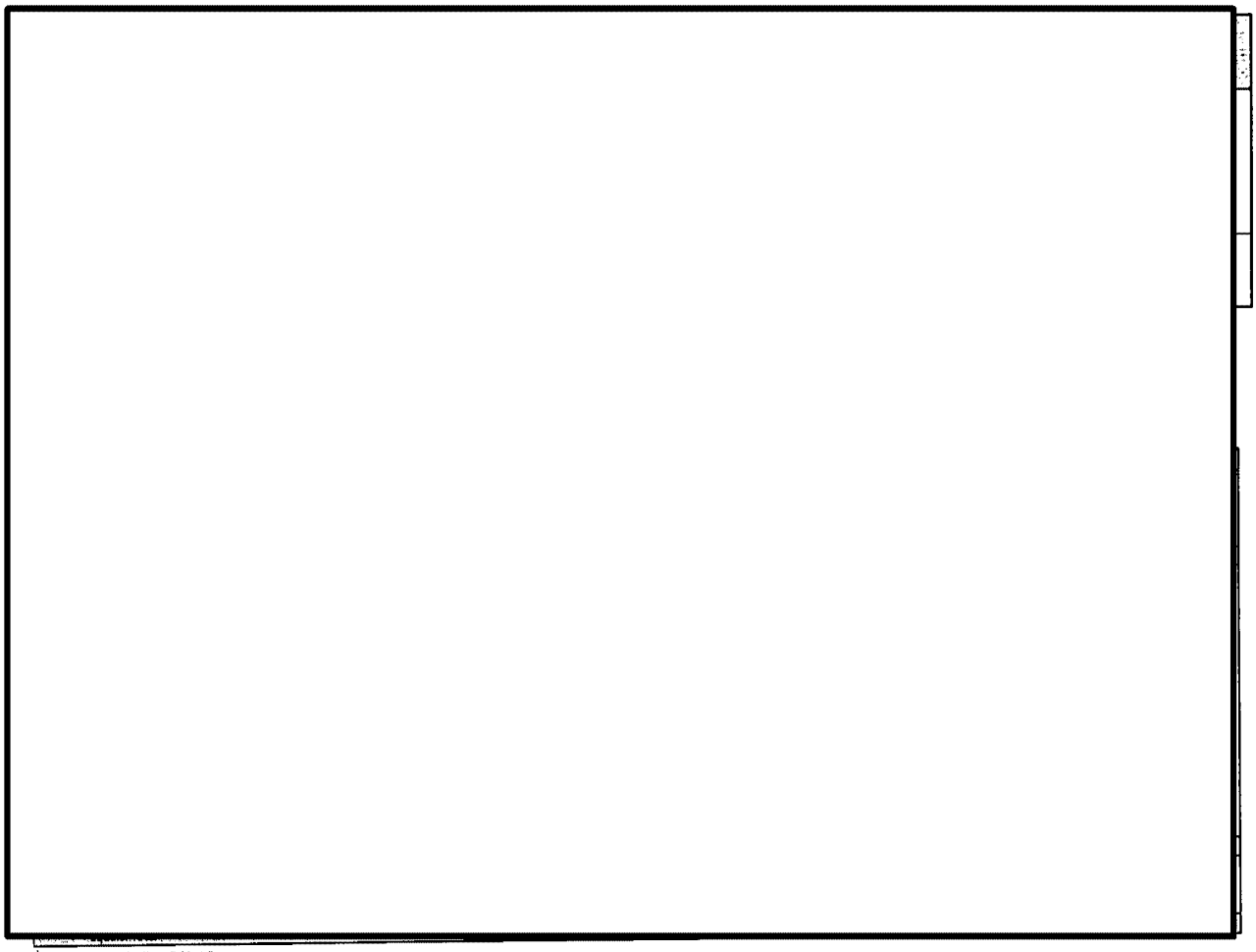
[redacted]

[1] RIMS II Type II Multipliers, Tables 2.1, 2.2, 2.3

(b)(4)

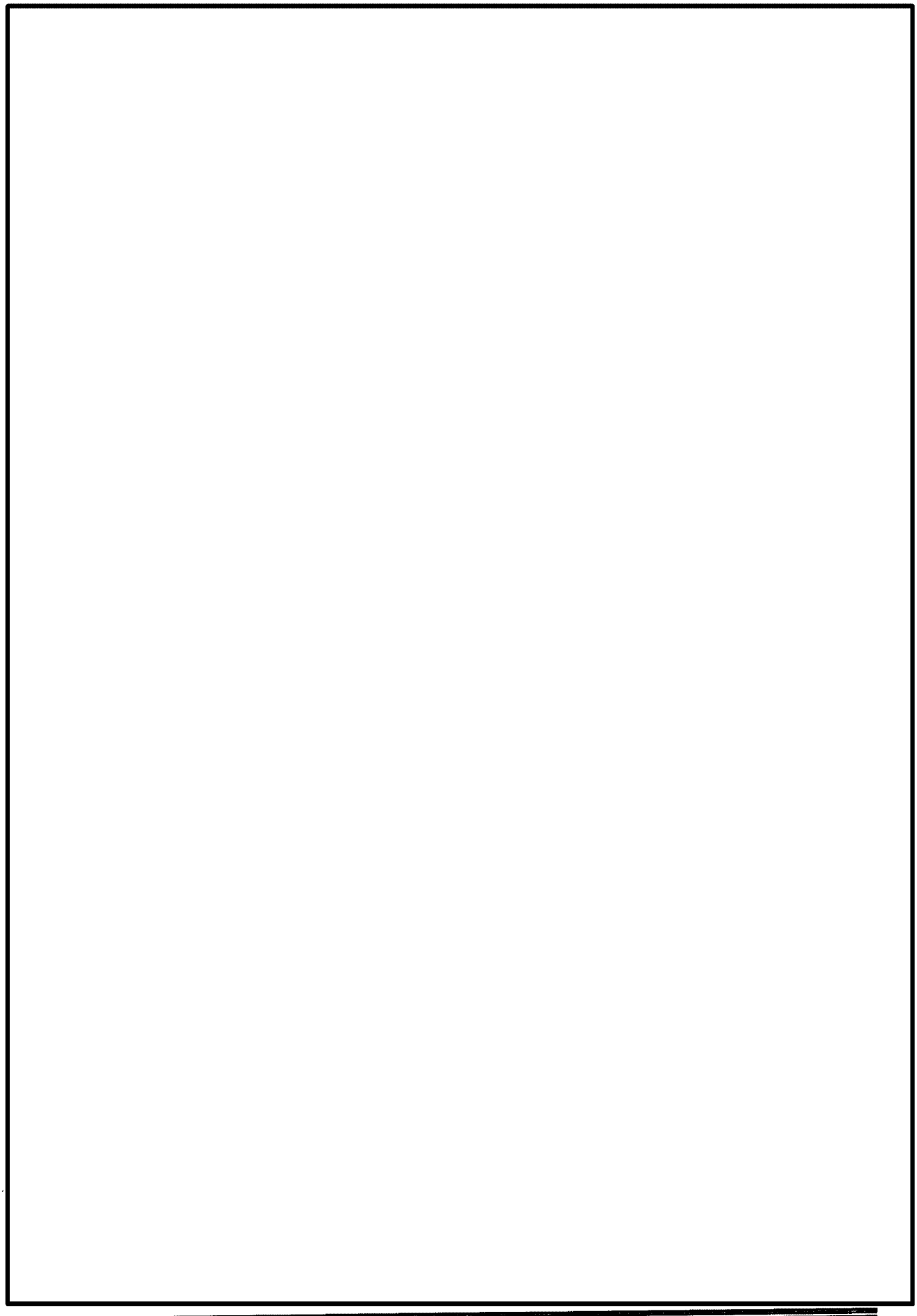


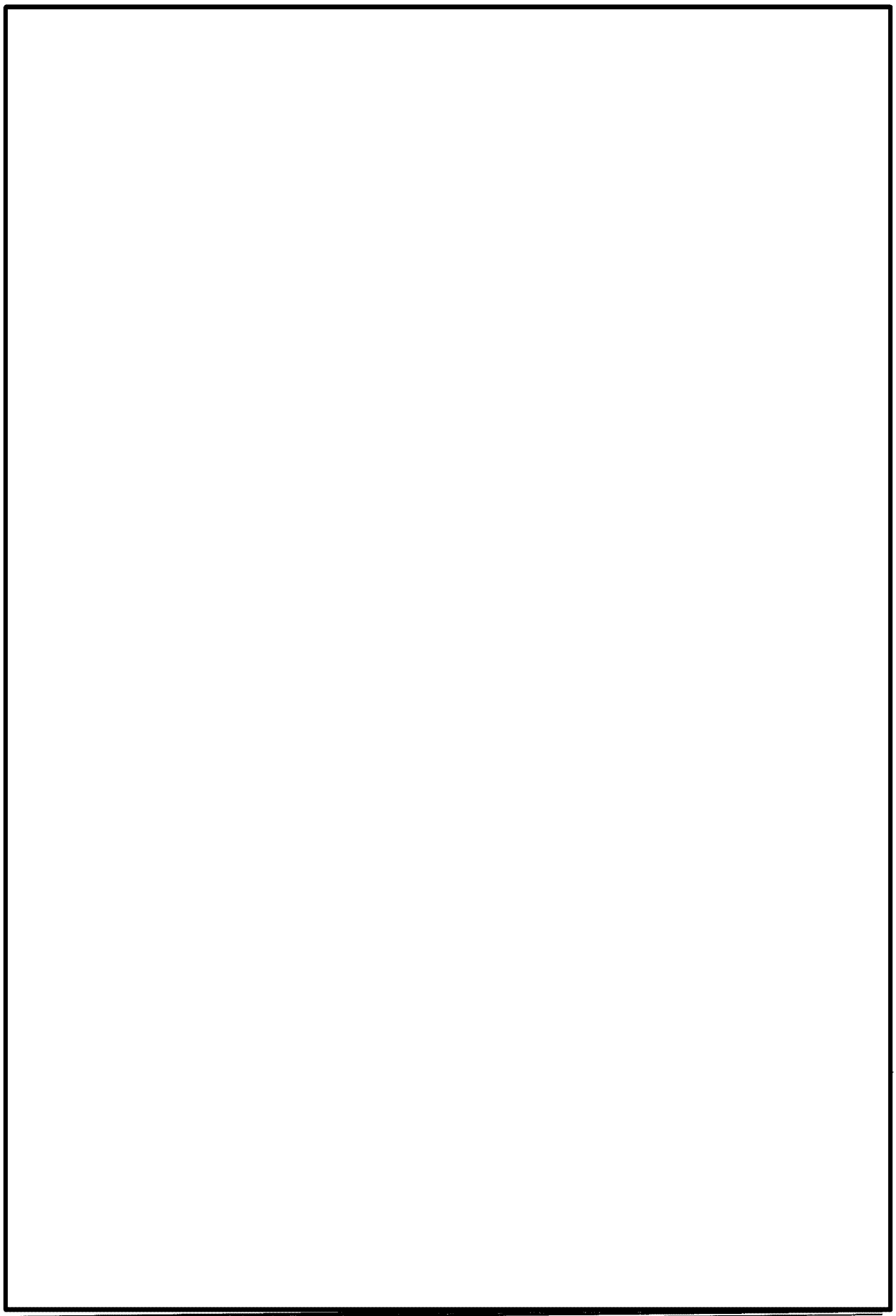
This impact analysis finds that operations of Project 3 will generate significant and positive economic benefits for the local, regional and U.S. economy. The two-year total of direct, indirect and induced increased economic output for the operations is projected to be $ The increase in full time employment is projected to produce new jobs due to the operations of the Hotel.



[1] RIMS II Type II Multipliers, Table 1.5

(b)(4)





(b)(4)

The table below summarizes that calculation:

[redacted]

[1] North Carolina Department of Commerce - 2010 NC Overnight Visitor Profile

Based on the [redacted] in new visitor expenditures in the area we are able to calculate the impact of those expenditures in the local economy based on four industry categories.

Final Impact - Visitor Spending o[redacted] Outside of the Hotel
[redacted]

[1] RIMS II Type II Multipliers, Table 1.5

The [redacted] in annual non-hotel local expenditures will result in a total of [redacted] in indirect and induced business output in the area and the creation of [redacted] jobs.

[redacted]

Overall Economic Impact Summary

This impact analysis finds that Project 3 will generate significant and positive economic benefits for the local, regional and U.S. economy. The two-year total of direct, indirect and induced increased economic output is projected to be [redacted]

For purposes of EB-5 investment, the total number of increased jobs generated from construction, operation and guest spending in Project 3 is [redacted]

Additionally, the net increase in earnings in the region is projected to be $ [redacted]

Overall	Jobs Created	Final Output	Earnings
[redacted]			

Project 4: Multifamily Residential Community

[redacted]

Construction Budget

USCIS guidelines state that the number of construction jobs must be based upon the capital expended on the "hard costs" of construction only. Soft costs, such as architectural plans and permitting are not included. Furniture, fixtures, and equipment expenditures are not counted. It is assumed that most furniture, such as a desk, fixtures, and equipment, are manufactured outside of the region and do not create employment within the region. For this analysis the final estimates of all expenditures in Project 4 is [redacted] Included in this amount is [redacted] in hard construction costs. The following table summarizes the total construction budget of the proposed Project 4 in 2012 dollars.

[redacted]

Construction Economic Impact

USCIS guidelines state that direct construction jobs lasting less than two years should not be counted for the purpose of determining EB-5 job count. [redacted]

[redacted]

the total census. The total estimated number of indirect and induced construction jobs created for the Project 4 is [redacted]

[redacted]

[1] RIMS II Type II Multipliers, Tables 2.1, 2.2, 2.3

(b)(4)

Operations Economic Impact

This impact analysis finds that operations of Project 4 will generate significant and positive economic benefits for the local, regional and U.S. economy. The two-year total of direct, indirect and induced increased economic output for the operations is projected to be [redacted] For purposes of EB-5 investment, the total number of jobs generated from the operation of Project 4 is [redacted]

[redacted]

[1] RIMS II Type II Multipliers, Table 1.5
[2] Multifamily Operating Budget created by Encore Enterprises

Overall Economic Impact Summary

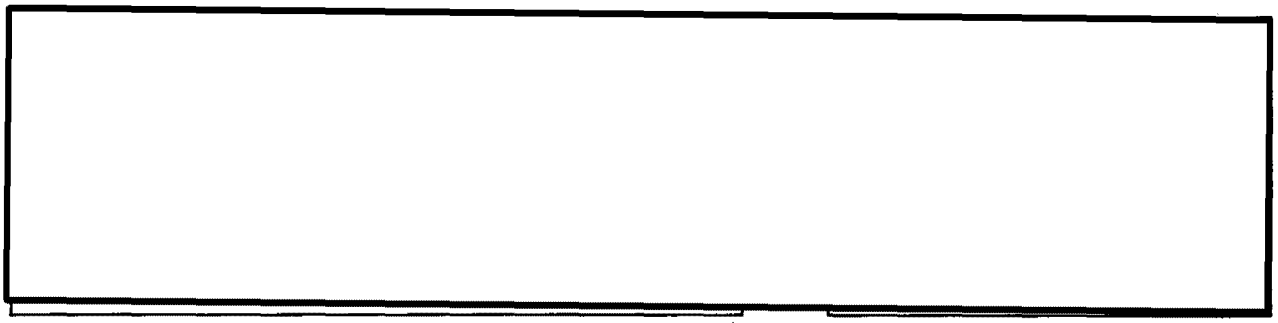
This impact analysis finds that Project 4 will generate significant and positive economic benefits for the local, regional and U.S. economy.

The two-year total of direct, indirect and induced increased economic output is projected to be [redacted] For purposes of EB-5 investment, the total number of increased jobs generated from construction and operation of Project 4 is [redacted]

Additionally, the net increase in earnings in the region is projected to be [redacted]

(b)(4)

(b)(4)



Employment Cluster Definitions

Surgical and Medical Instrument Manufacturing – NAICS 339112

This U.S. industry comprises establishments primarily engaged in manufacturing medical, surgical, ophthalmic, and veterinary instruments and apparatus (except electrotherapeutic, electro medical and irradiation apparatus). Examples of products made by these establishments are syringes, hypodermic needles, anesthesia apparatus, blood transfusion equipment, catheters, surgical clamps, and medical thermometers.

Wholesale Trade – NAICS 42

The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. This sector comprises two main types of wholesalers: merchant wholesalers that sell goods on their own account and business to business electronic markets, agents, and brokers that arrange sales and purchases..

Insurance Agencies, Brokerages – NAICS 5242

This industry group comprises establishments primarily engaged in (1) acting as agents (i.e., brokers) in selling annuities and insurance policies or (2) providing other employee benefits and insurance related services, such as claims adjustment and third party administration.

Advertising and Related Services – NAICS 5418

This industry comprises establishments primarily engaged in creating advertising campaigns and placing such advertising in periodicals, newspapers, radio and television, or other media. These establishments are organized to provide a full range of services (i.e., through in-house capabilities or subcontracting), including advice, creative services, account management, production of advertising material, media planning, and buying (i.e., placing advertising).

Management of Companies and Enterprises – NAICS 541611

This U.S. industry comprises establishments primarily engaged in providing operating advice and assistance to businesses and other organizations on administrative management issues, such as financial

planning and budgeting, equity and asset management, records management, office planning, strategic and organizational planning, site selection, new business startup, and business process improvement. This industry also includes establishments of general management consultants that provide a full range of administrative; human resource; marketing; process, physical distribution, and logistics; or other services.

Services to Buildings and Dwellings – NAICS 5617

This industry comprises establishments primarily engaged in providing services to buildings and dwellings including exterminating and pest control; janitorial; landscaping care and maintenance; and carpet and upholstery cleaning.

Medical and Diagnostics Labs and Outpatient services – NAICS 62151

This industry comprises establishments known as medical and diagnostic laboratories primarily engaged in providing analytic or diagnostic services, including body fluid analysis and diagnostic imaging, generally to the medical profession or to the patient on referral from a health practitioner.

Shift-Share Analysis Model

Shift-share analysis is a widely used analytical technique used for retrospectively decomposing employment changes in an urban areas or regions over time. The analysis is meant to identify industries considered to have a comparative advantage in a particular area by measuring employment changes as a function of: the national growth component; the industrial mix component; and the shift or change of activities toward the study area.

1. The National Growth Component

The first source of change is the growth or contraction in the United States economy. The effect of the national growth component is felt most acutely during the peaks and valleys of the business cycle, i.e. during recessions and boom times. Local businesses are very aware of how the general business climate affects them.

An understandable goal of some local business leaders is to make their economy more 'recession proof'. Economies with more employment in government, military and education will experience less fluctuation because those sectors are not directly related to the business cycle. Also, economic sectors that are experiencing more growth will provide larger employment gains to a local economy.

2. The Industrial Mix Component

Insight into these growing sectors is provided by the second aspect that shift-share analysis considers the industrial mix component. This component is found by calculating the % growth rate for an economic sector at the national level and subtracting from it the national growth component. Thus, the industrial mix component measures how well an industry has grown, net of effects from the business cycle. If this area's employment were concentrated in those sectors with higher industrial mix components, then the area could expect more employment growth.

3. The Competitive Share Component

The third and final component of shift-share analysis is called the competitive share. It is the remaining employment change that is left over after accounting for the national and industrial mix components. If a sector's competitive share is positive, then the sector has a local advantage in promoting employment growth.

A positive competitive share component would indicate that the study area has a competitive advantage. This advantage could be due to local firms having superior technology, management, or market access, or the local labor force having higher productivity and/or lower wages. A negative competitive share component could be caused by local shortcomings in all these areas.

The formula for computing the shift-share functions can be written as:

$$e_i^{t+n} - e_i^t = e_i^t \left[\frac{E^{t+n}}{E^t} - 1 \right] + e_i^t \left[\frac{E_i^{t+n}}{E_i^t} - \frac{E^{t+n}}{E^t} \right] + e_i^t \left[\frac{e_i^{t+n}}{e_i^t} - \frac{E_i^{t+n}}{E_i^t} \right]$$

Where:

ei = Local employment in industry i

e = Total local employment

Ei = Reference area employment in industry i

E = Total reference area employment

t = starting time period of study

n = study period in number of years

By examining the competitive share components for each industry, the user can identify which local industries have a positive competitive share component. This indicates which industries have competitive advantages over other counties and regions. Shift-share analysis does not explain why an economic sector has slower or faster growth. Rather, understanding of the analysis requires knowledge about the business conditions facing particular industries.

Shift-Share Analysis Summary (b)(4)

APPENDIX C: PRO FORMA FINANCIAL STATEMENT

[See Attached]

(b)(4)

REGIONAL CENTER

PROJECTED INCOME STATEMENT

YEARS	1	2	3	4	5
PERIOD	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16

APPENDIX D: ORGANIZATIONAL DOCUMENTS

[See Attached]

STATE *of* DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE *of* FORMATION

First: The name of the limited liability company is Encore Global Investment Management, LLC

Second: The address of its registered office in the State of Delaware is 108 West 13th Street in the City of Wilmington. Zip code 19801. The name of its Registered agent at such address is Business Filings Incorporated

Third: (Use this paragraph only if the company is to have a specific effective date of dissolution: "The latest date on which the limited liability company is to dissolve is _____.")

Fourth: (Insert any other matters the members determine to include herein.)

In Witness Whereof, the undersigned have executed this Certificate of Formation this 5th day of January, 2012.

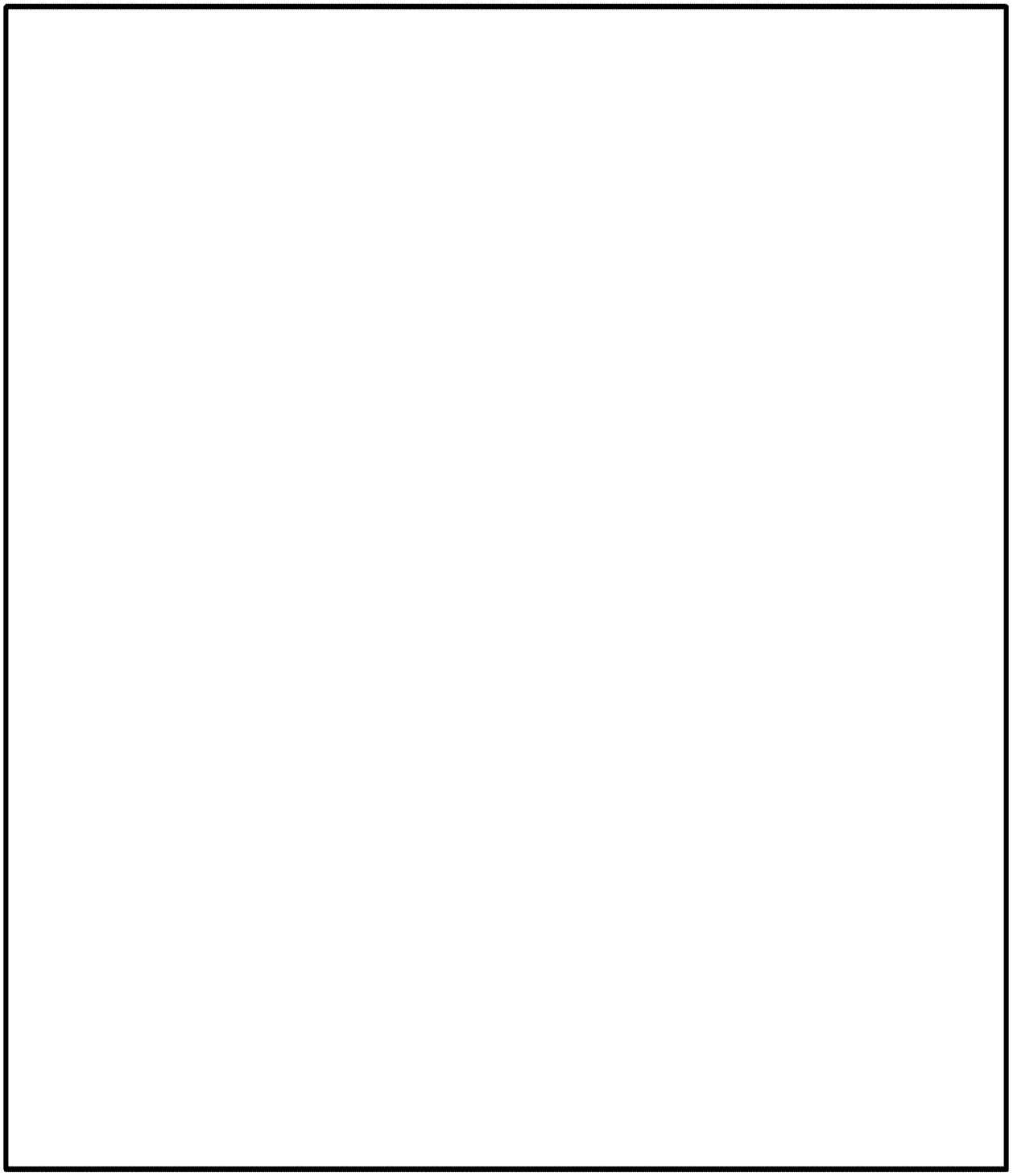
By: _____
Authorized Person (s)

Name: Alan L. Murray

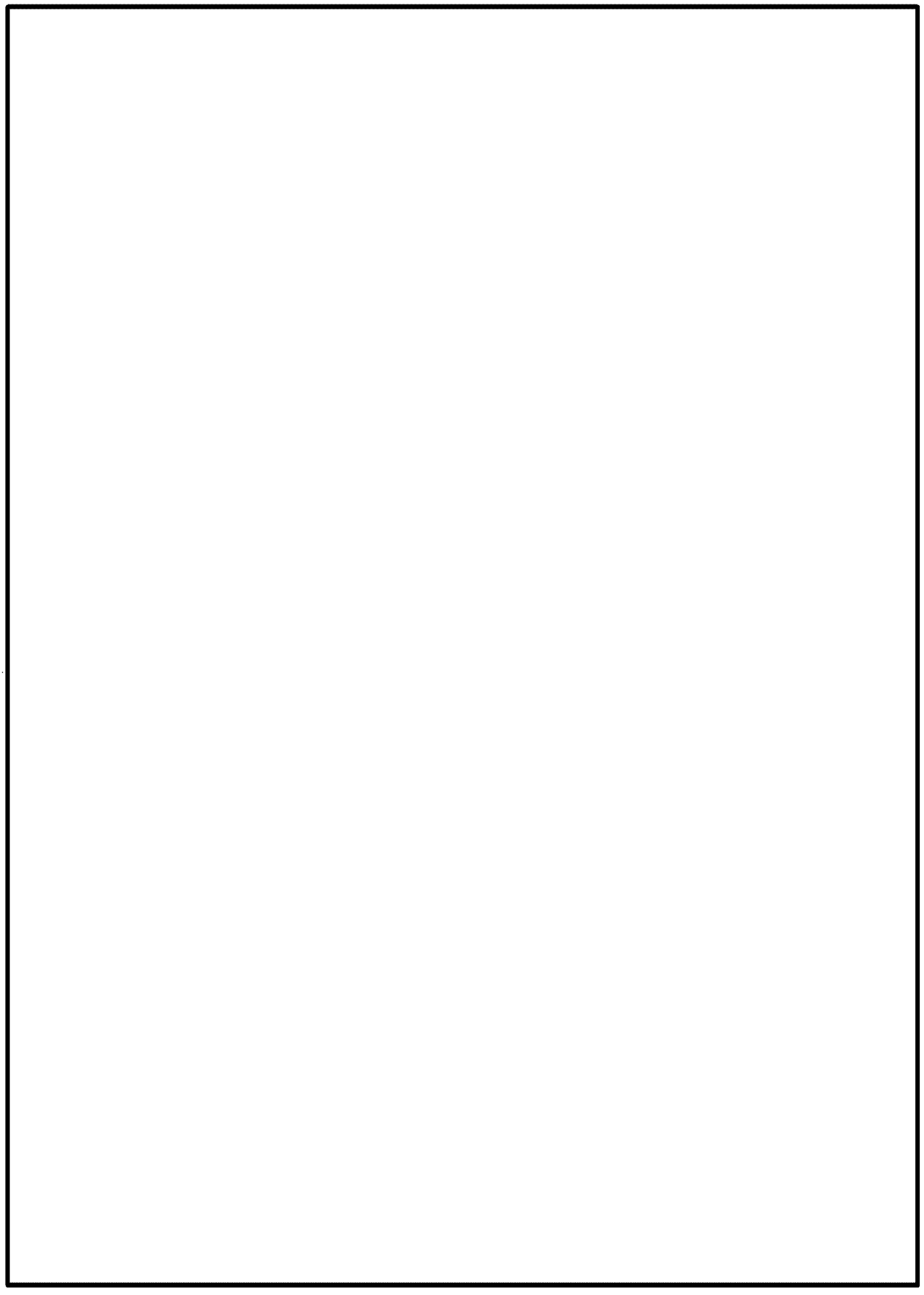
State of Delaware
Secretary of State
Division of Corporations
Delivered 05:27 PM 01/05/2012
FILED 05:27 PM 01/05/2012
SRV 120017878 - 5091633 FILE

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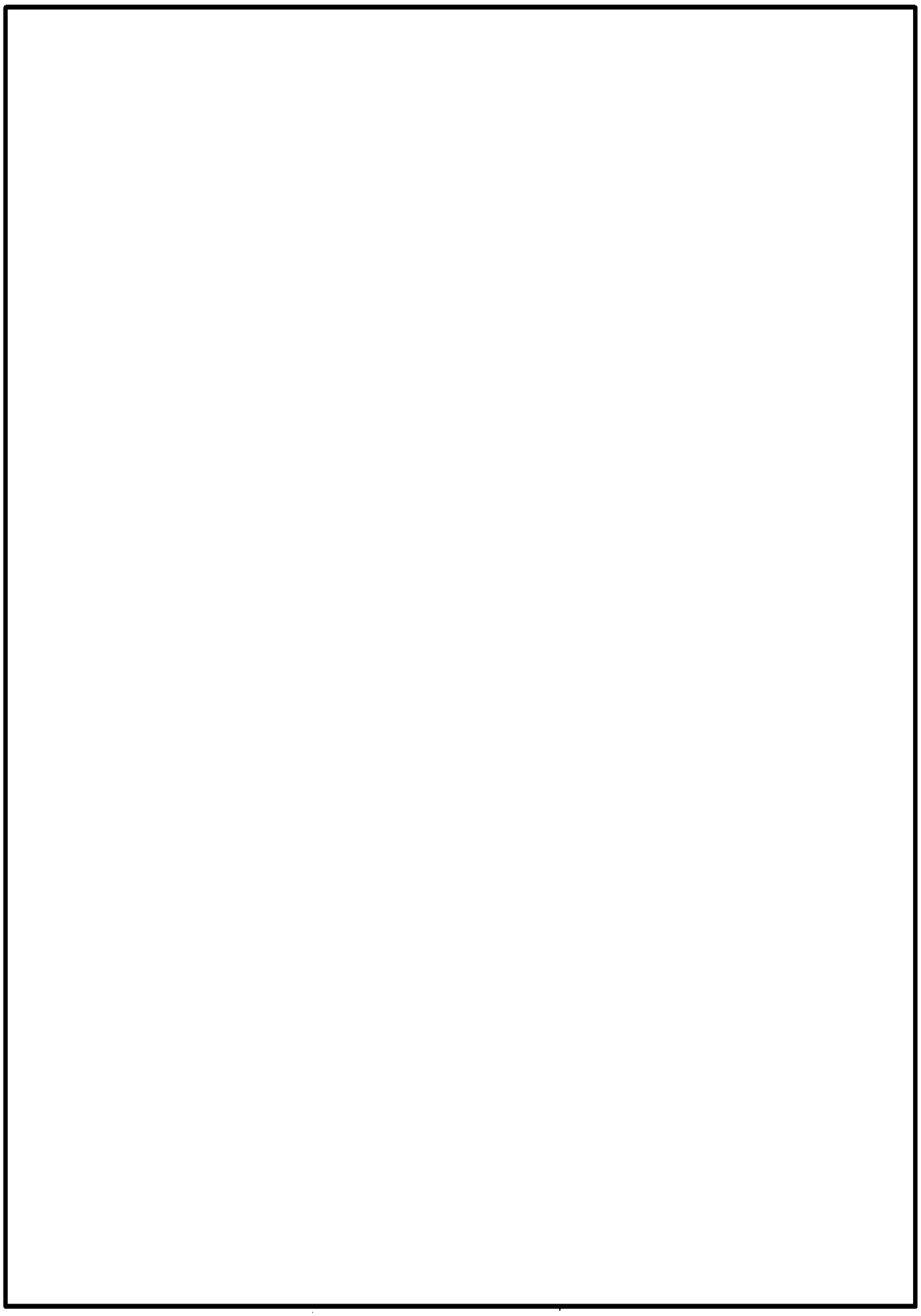
OPERATING AGREEMENT
OF
ENCORE GLOBAL INVESTMENT MANAGEMENT, LLC



(b)(4)



(b)(4)



(b)(4)

[redacted]

MEMBER:

ENCORE EQUITY MANAGEMENT, LLC

By: _____
Patrick J. Barber, President

MANAGER:

_____
PATRICK J. BARBER

SCHEDULE 1

(b)(4)

MEMBER NAME	Initial Capital Contribution	Membership and Percentage Interest

SCHEDULE 2

Officers

Name	Office
Patrick J. Barber	President
Alan L. Murray	Executive VP and Secretary
Mahesh Shetty	CFO and Treasurer

STATE *of* DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE *of* FORMATION

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:27 PM 01/05/2012
FILED 05:27 PM 01/05/2012
SRV 120017876 - 5091629 FILE

First: The name of the limited liability company is ERC Raleigh/Durham, LLC

Second: The address of its registered office in the State of Delaware is 108 West 13th Street in the City of Wilmington. Zip code 19801. The name of its Registered agent at such address is Business Filings Incorporated

Third: (Use this paragraph only if the company is to have a specific effective date of dissolution: "The latest date on which the limited liability company is to dissolve is _____.")

Fourth: (Insert any other matters the members determine to include herein.)

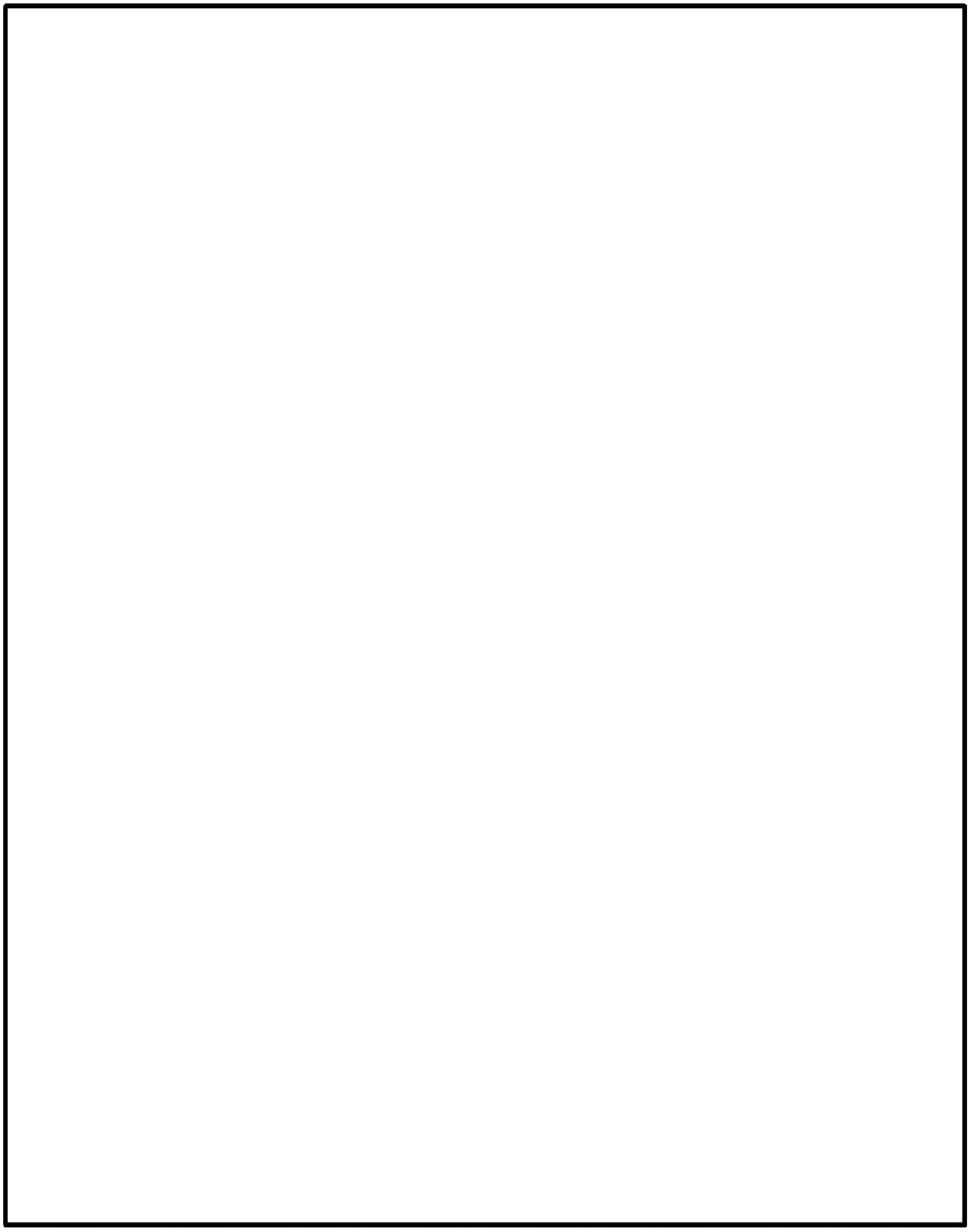
In Witness Whereof, the undersigned have executed this Certificate of Formation this 5th day of January, 2012.

By: Alan L Murray
Authorized Person(s)

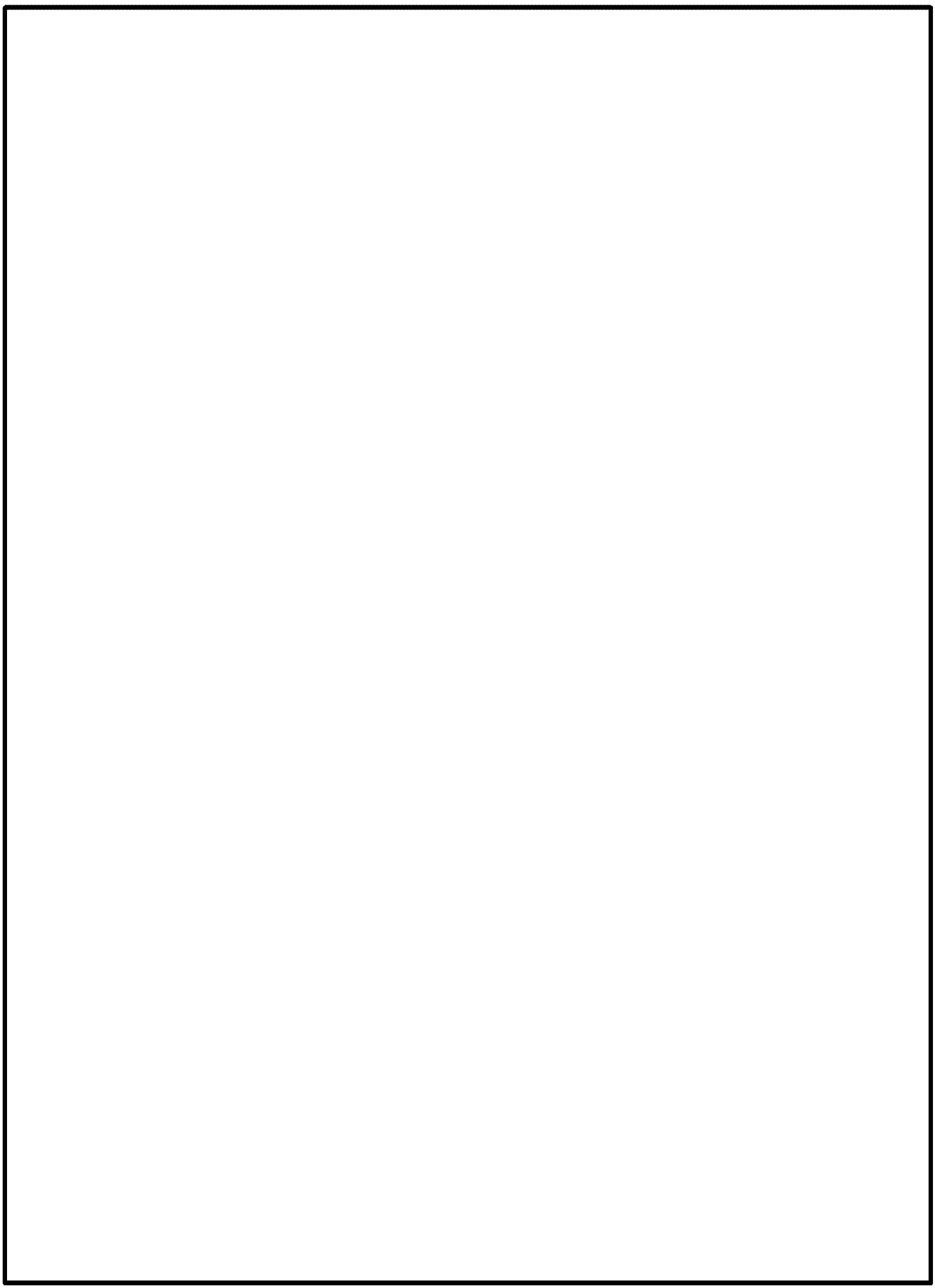
Name: Alan L. Murray

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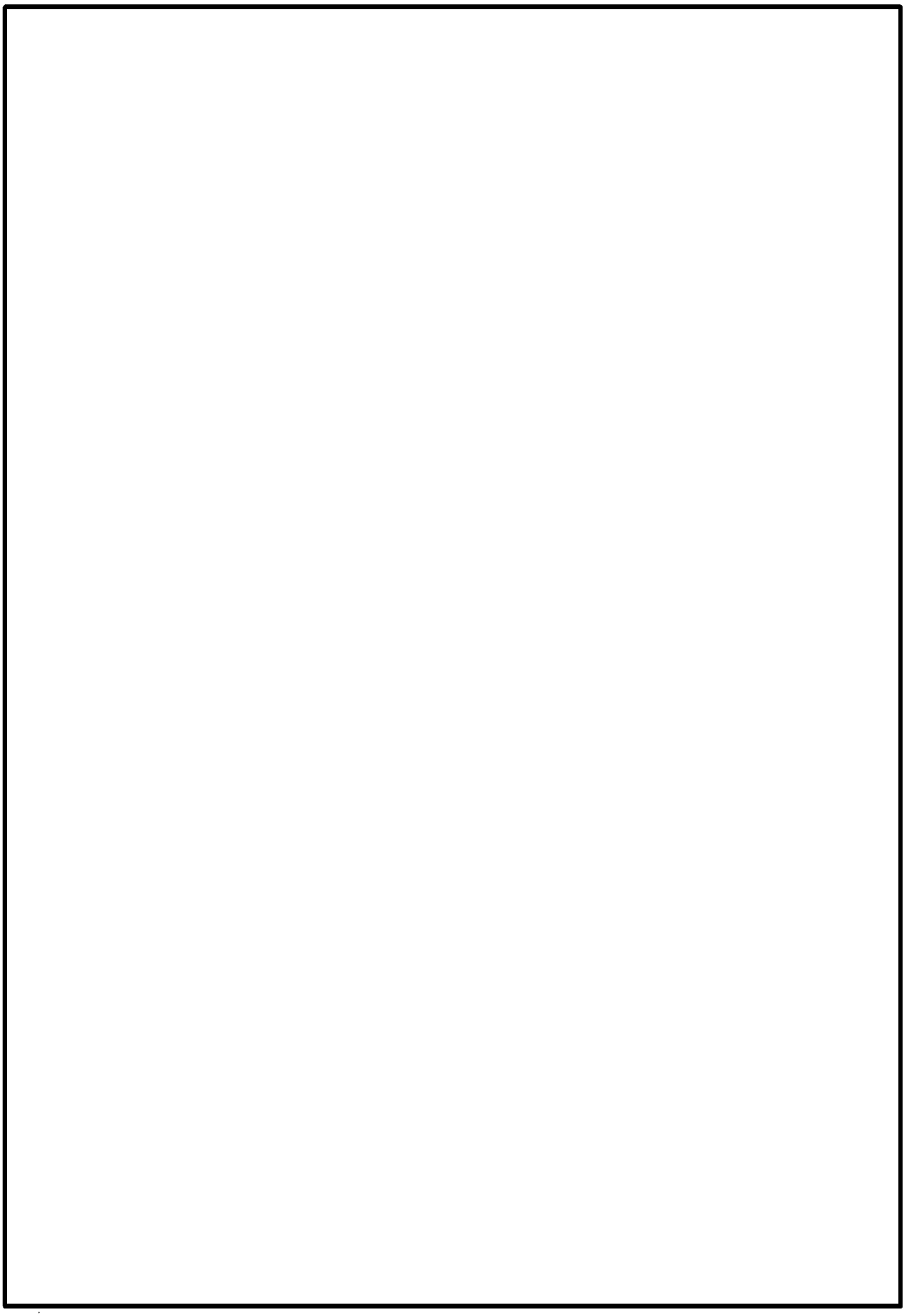
OPERATING AGREEMENT
OF
ERC RALEIGH/DURHAM, LLC



(b)(4)



(b)(4)



(b)(4)

MEMBER:

ENCORE GLOBAL INVESTMENT MANAGEMENT, LLC

By: _____
Patrick J. Barber, President

MANAGER:

_____
PATRICK J. BARBER

(b)(4) **SCHEDULE 1**

MEMBER NAME	Initial Capital Contribution	Membership and Percentage Interest

SCHEDULE 2

Officers

Name	Office
Patrick J. Barber	President
Alan L. Murray	Executive VP and Secretary
Mahesh Shetty	CFO and Treasurer

PROSPECTIVE INVESTOR: _____

COPY NUMBER: _____

PROSPECTIVE INVESTORS ELECTING NOT TO MAKE AN INVESTMENT ARE REQUESTED TO RETURN ALL OFFERING MATERIALS TO THE FUND.

ERC RALEIGH/DURHAM FUND I, LP

Limited Partner Interests

Confidential Private Offering Memorandum

_____, 2012

CONFIDENTIAL

THIS MEMORANDUM MAY NOT BE REPRODUCED

Contact Information:

ERC Raleigh/Durham Fund I, LP
c/o ERC Raleigh/Durham, LLC
5005 LBJ Freeway
Suite 1200
Dallas, Texas 75244
P: (214) 259-7000
F: (214) 259-7001

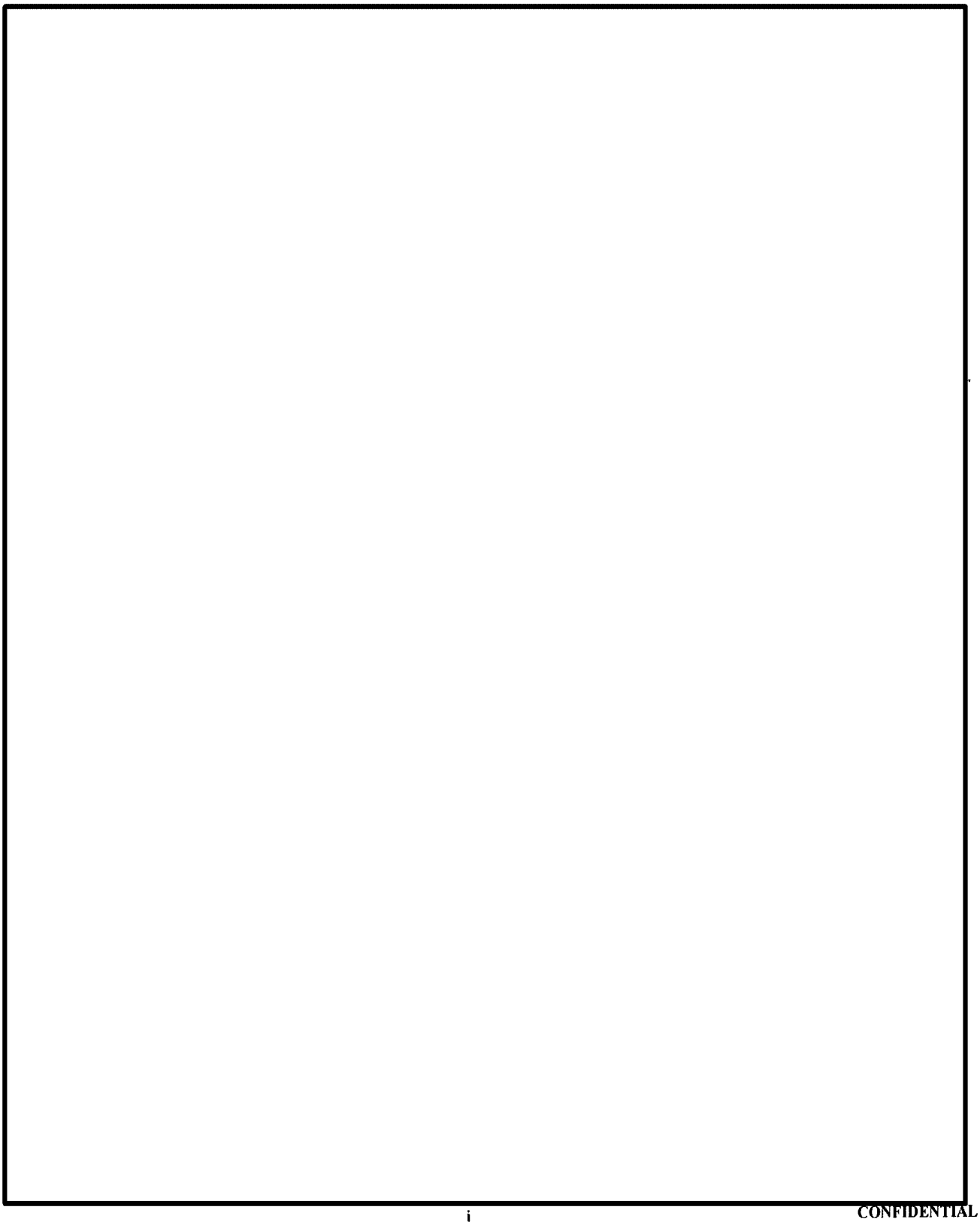
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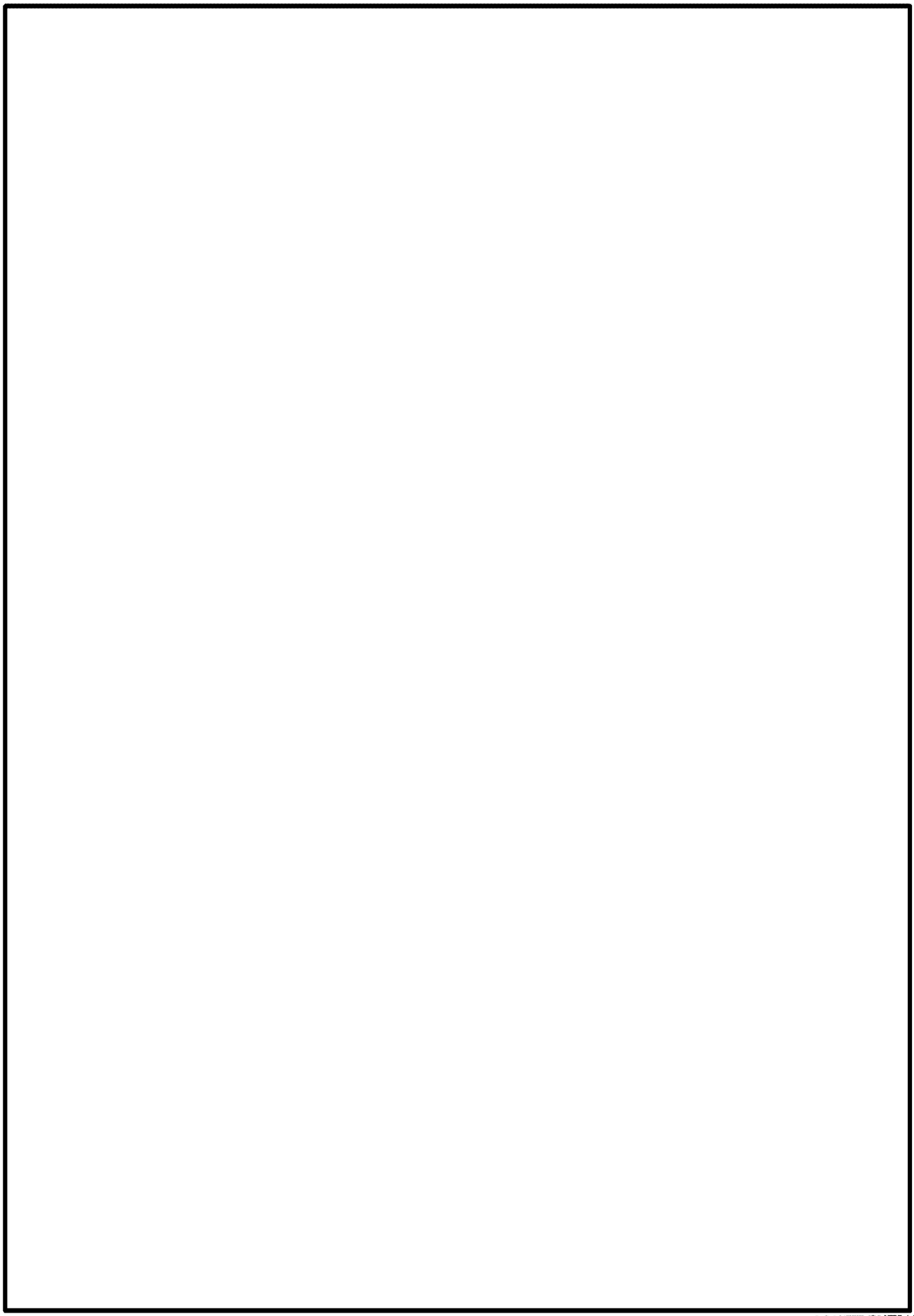
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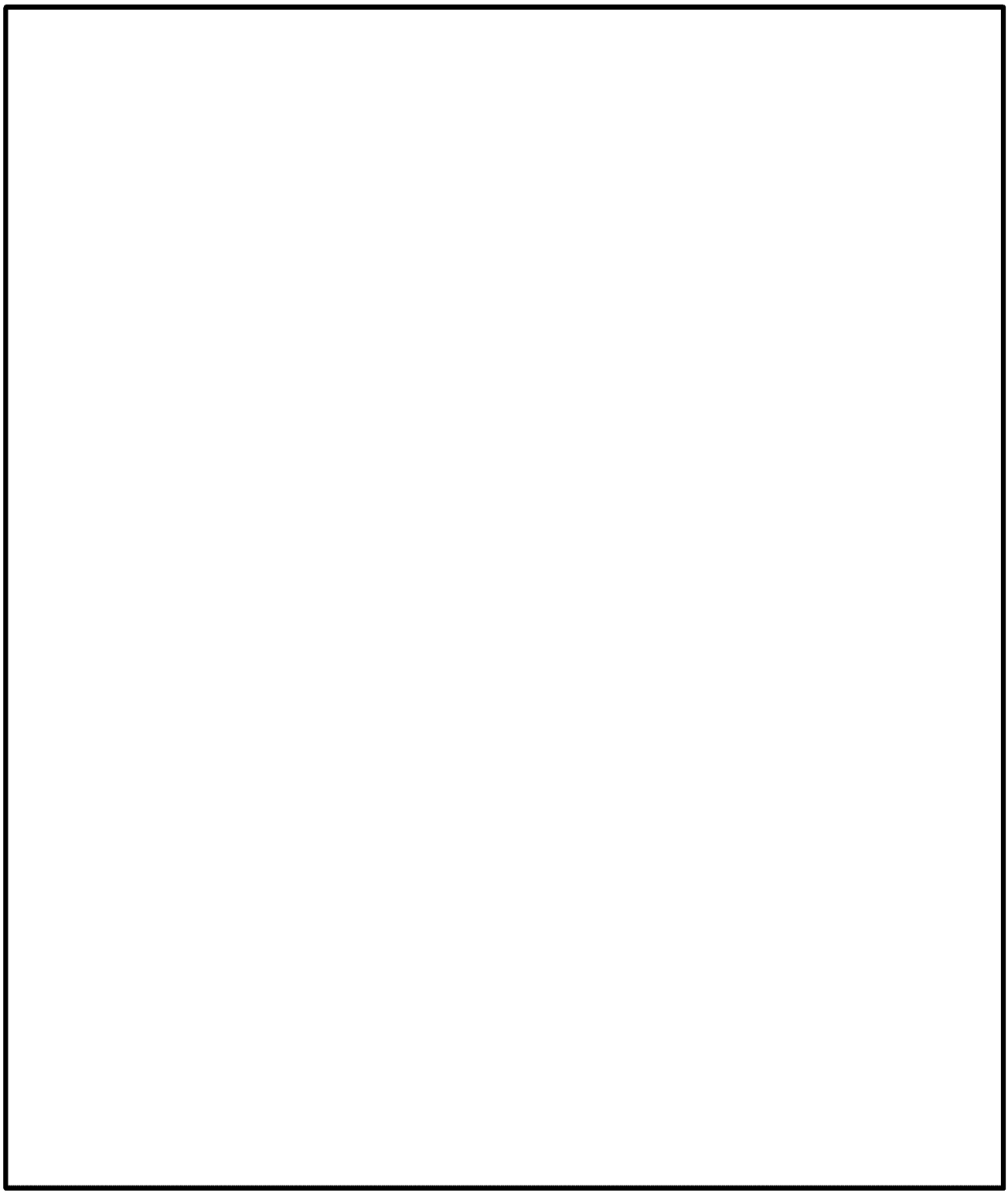
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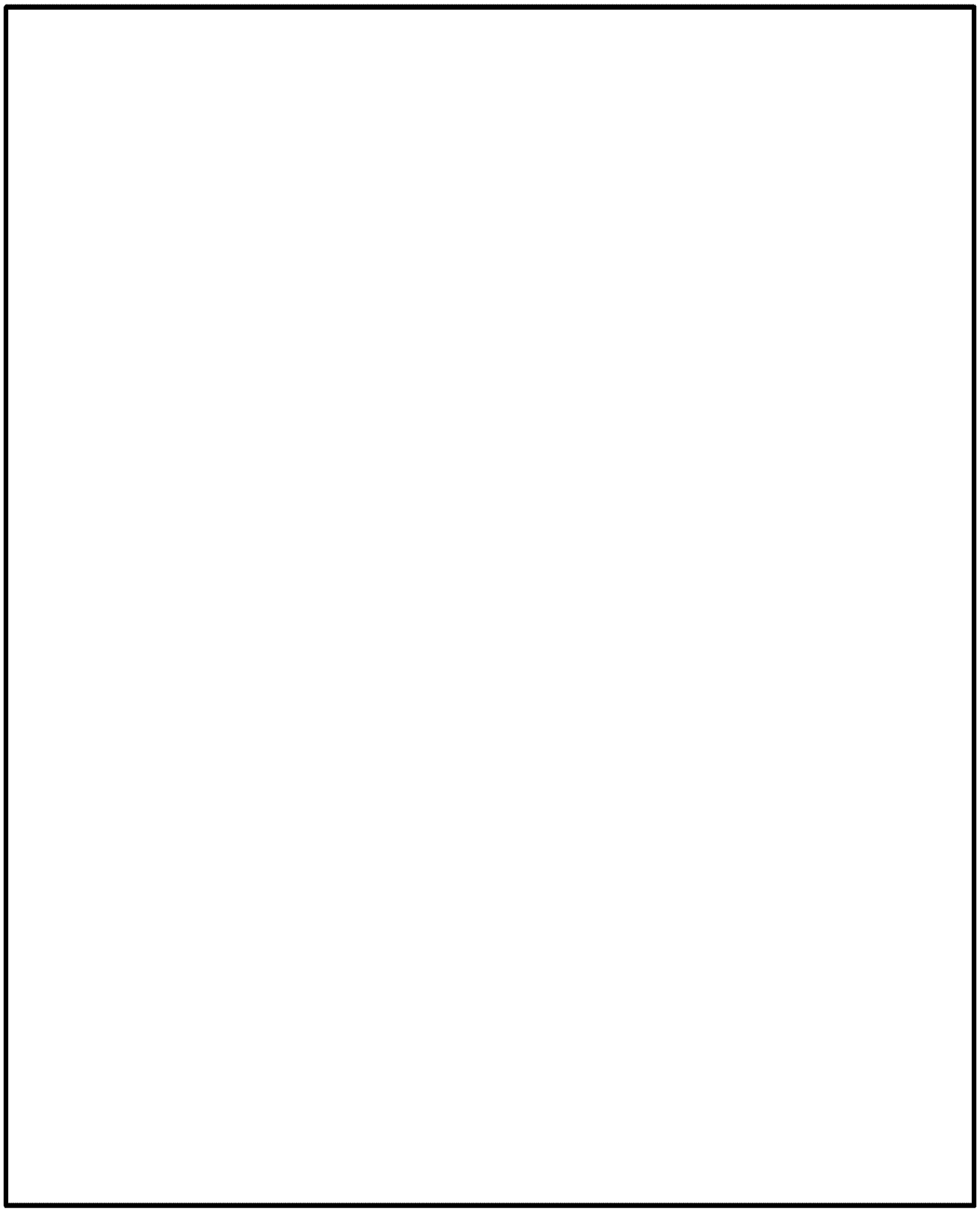




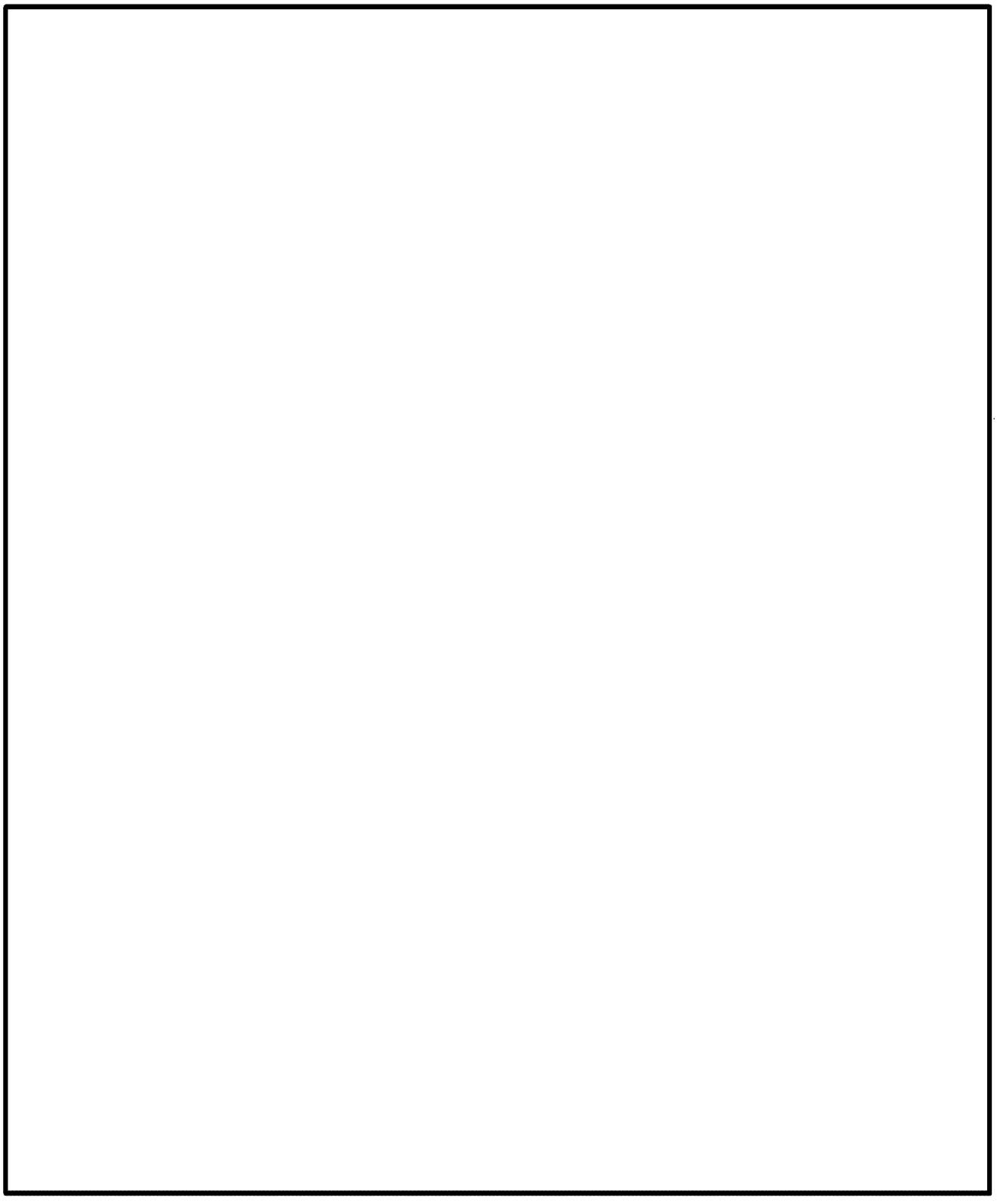
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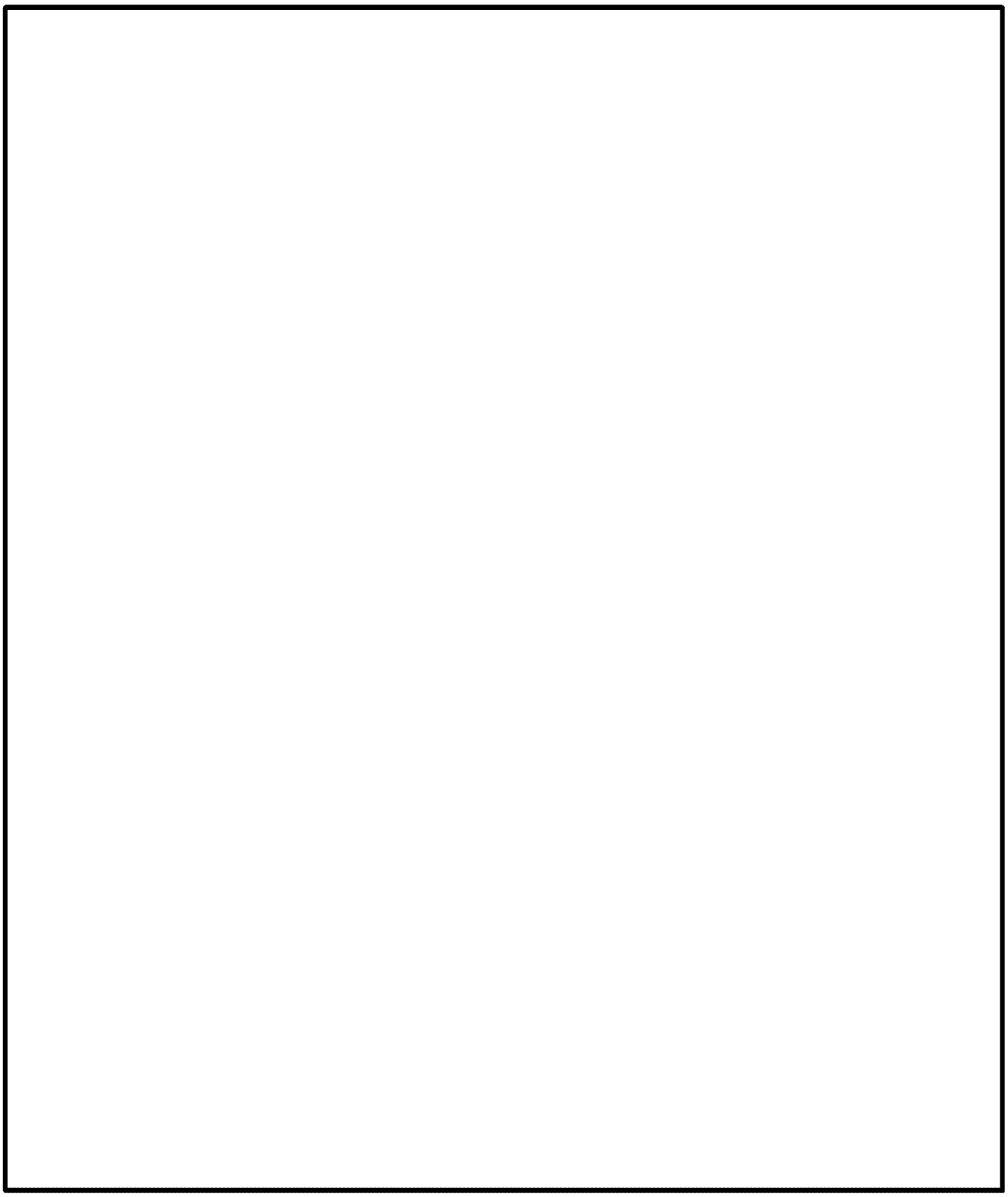


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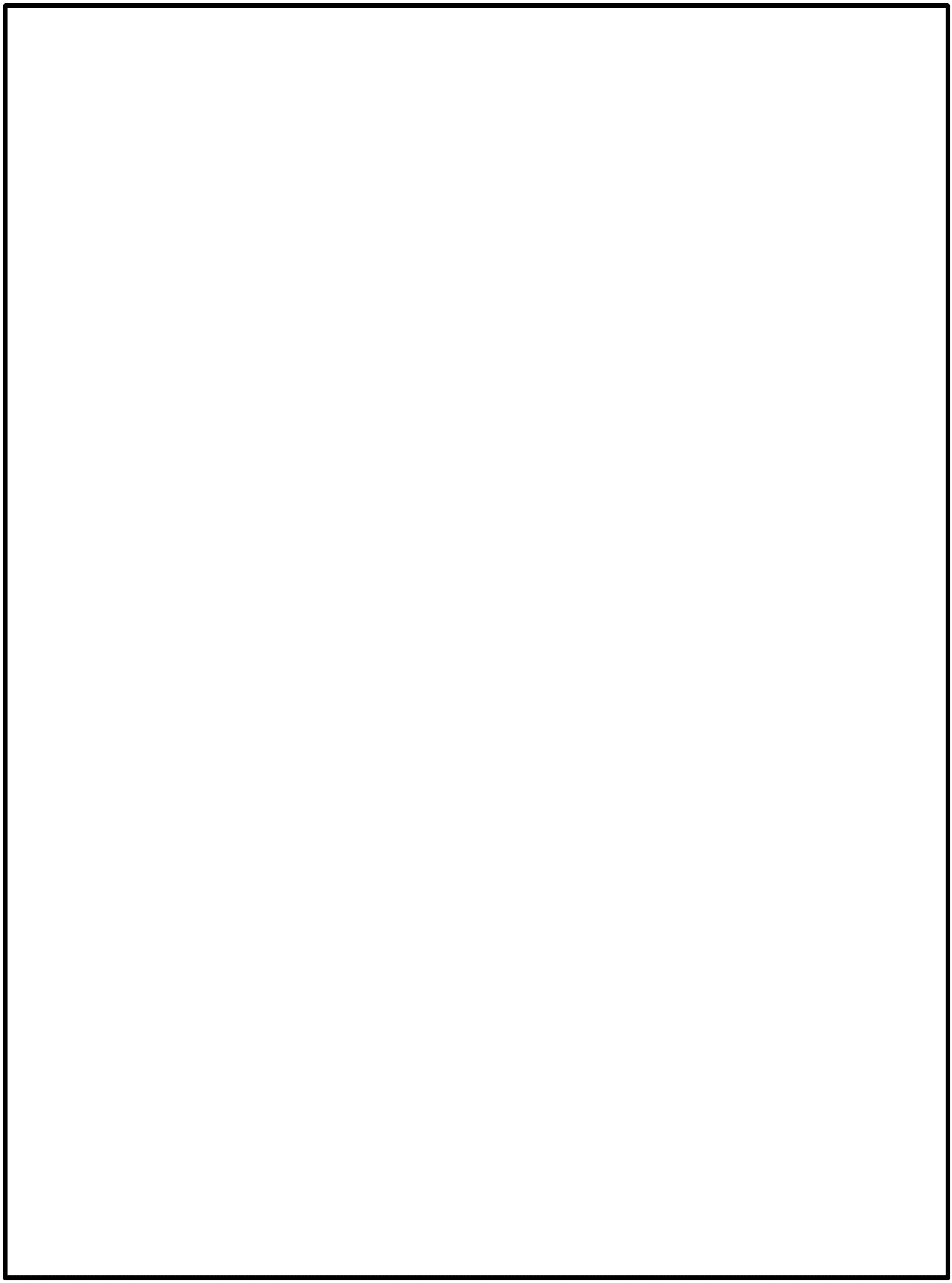


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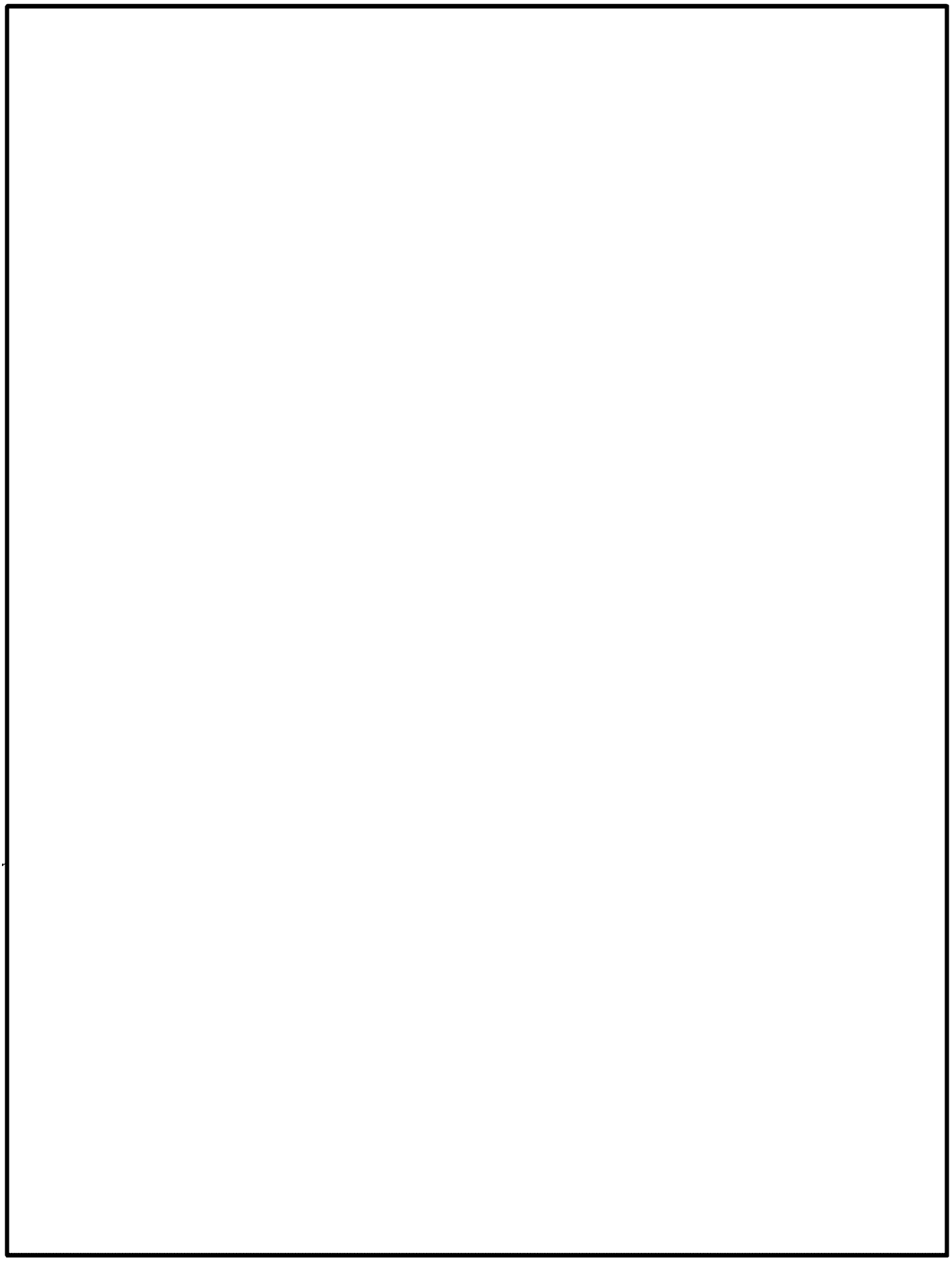
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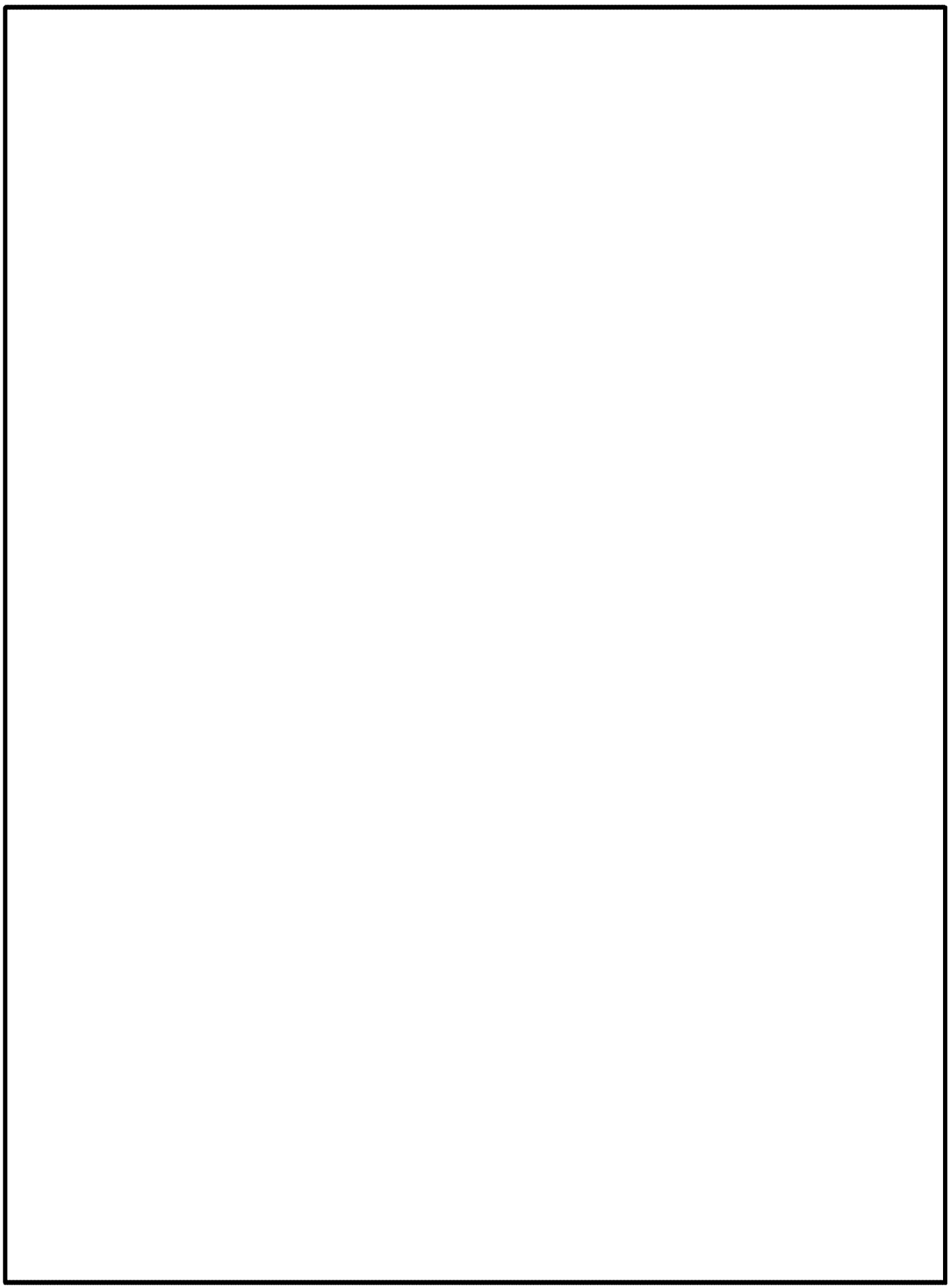
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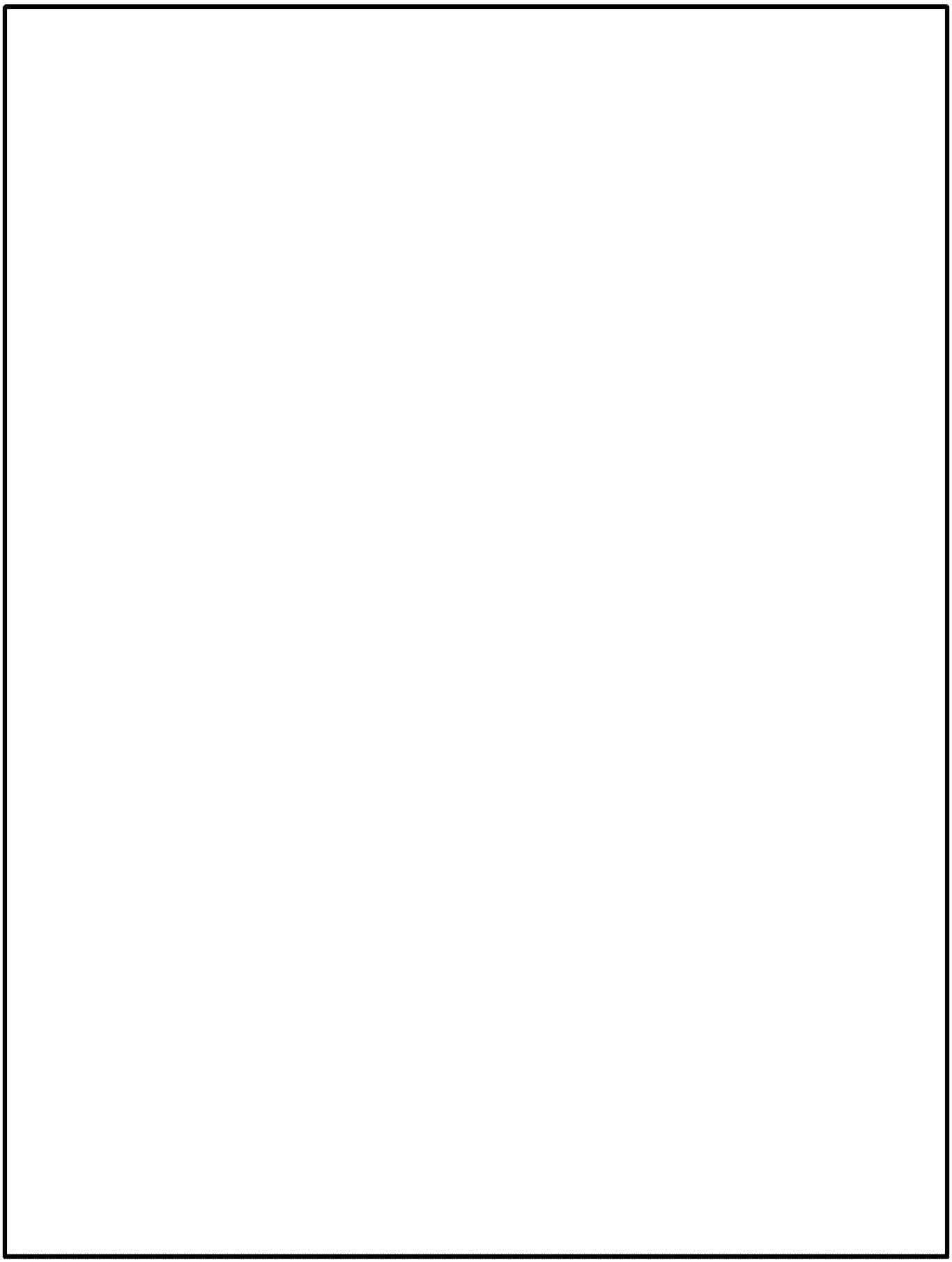


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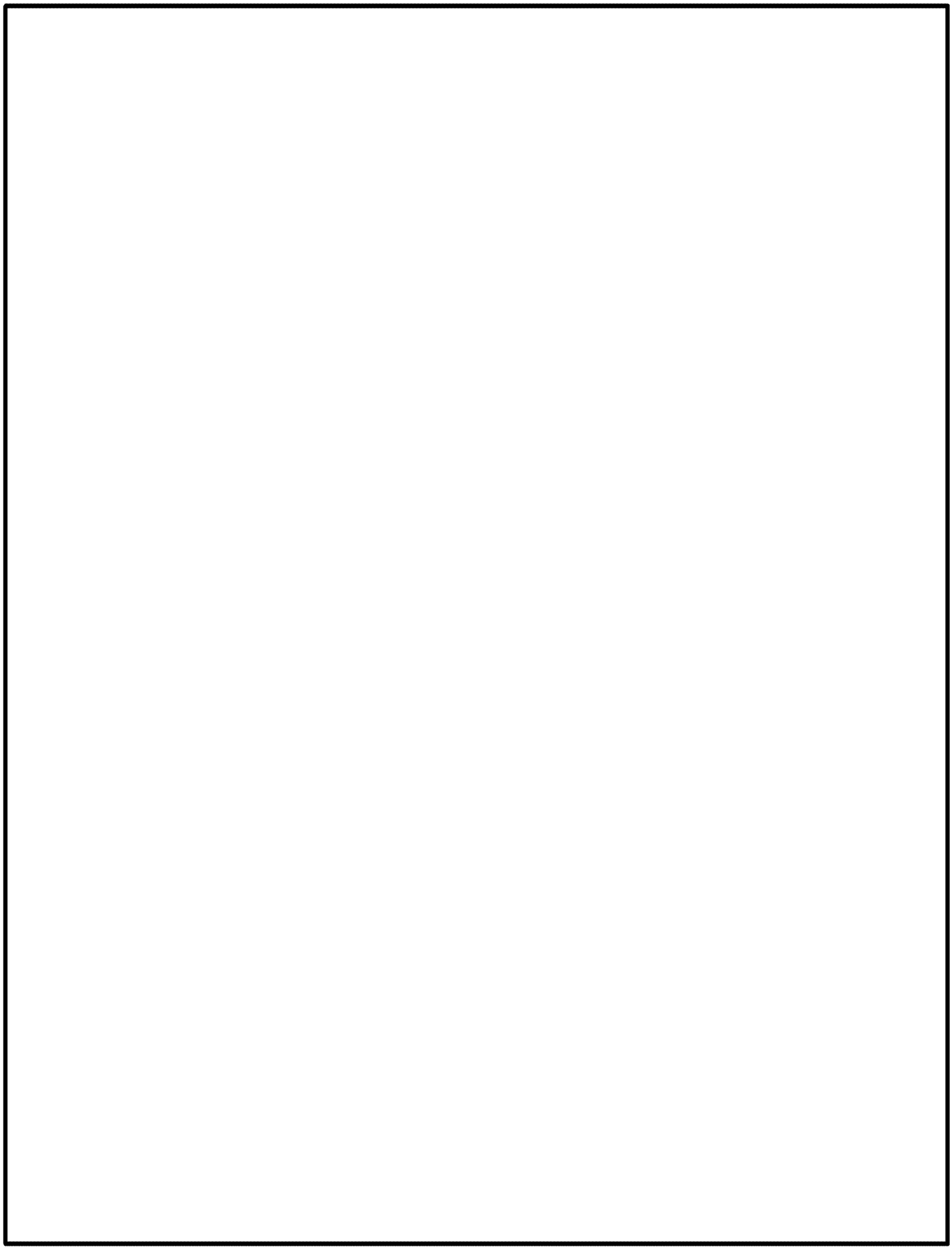
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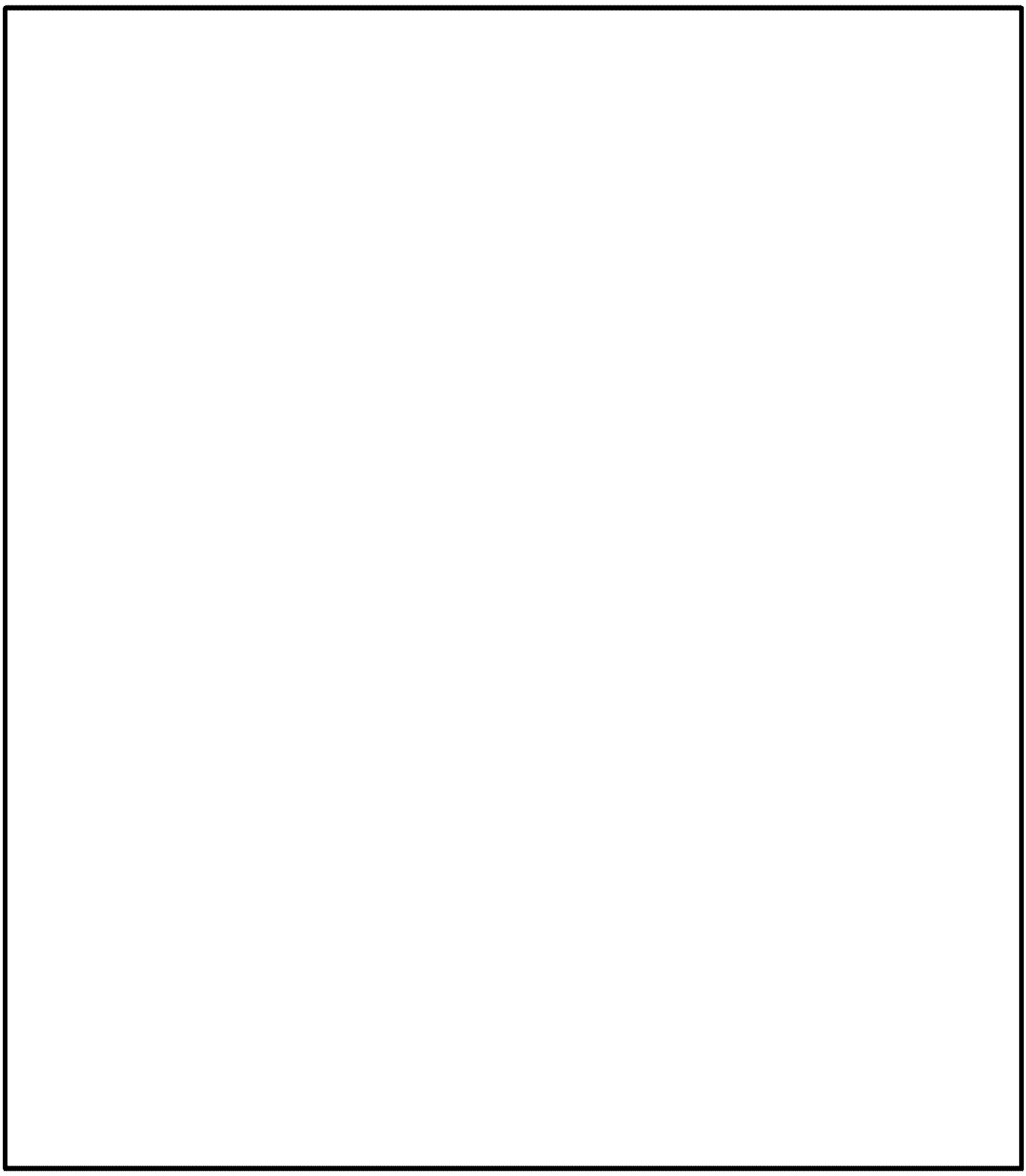
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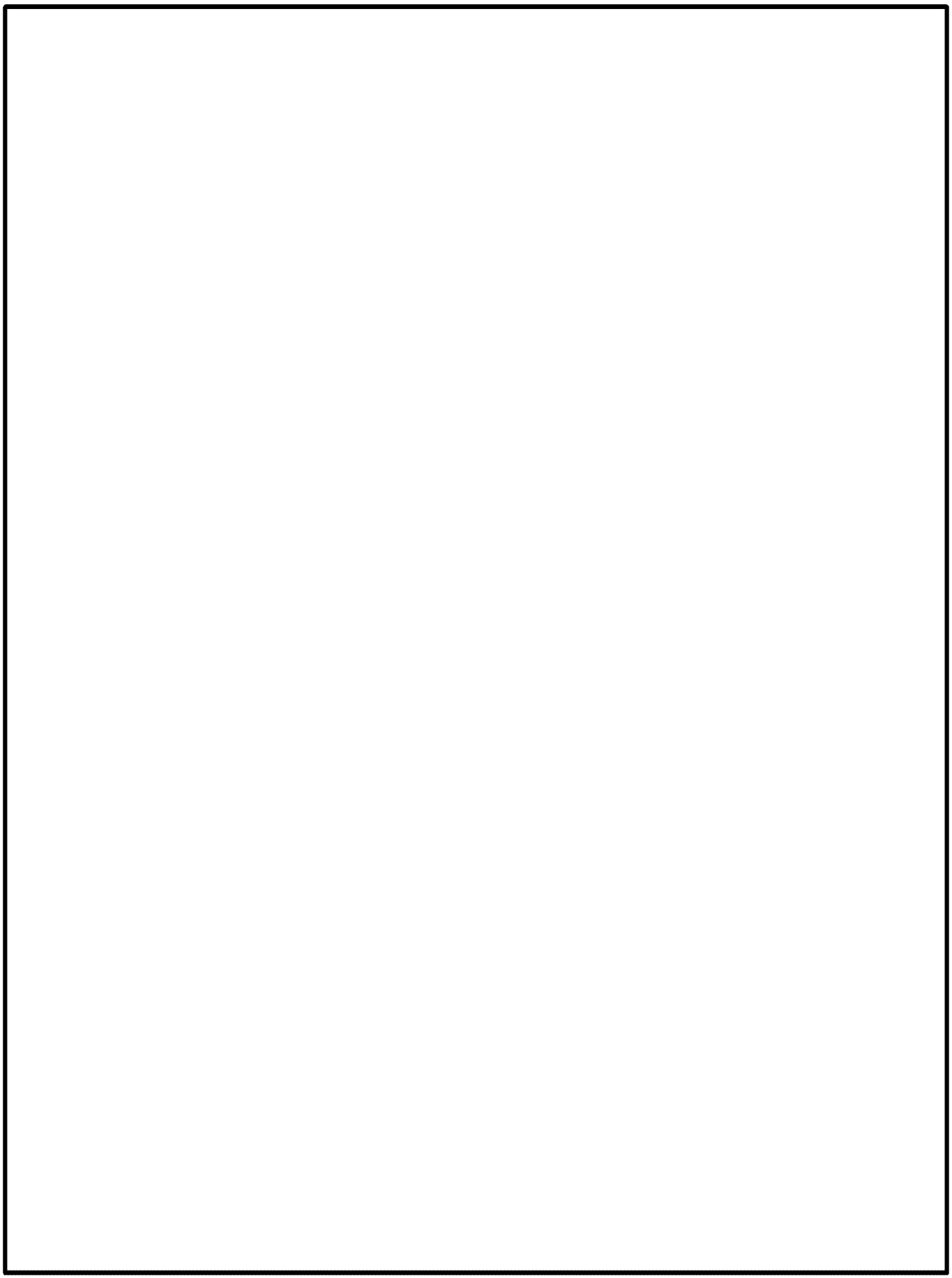
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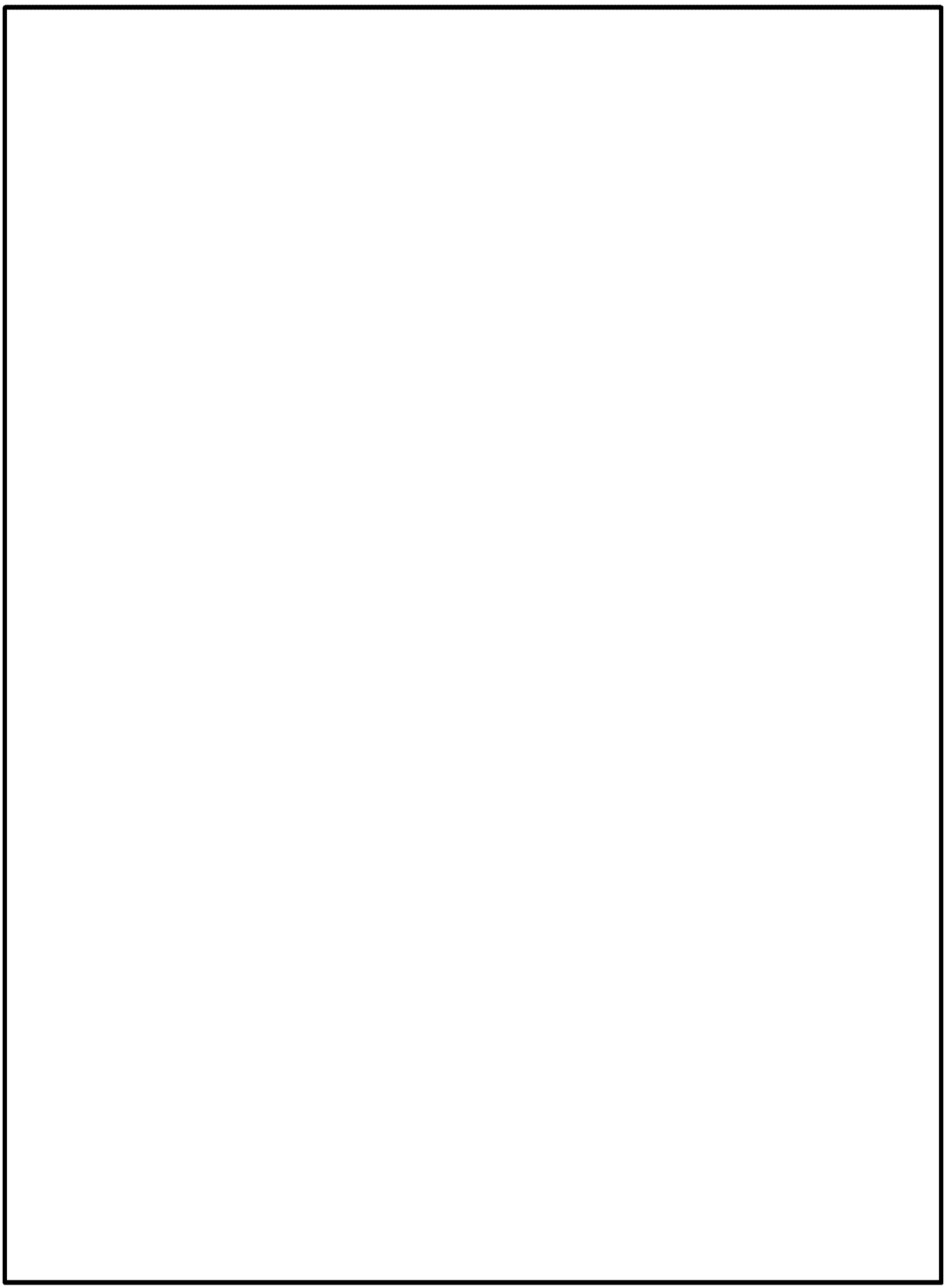
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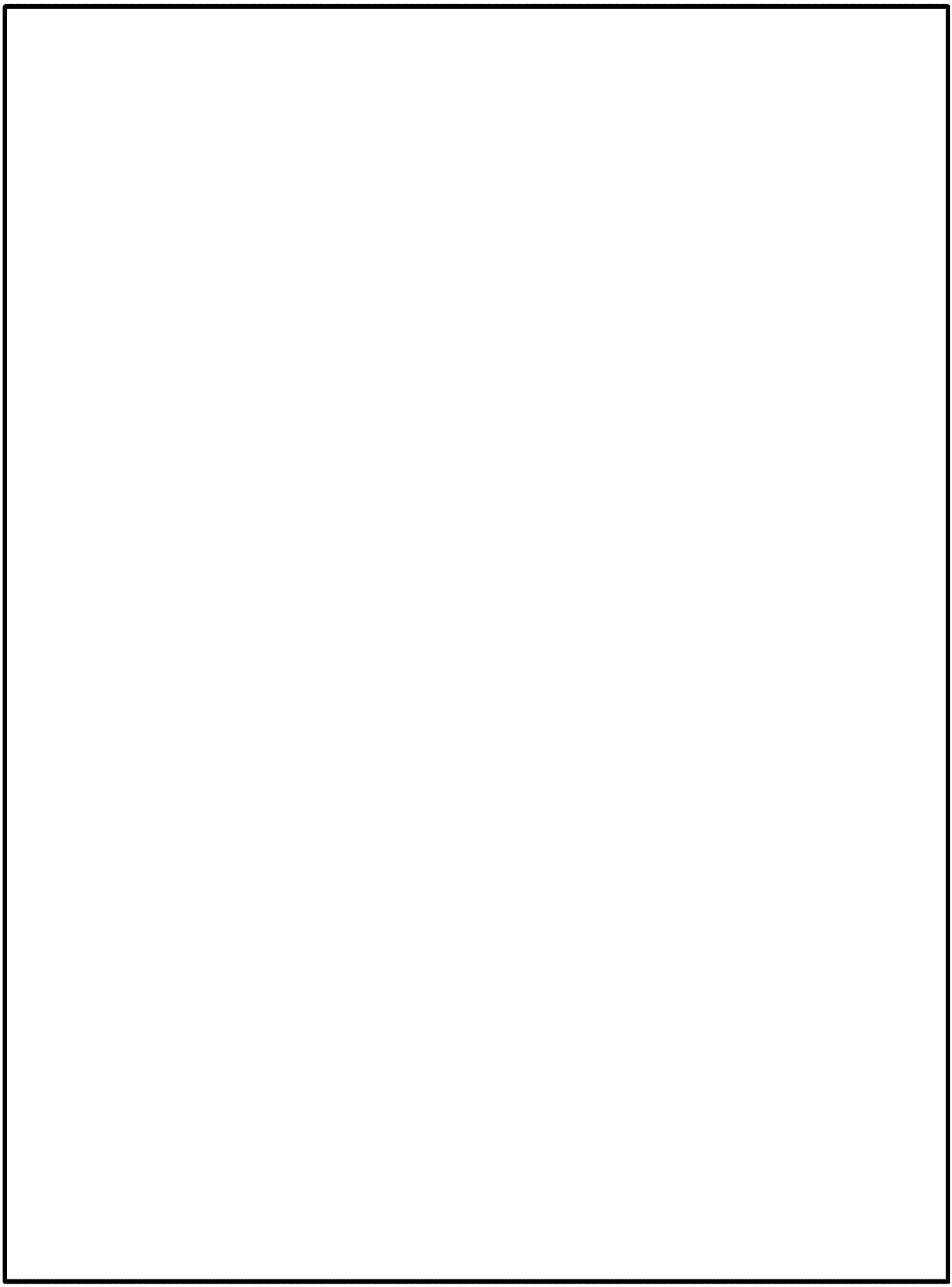
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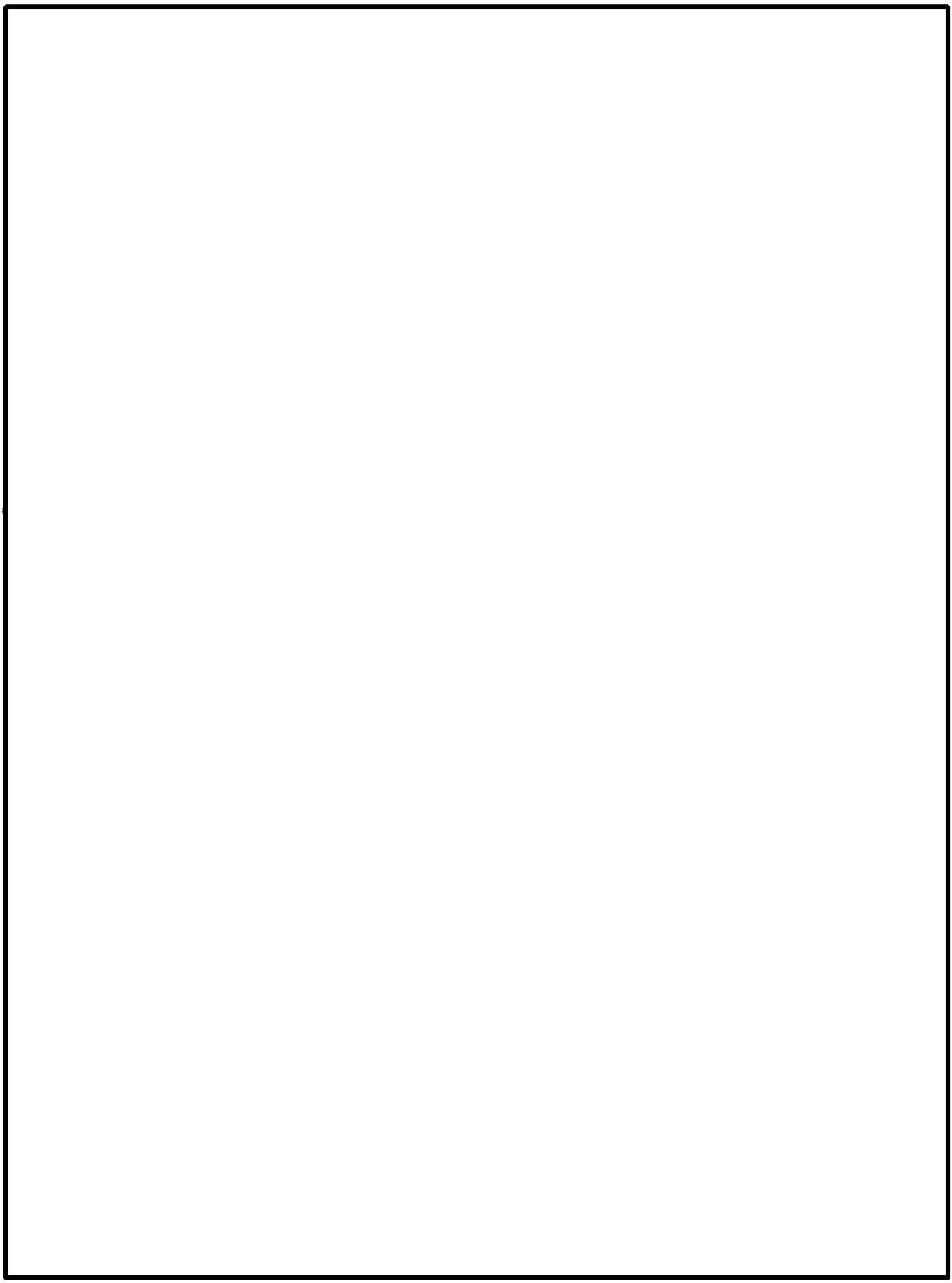
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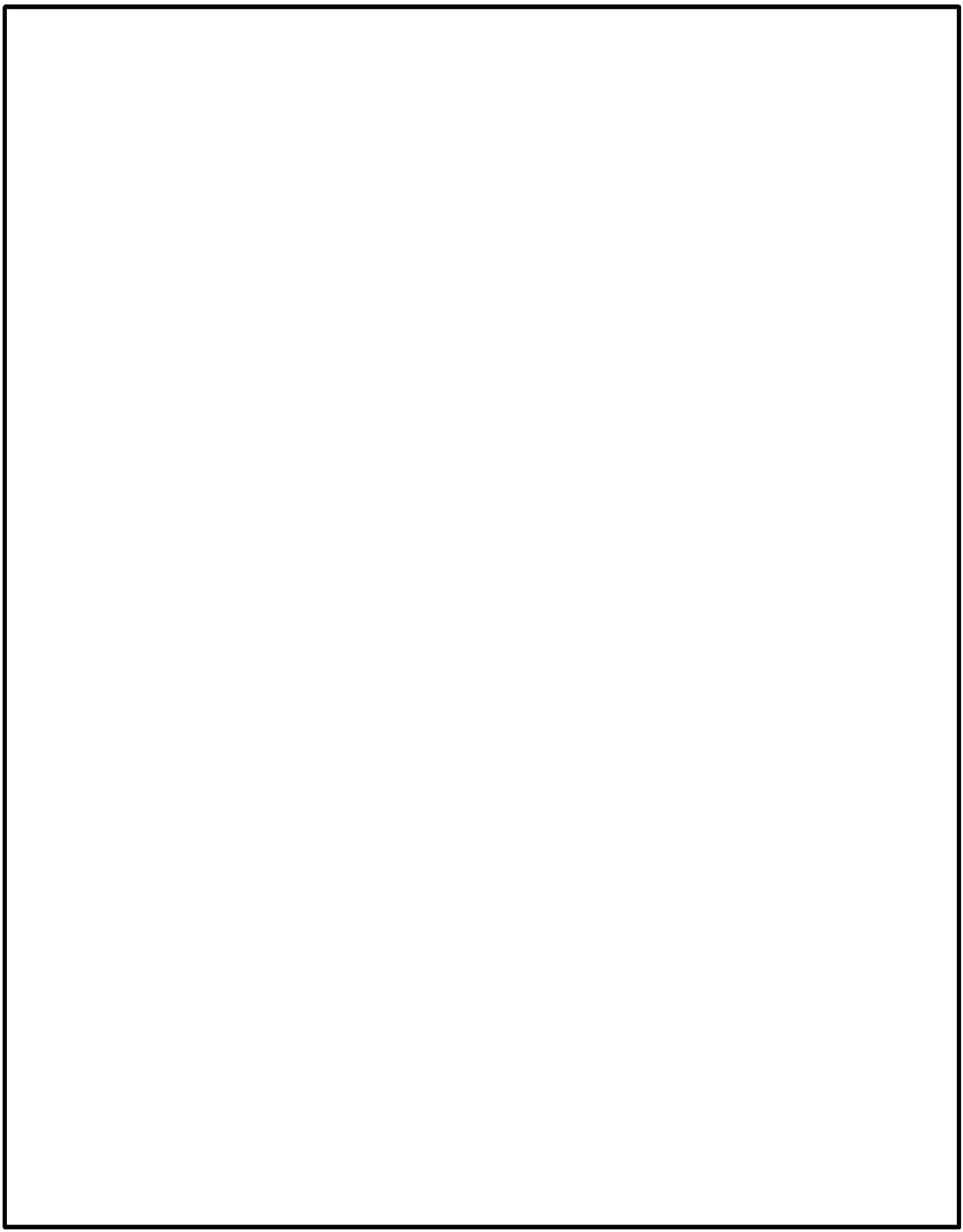
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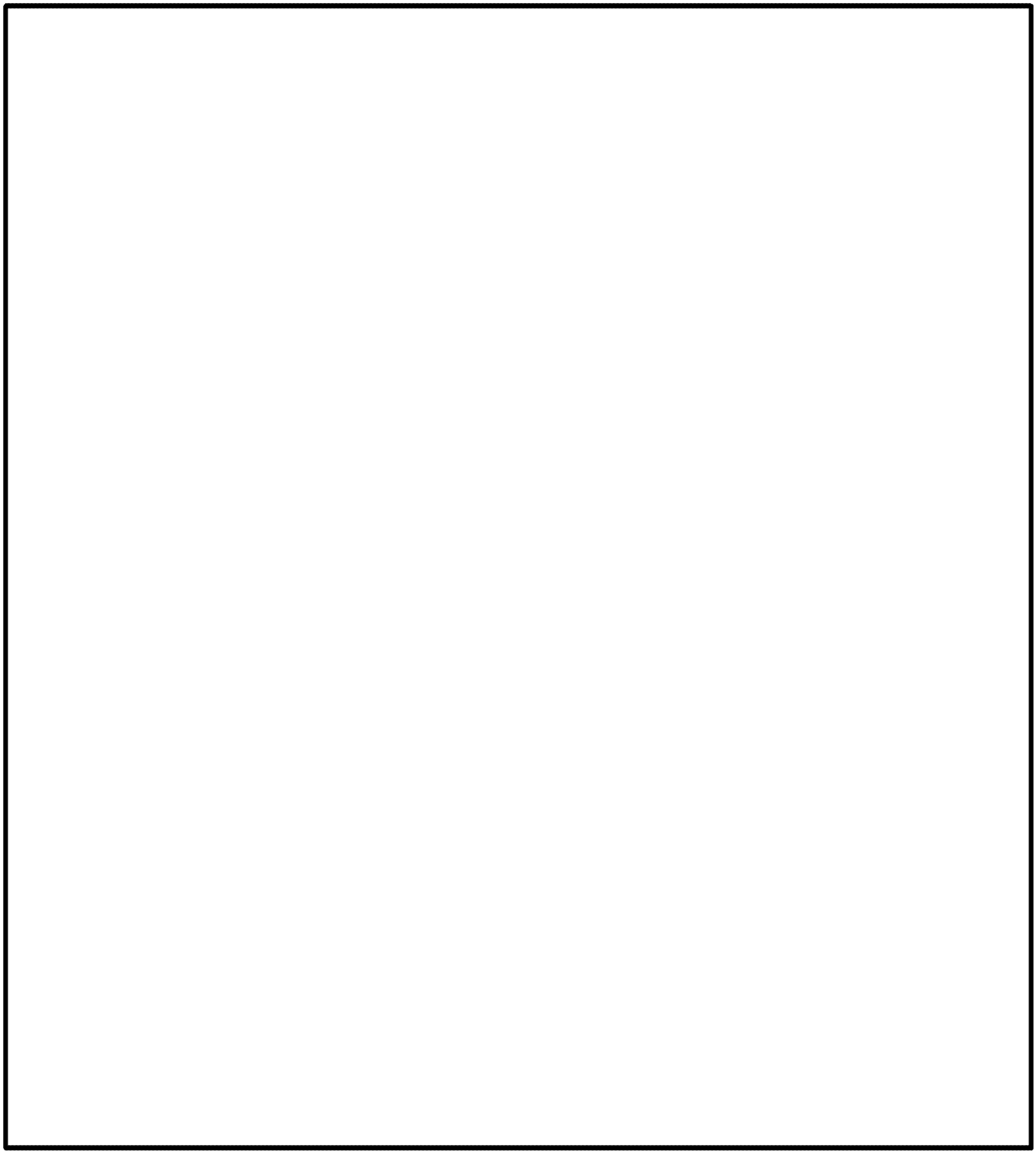
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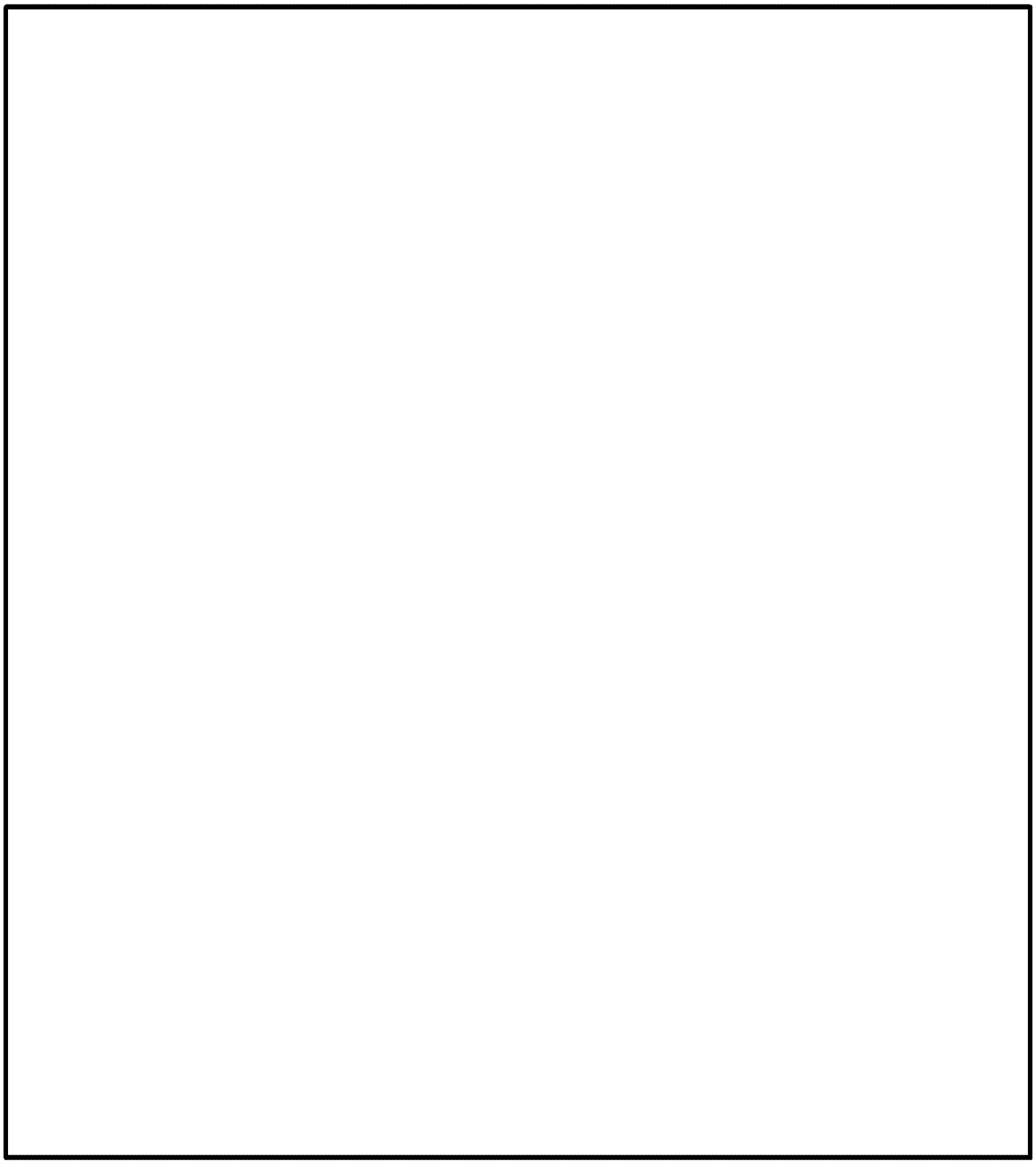
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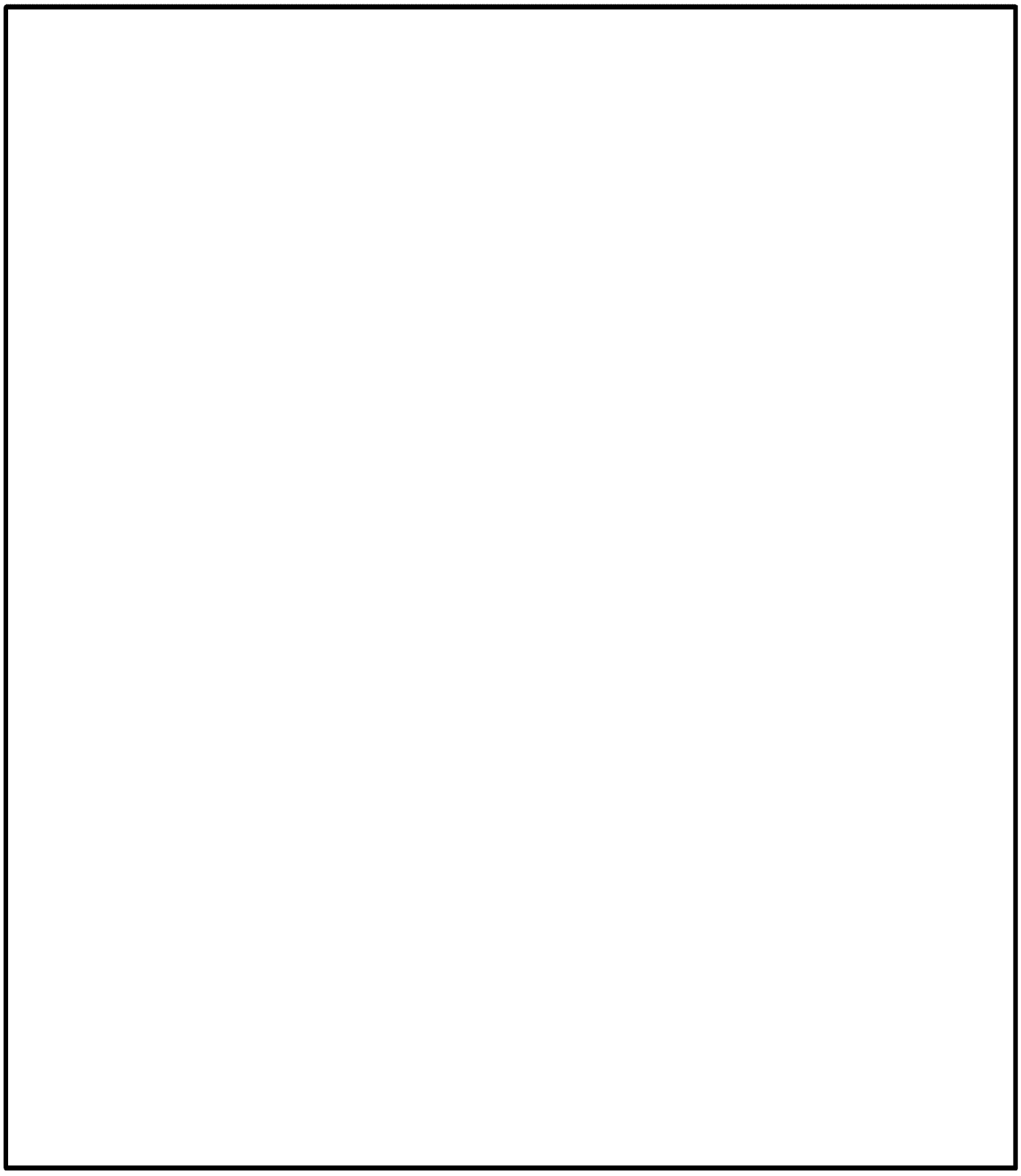
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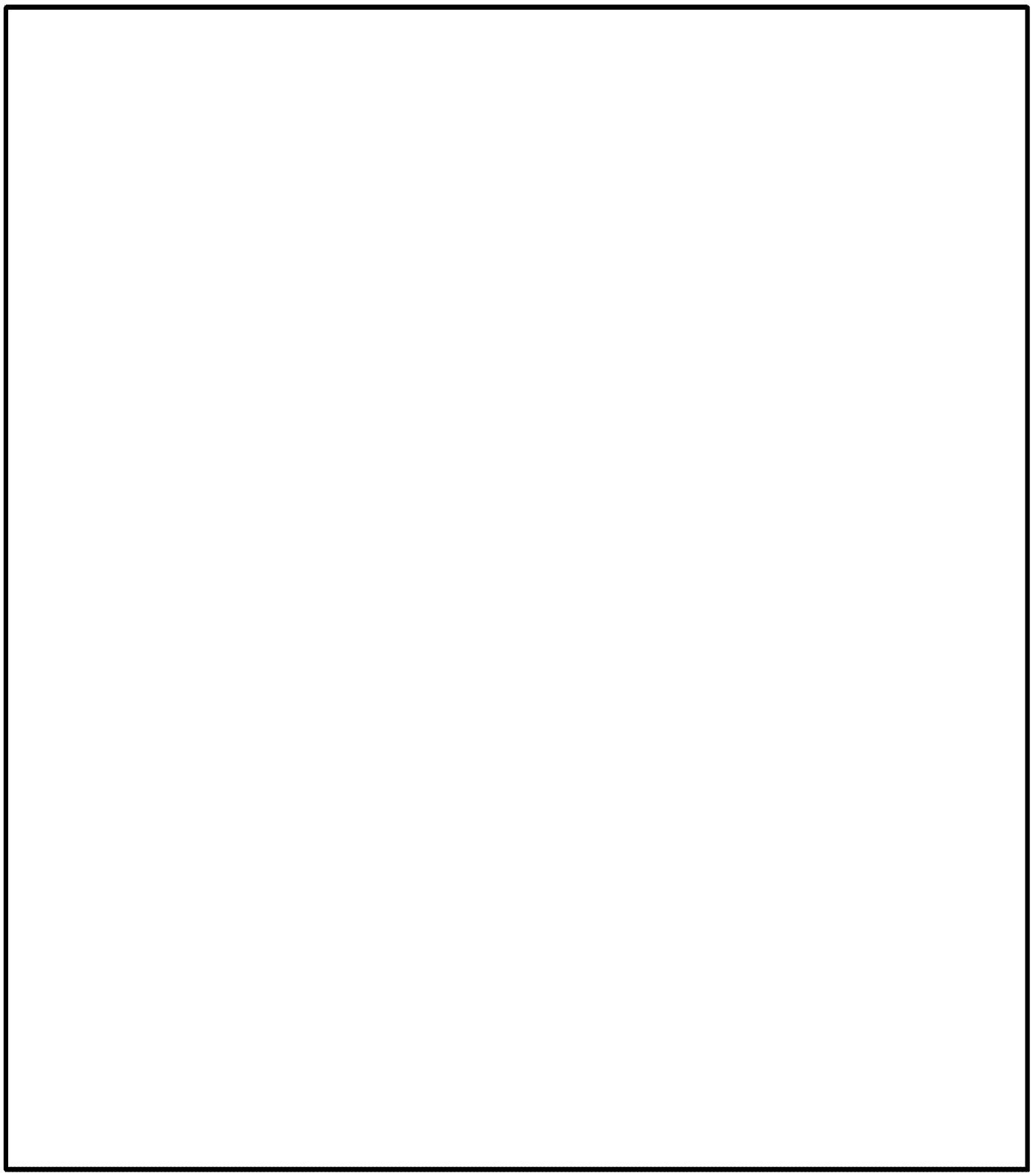
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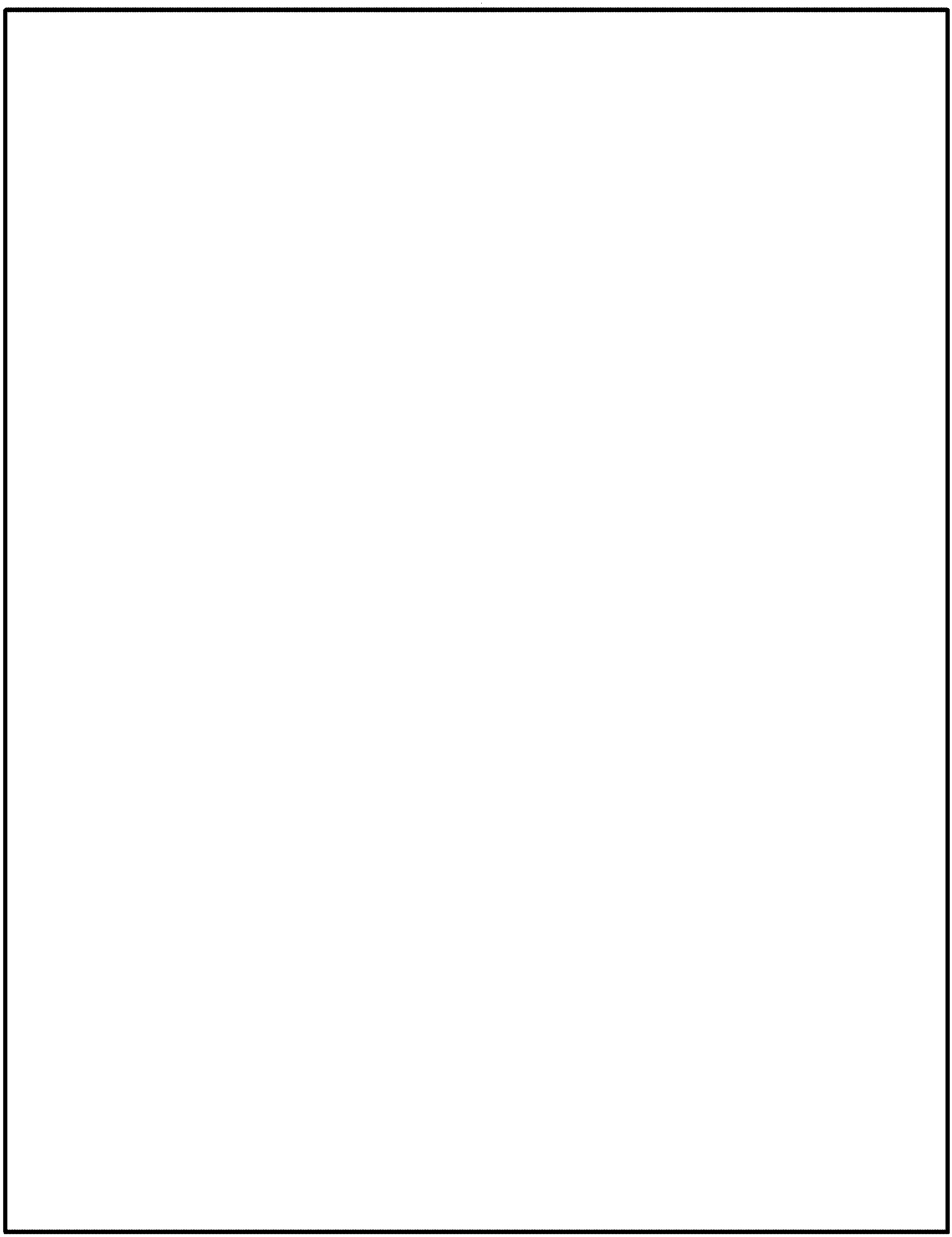


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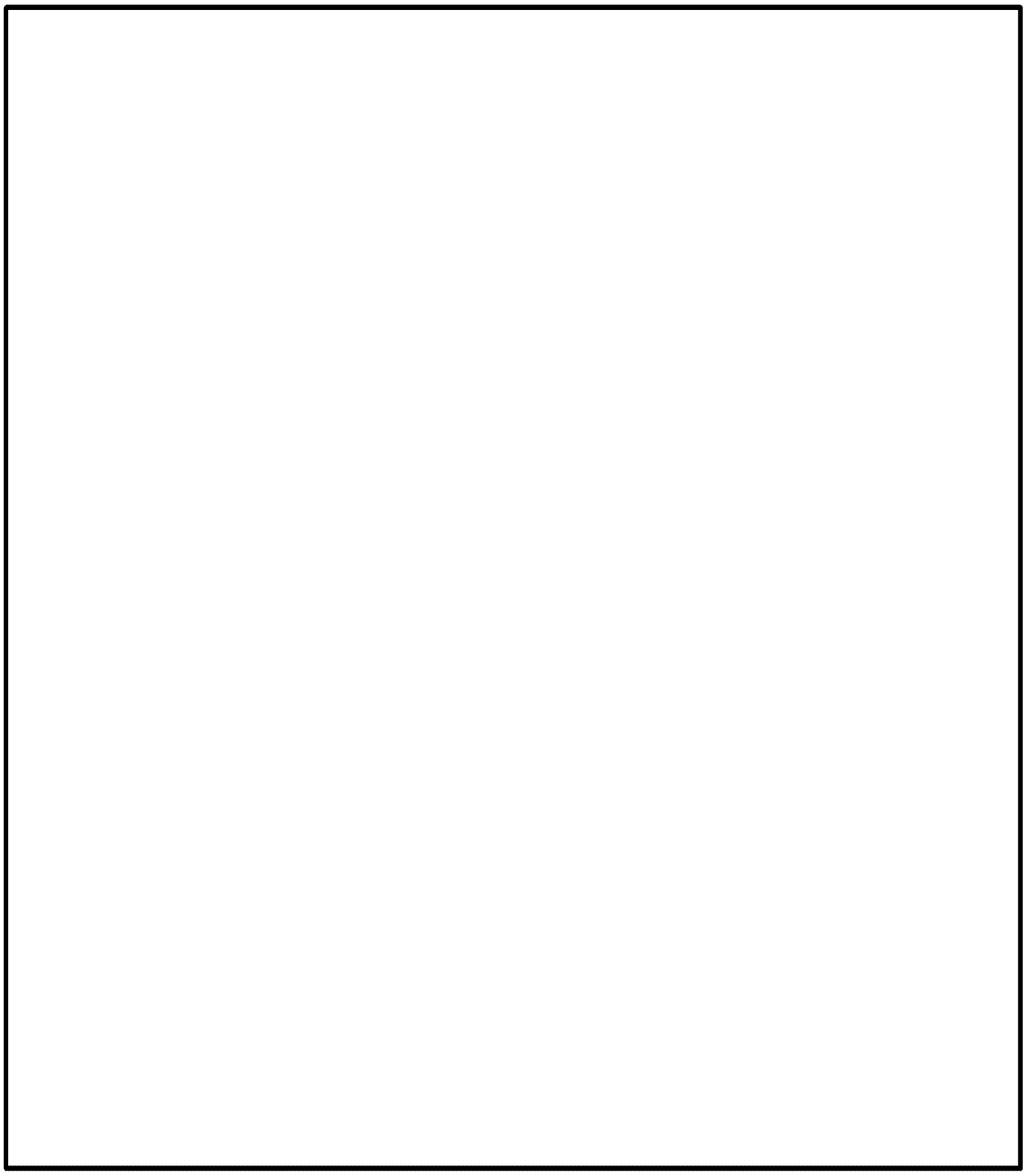


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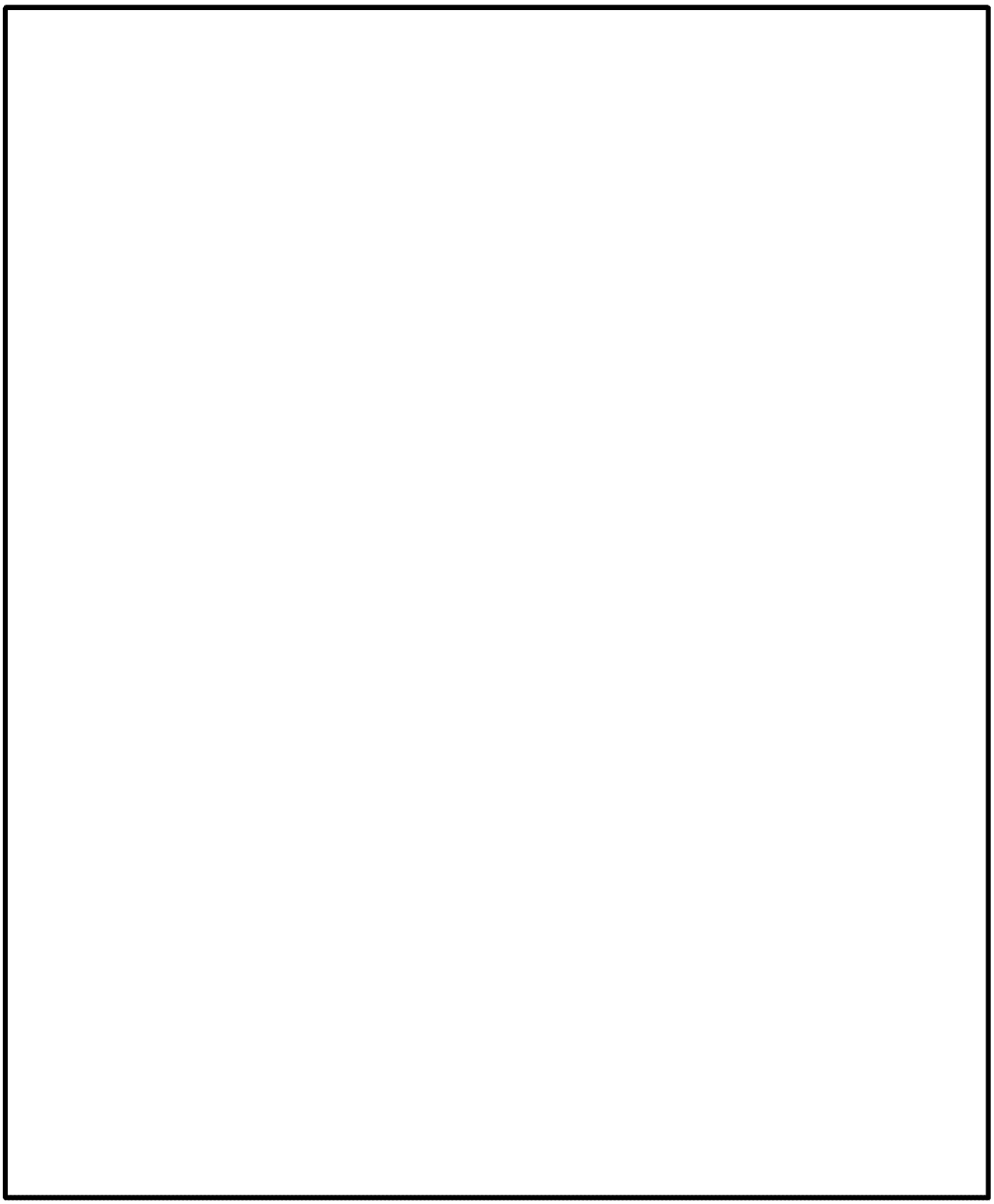
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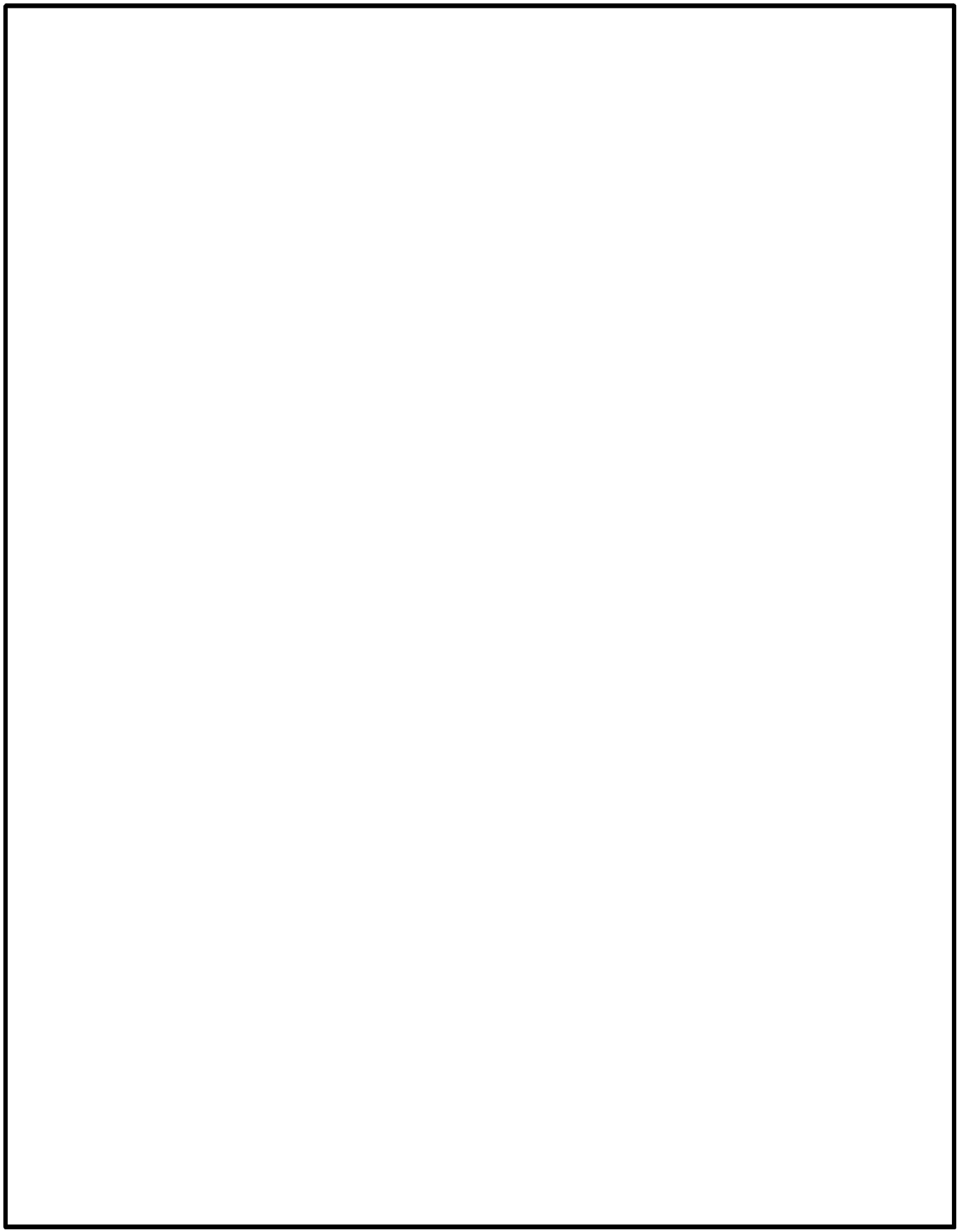
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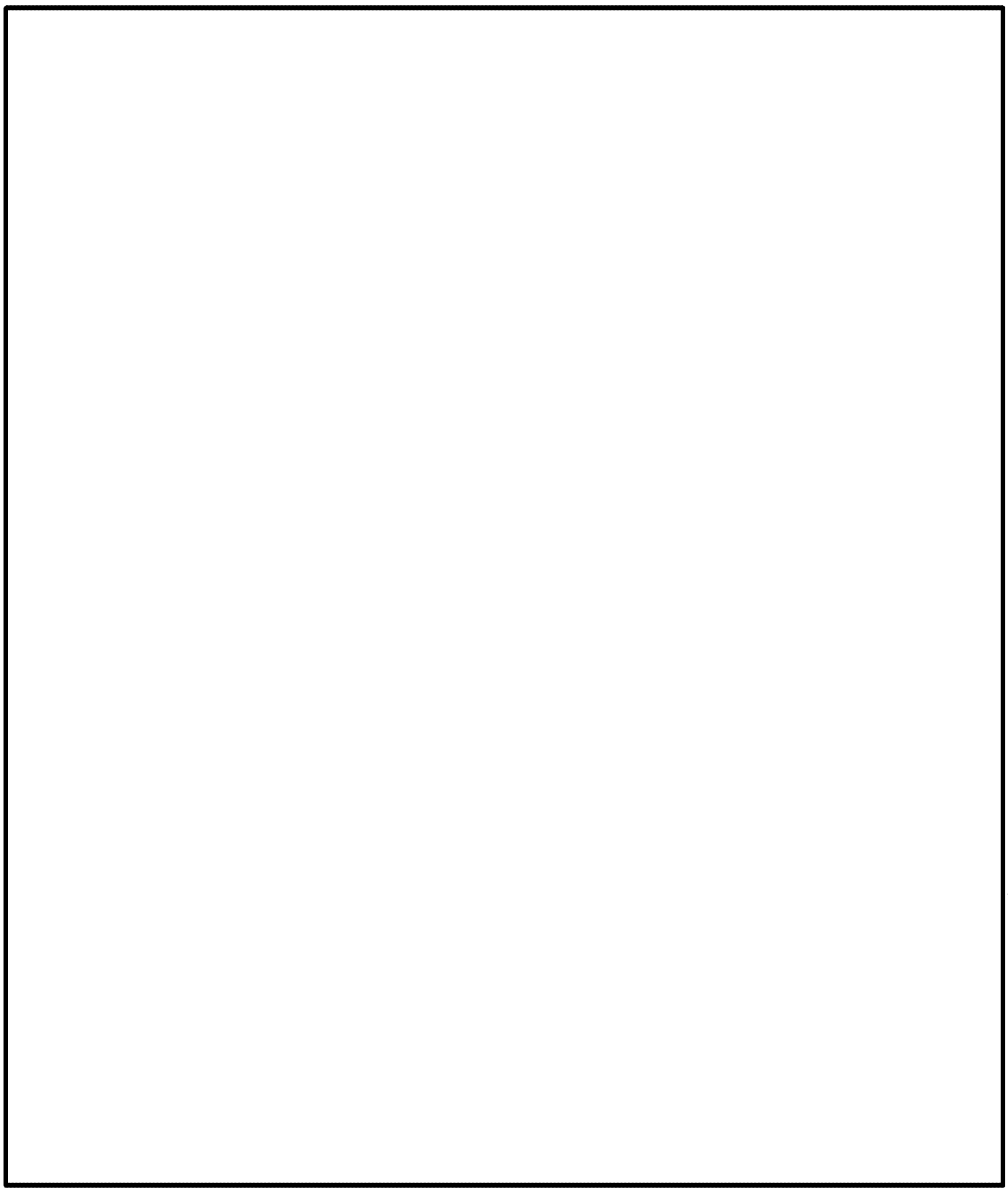
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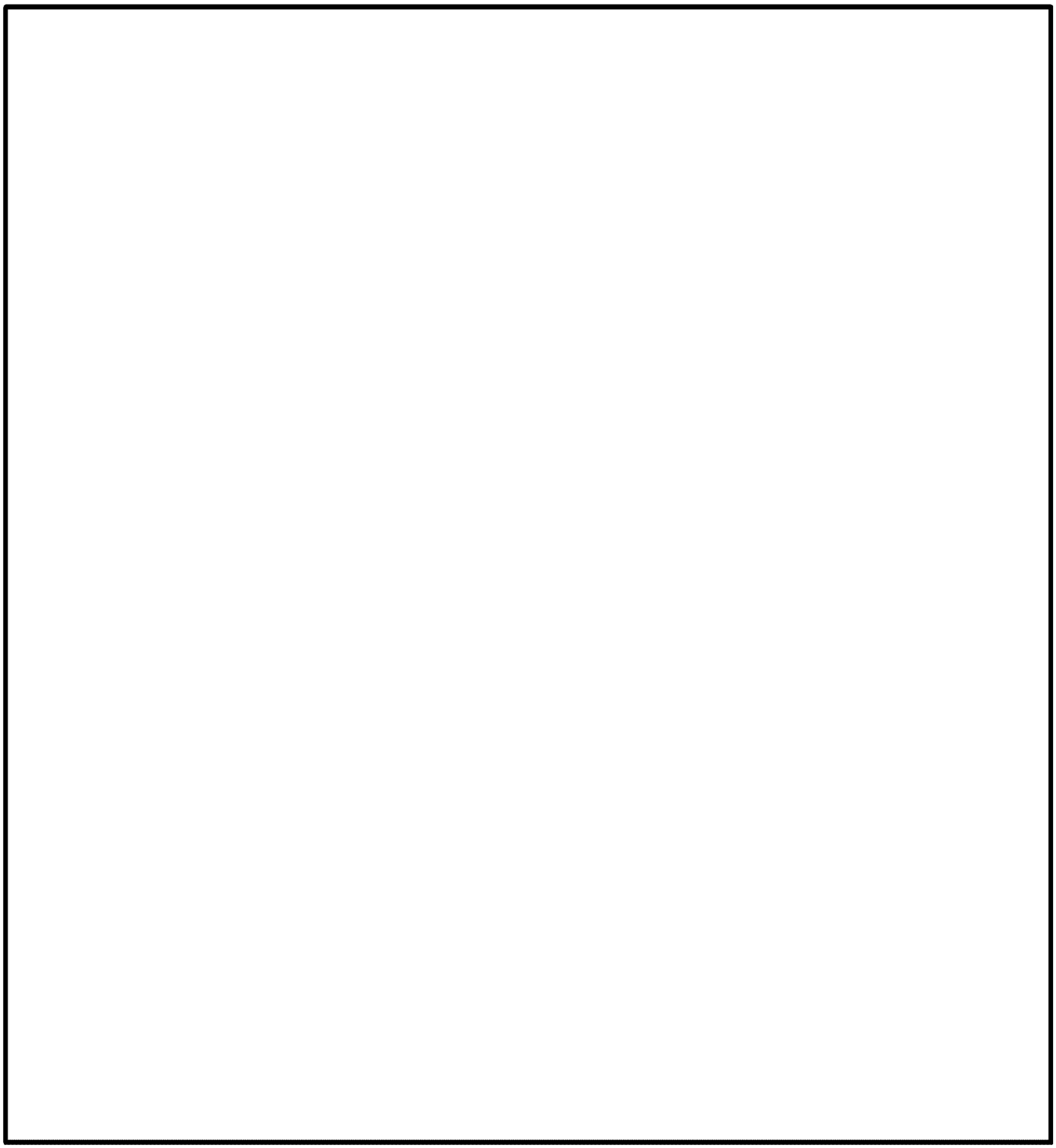
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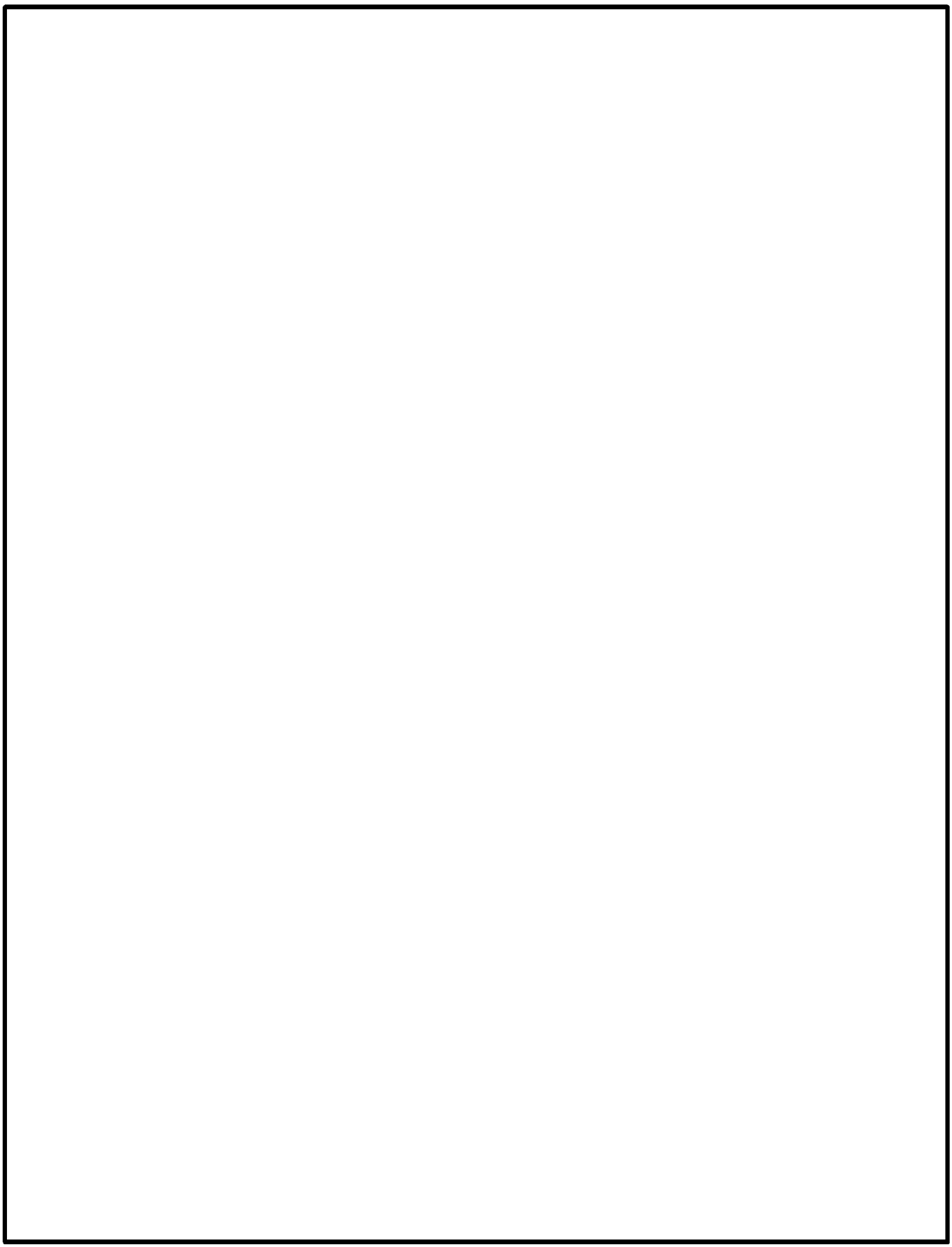
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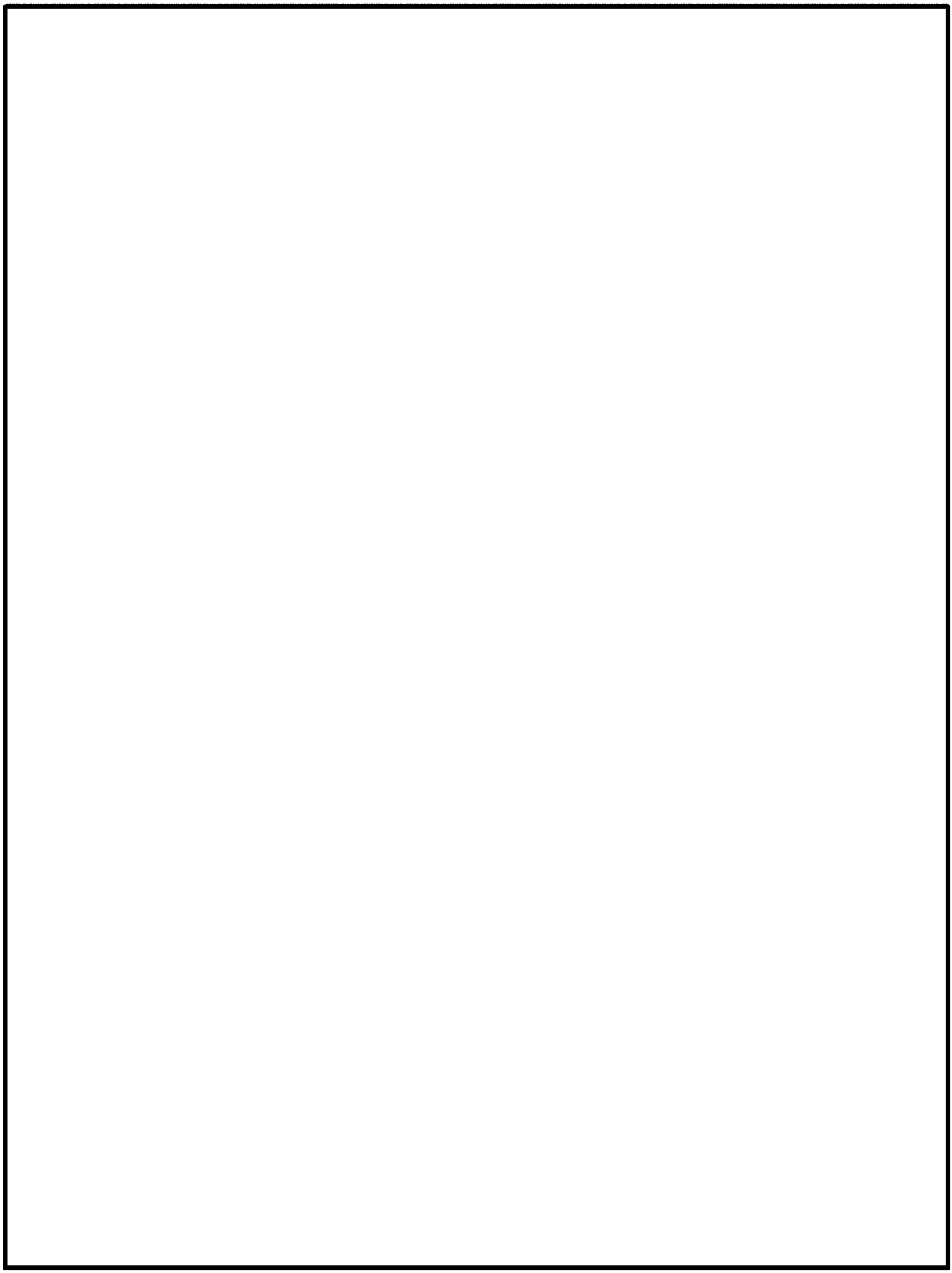


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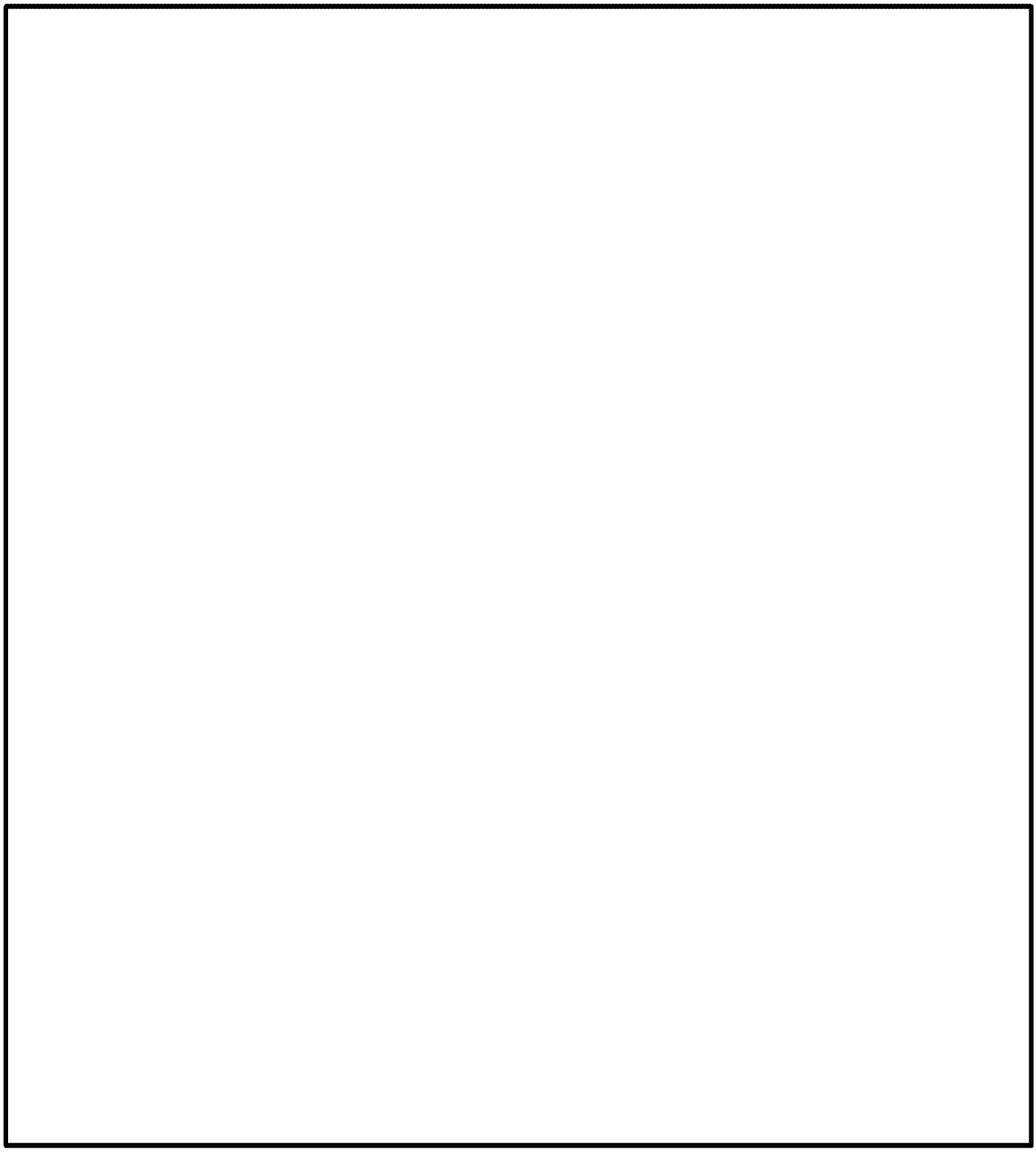
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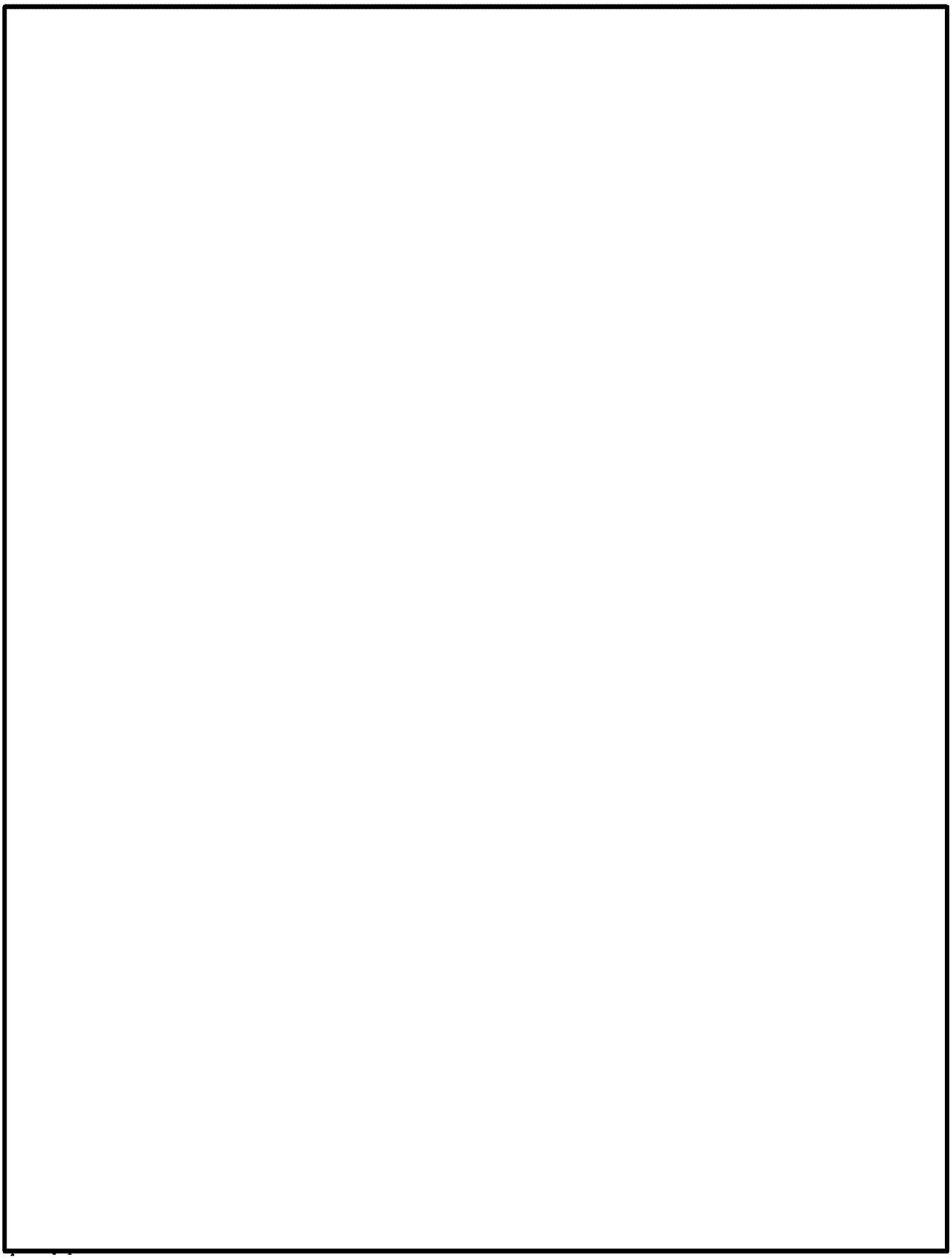


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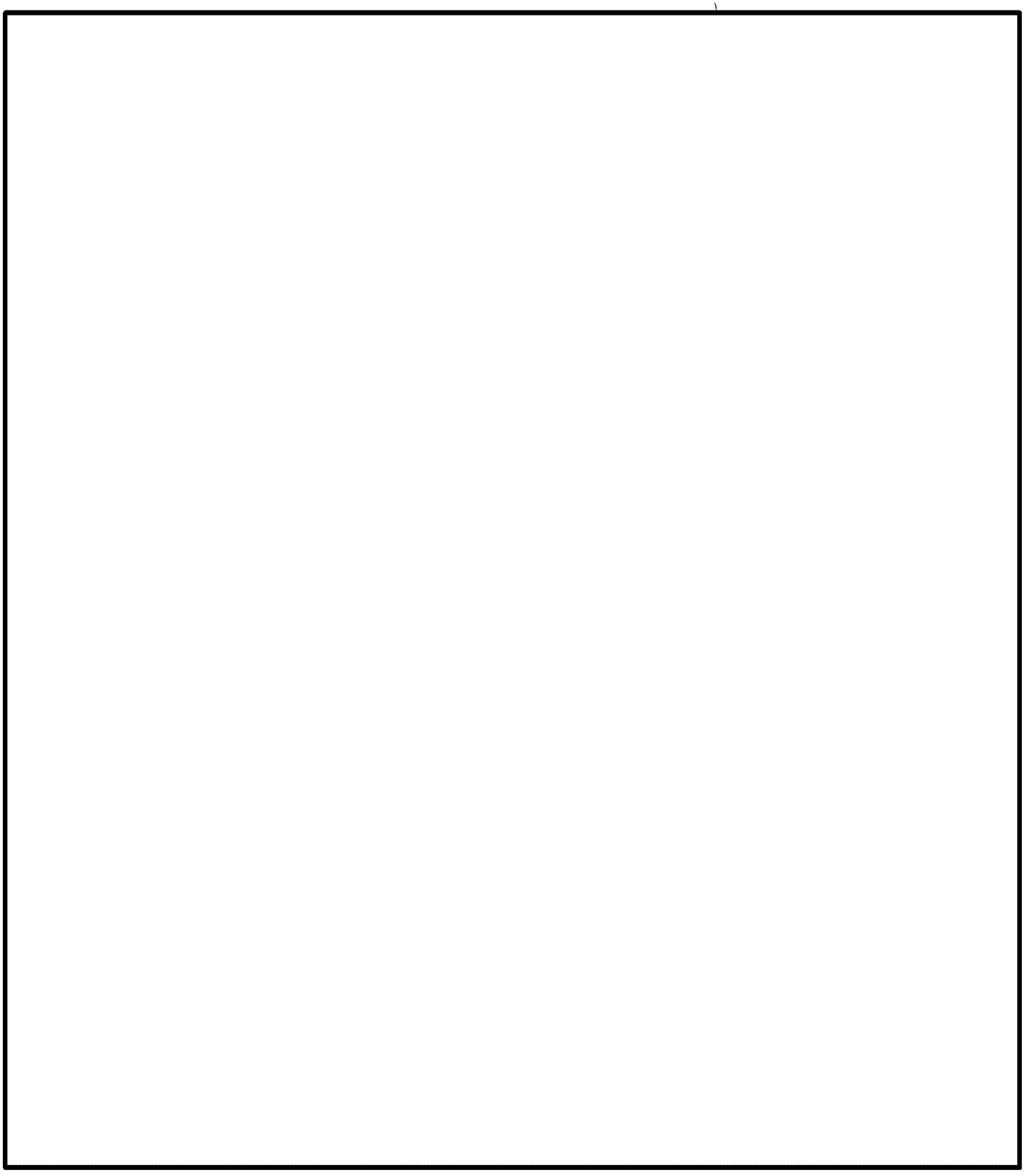
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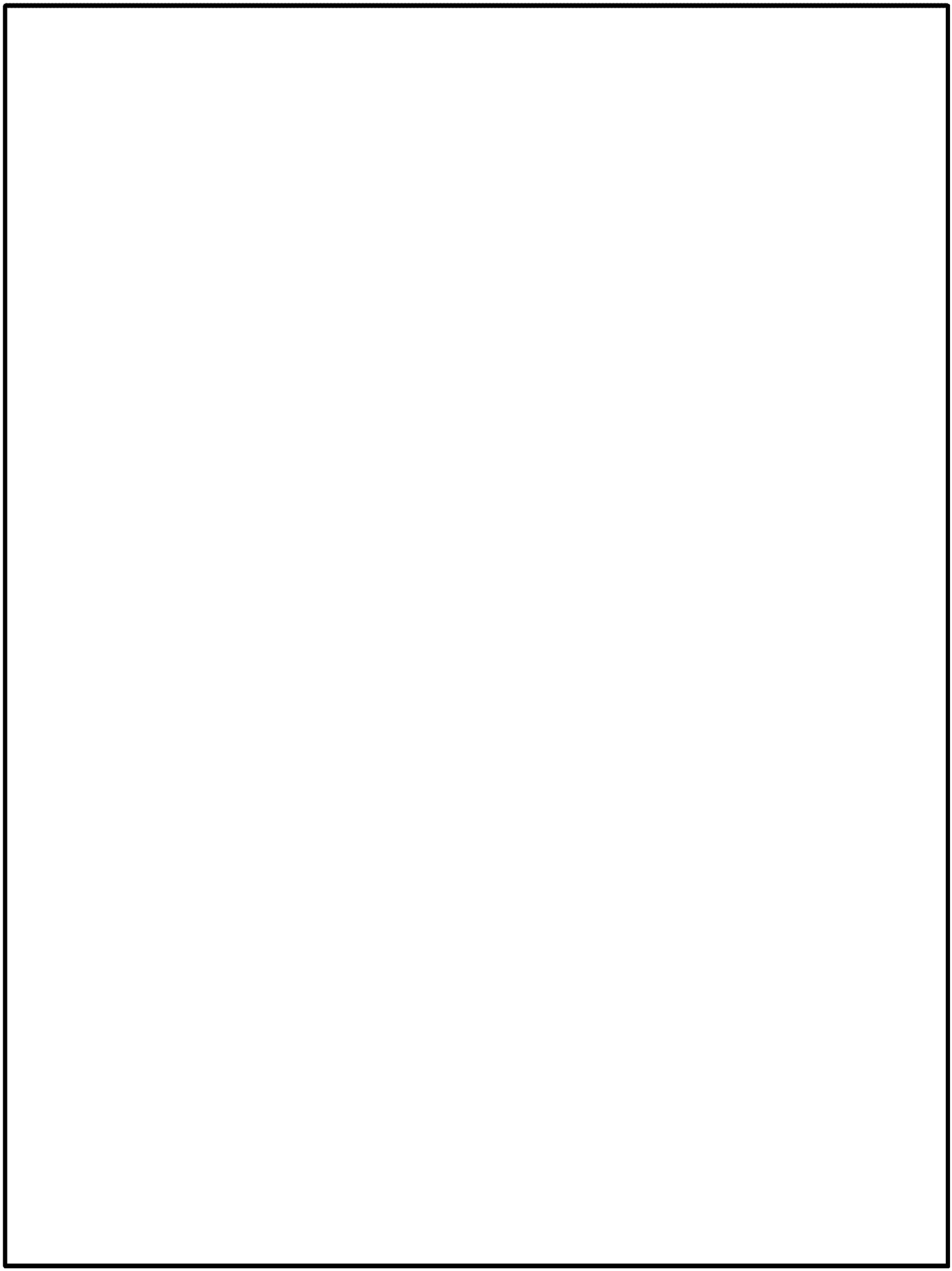


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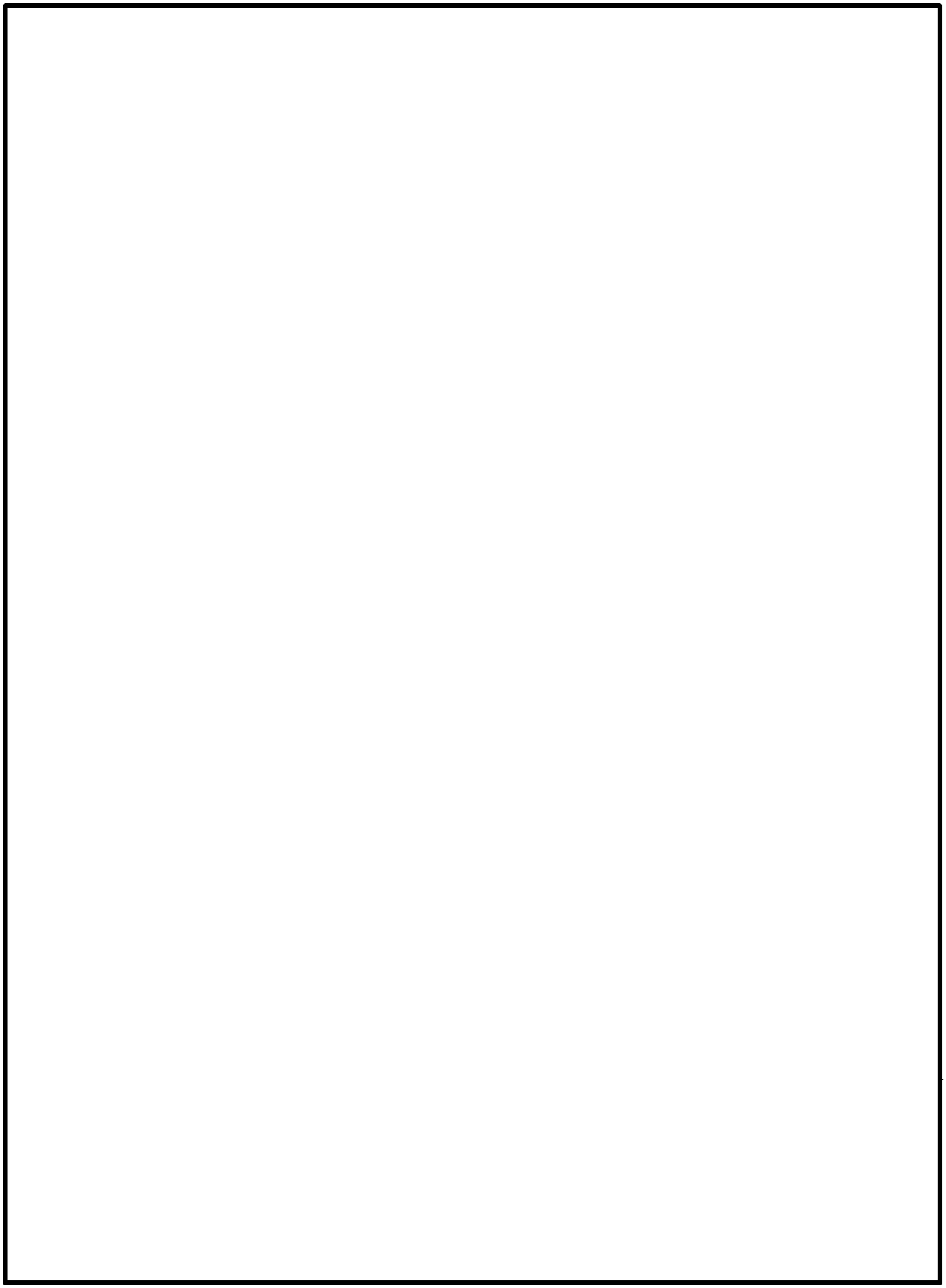


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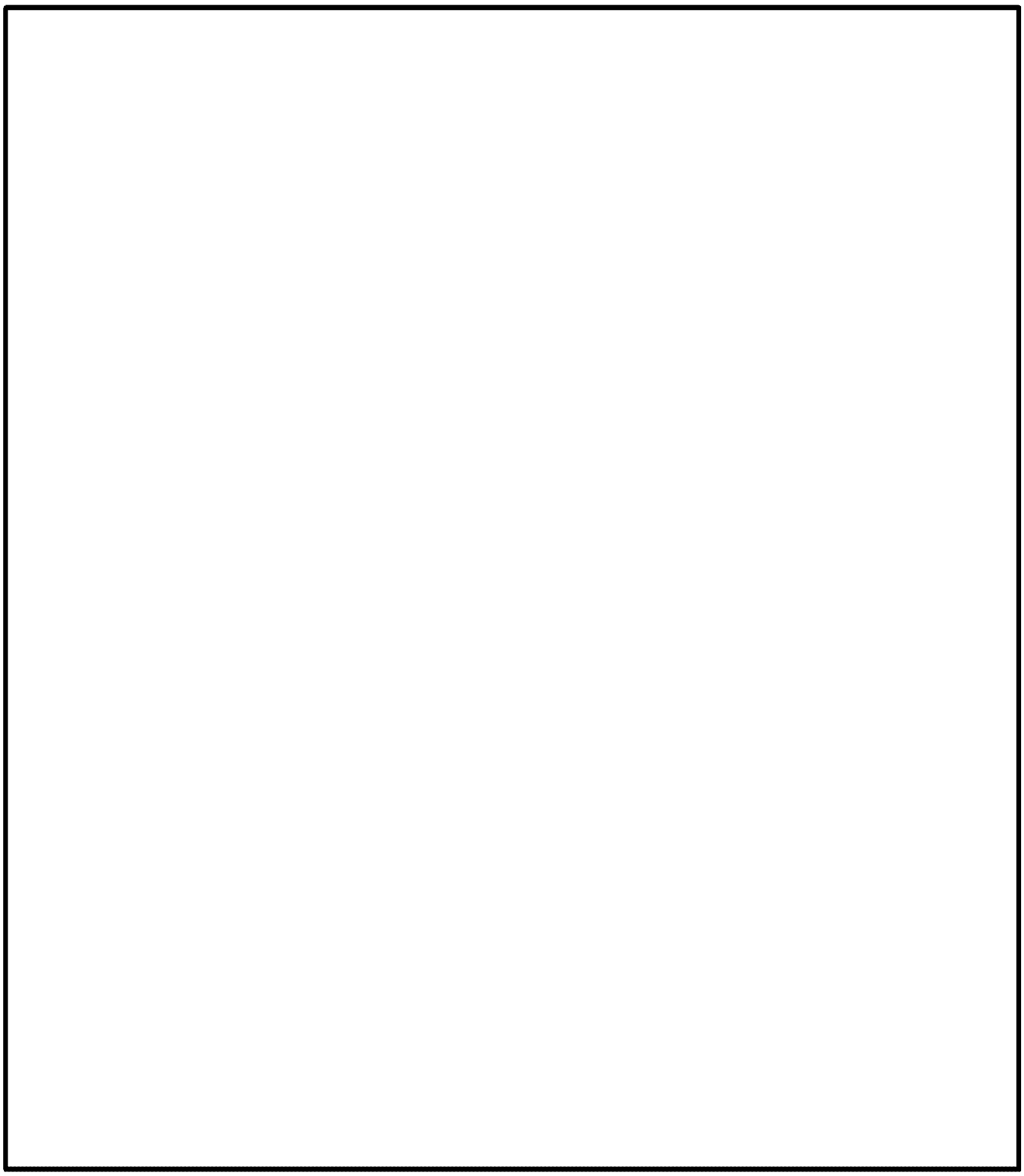
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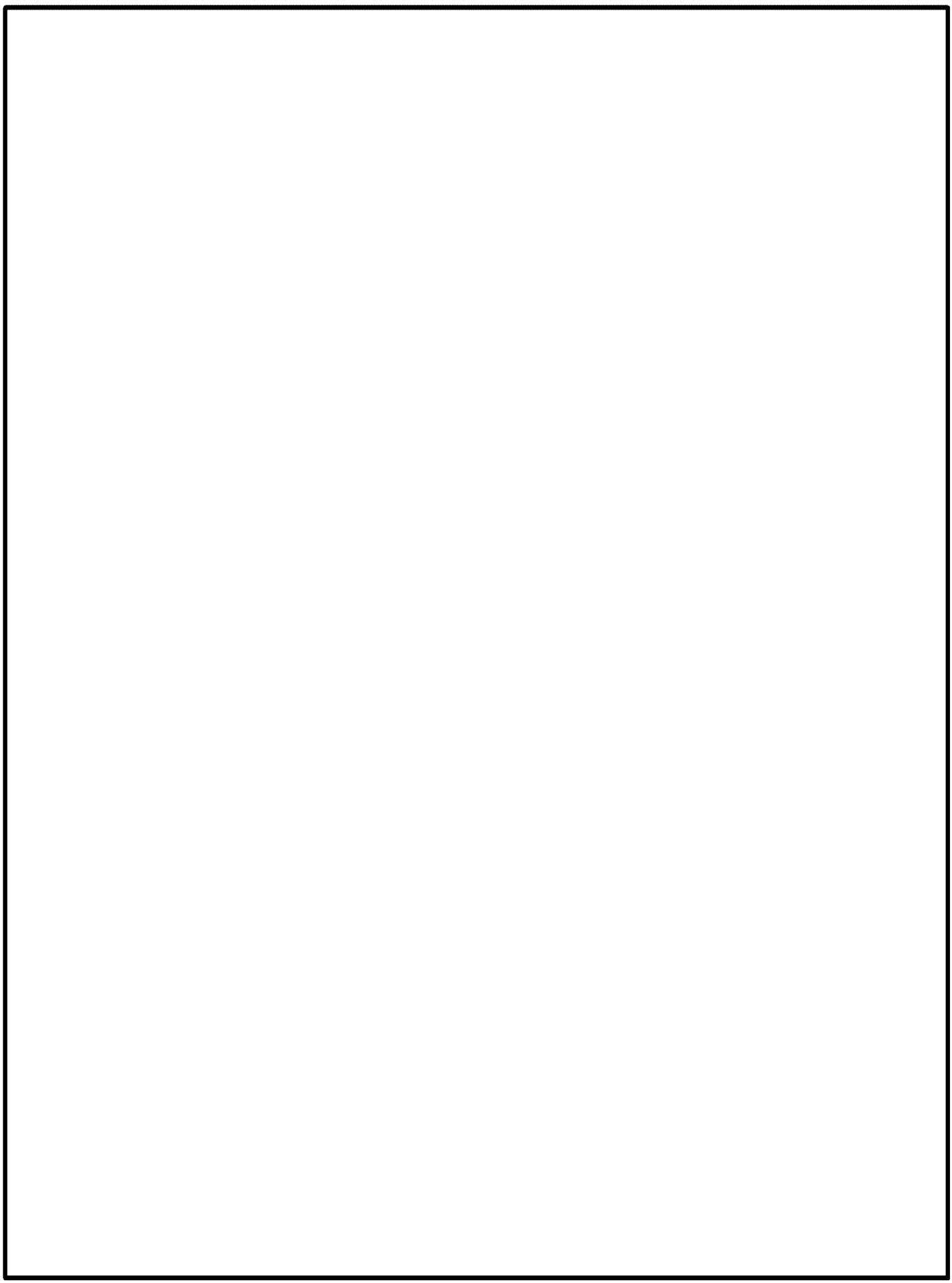
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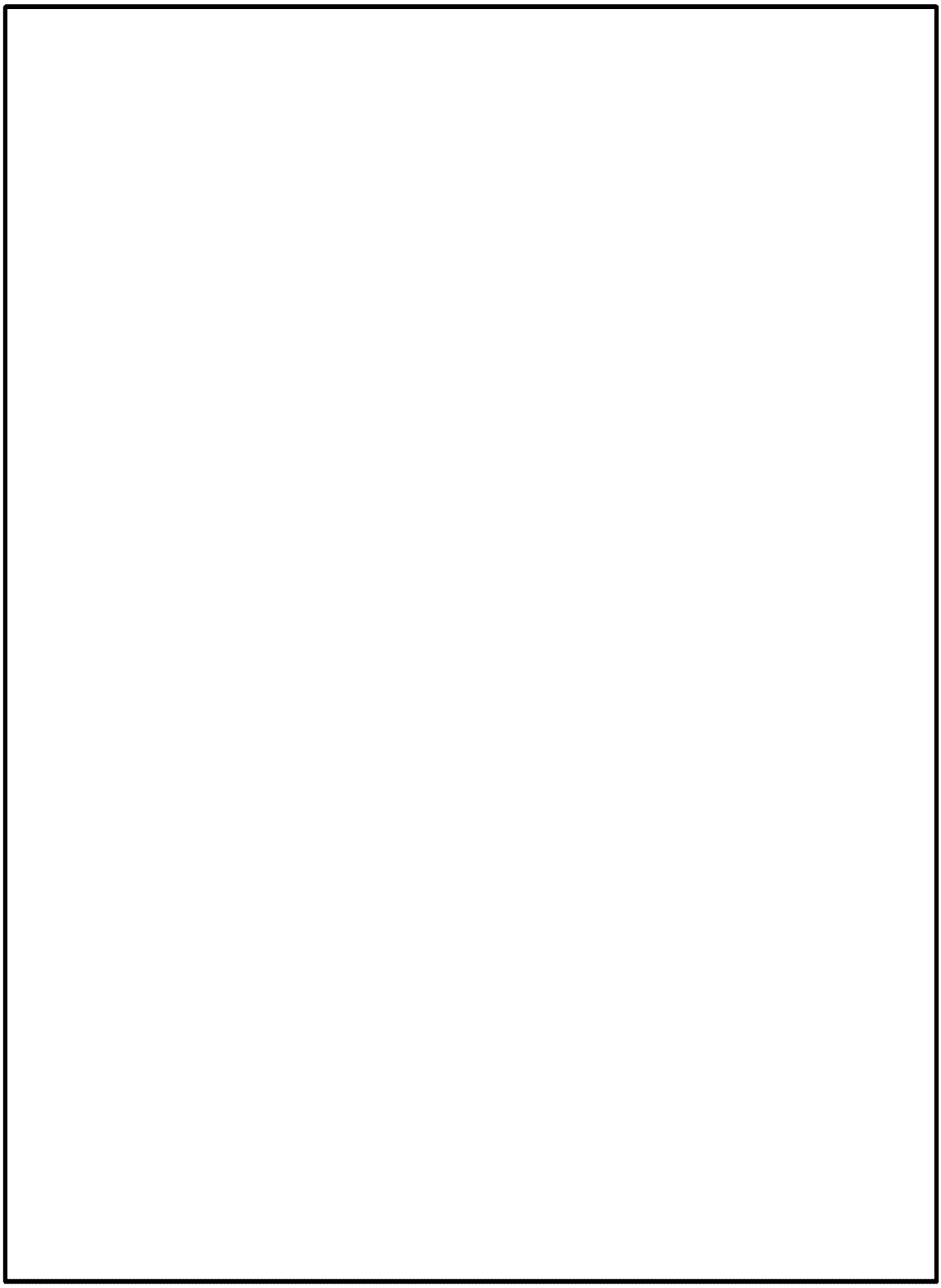
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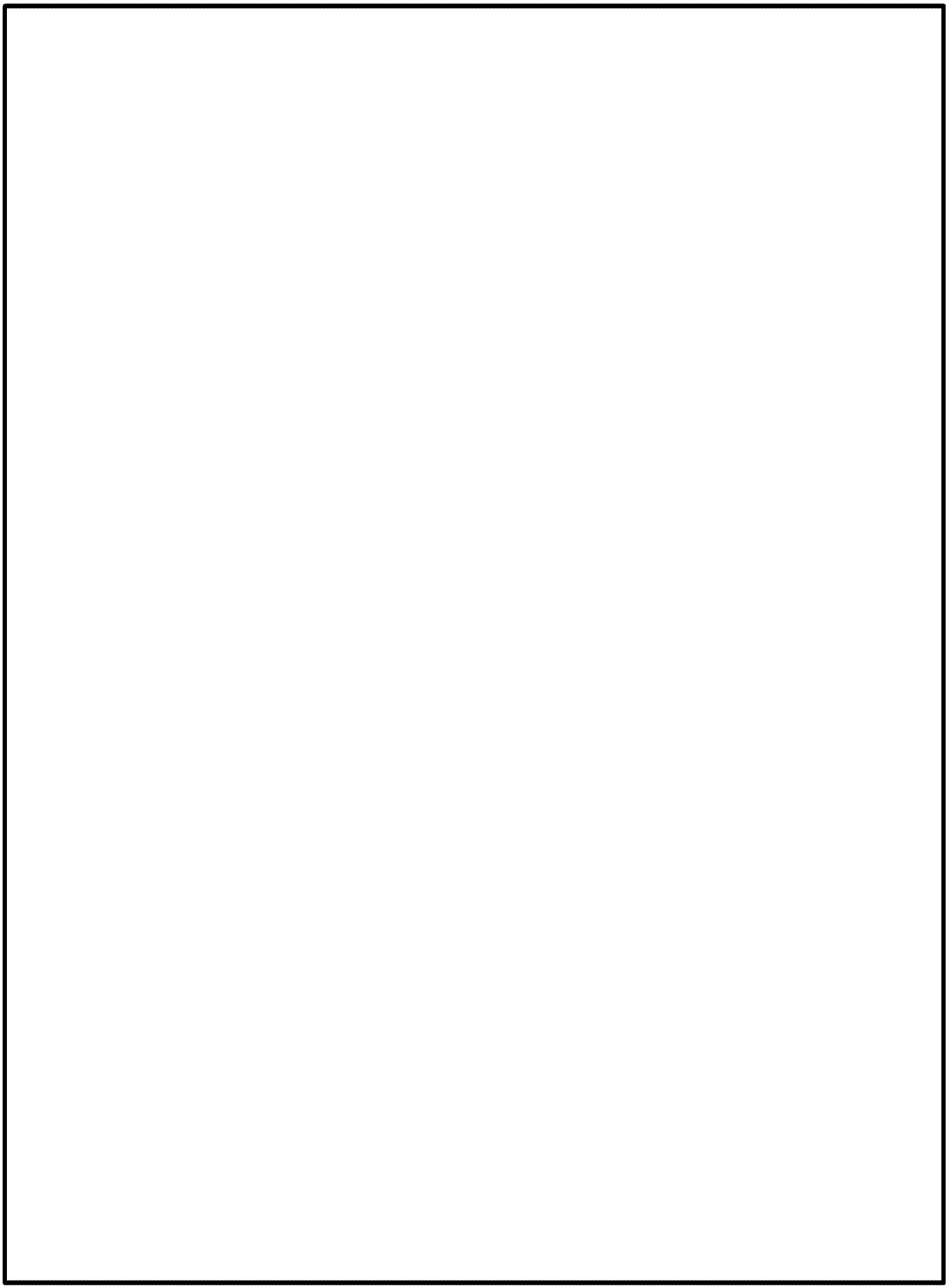
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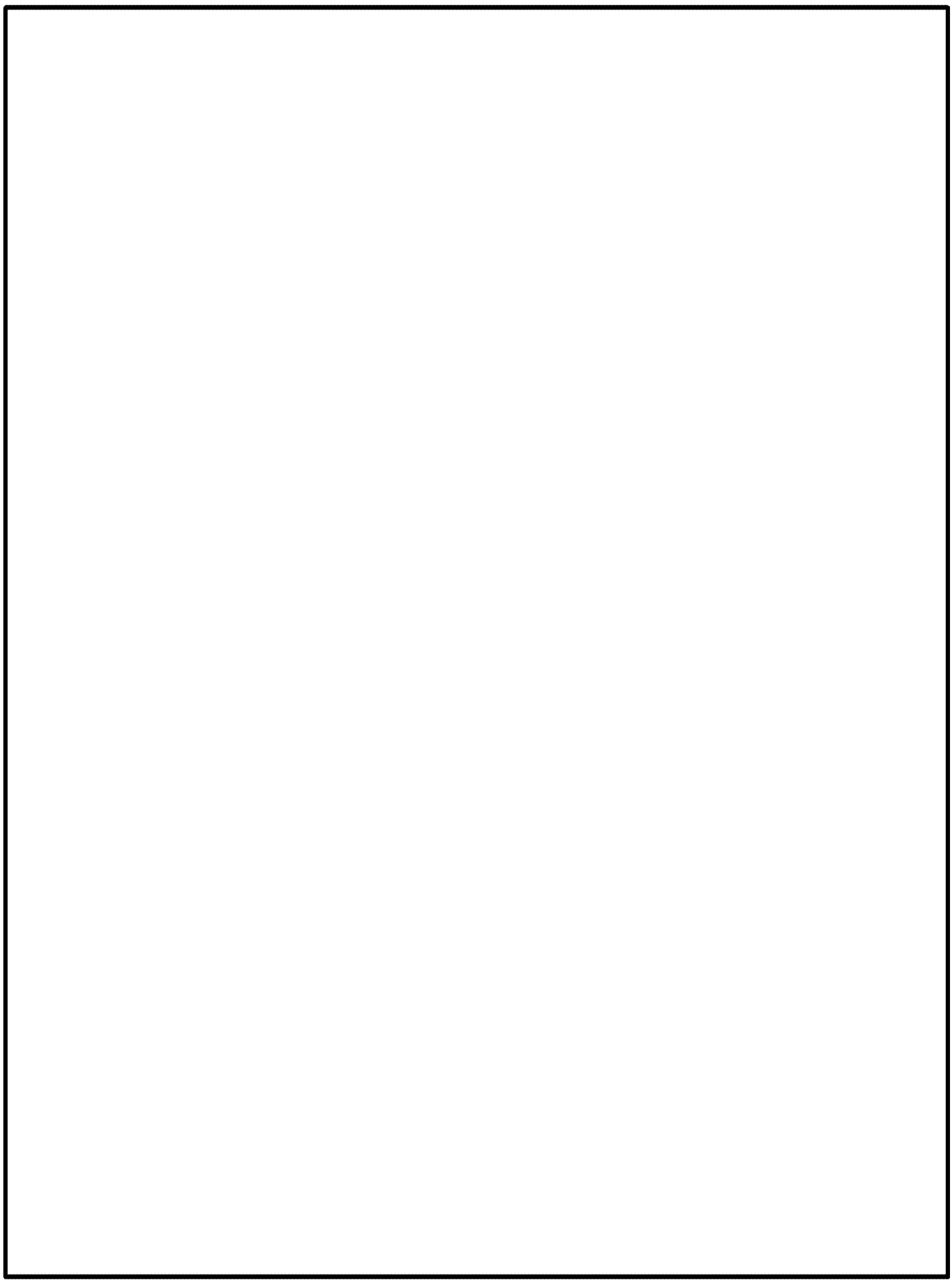
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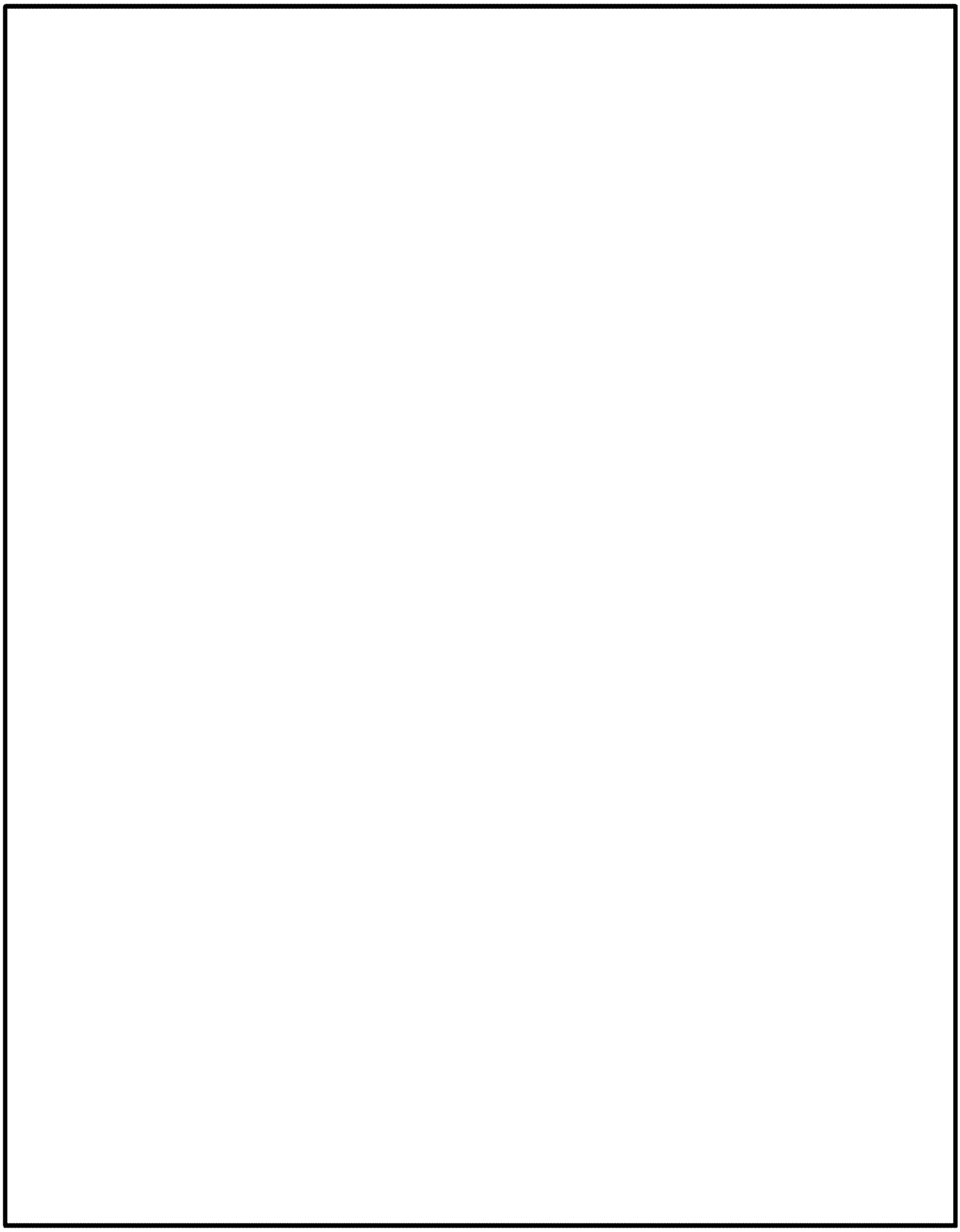
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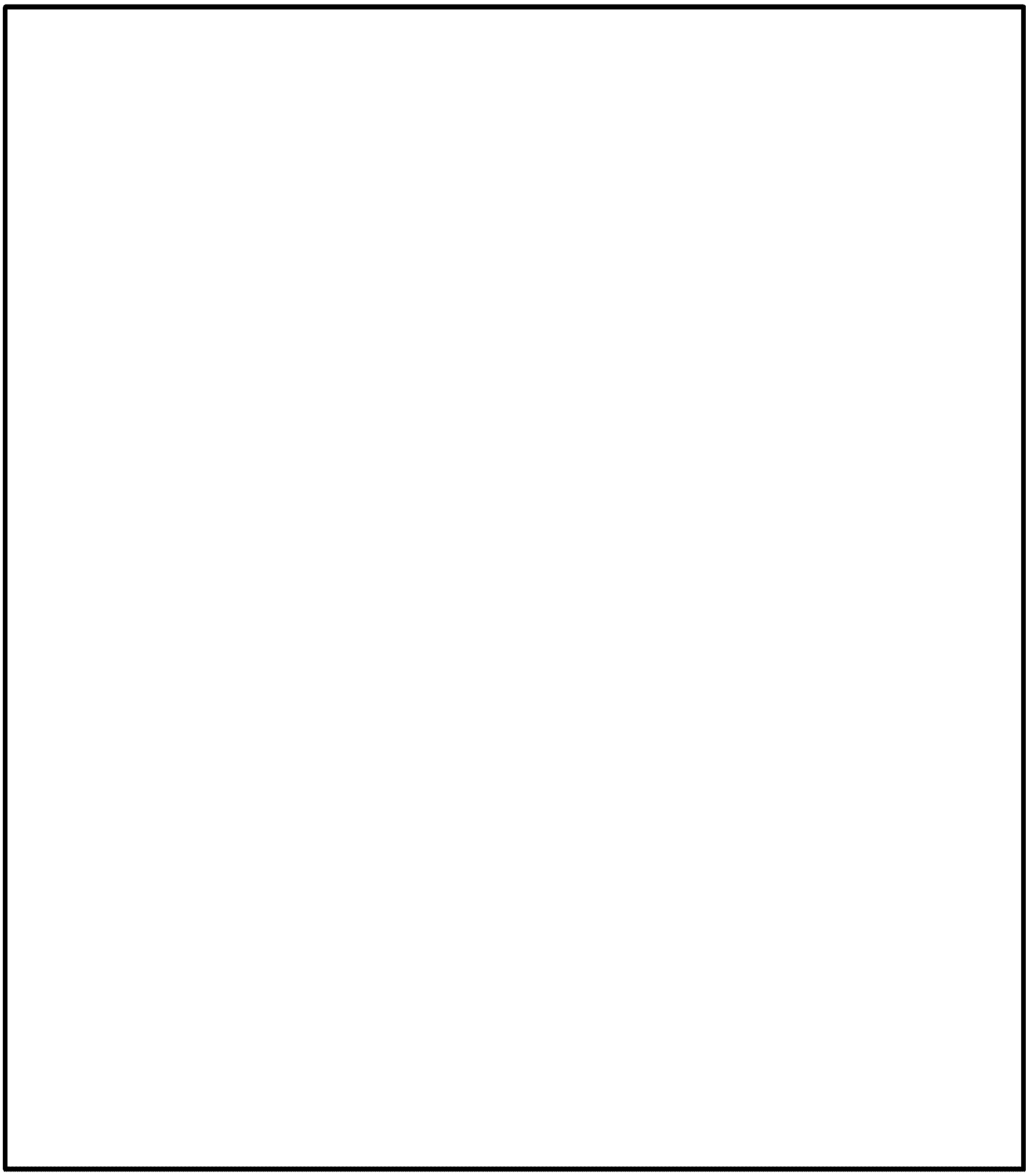


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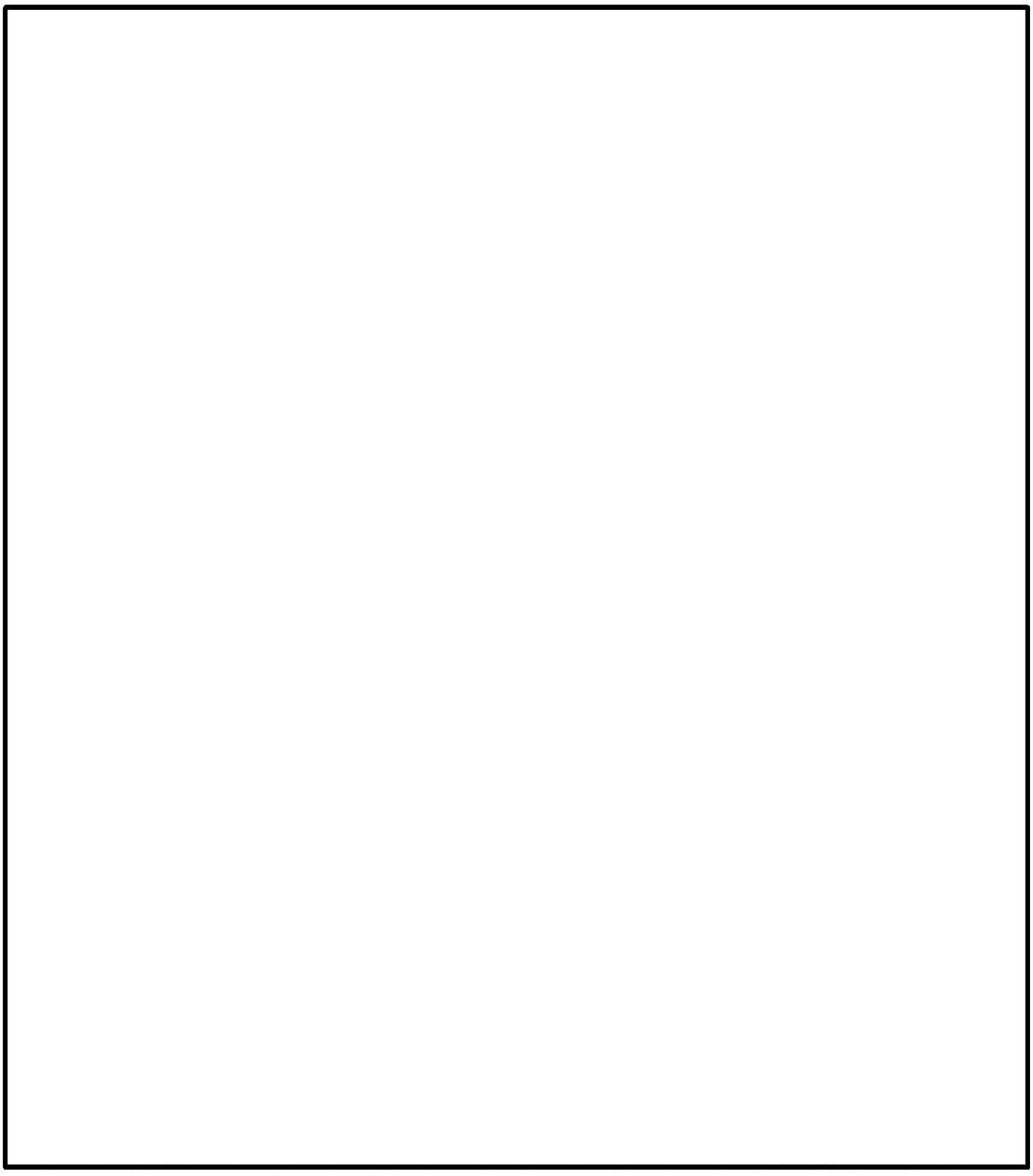
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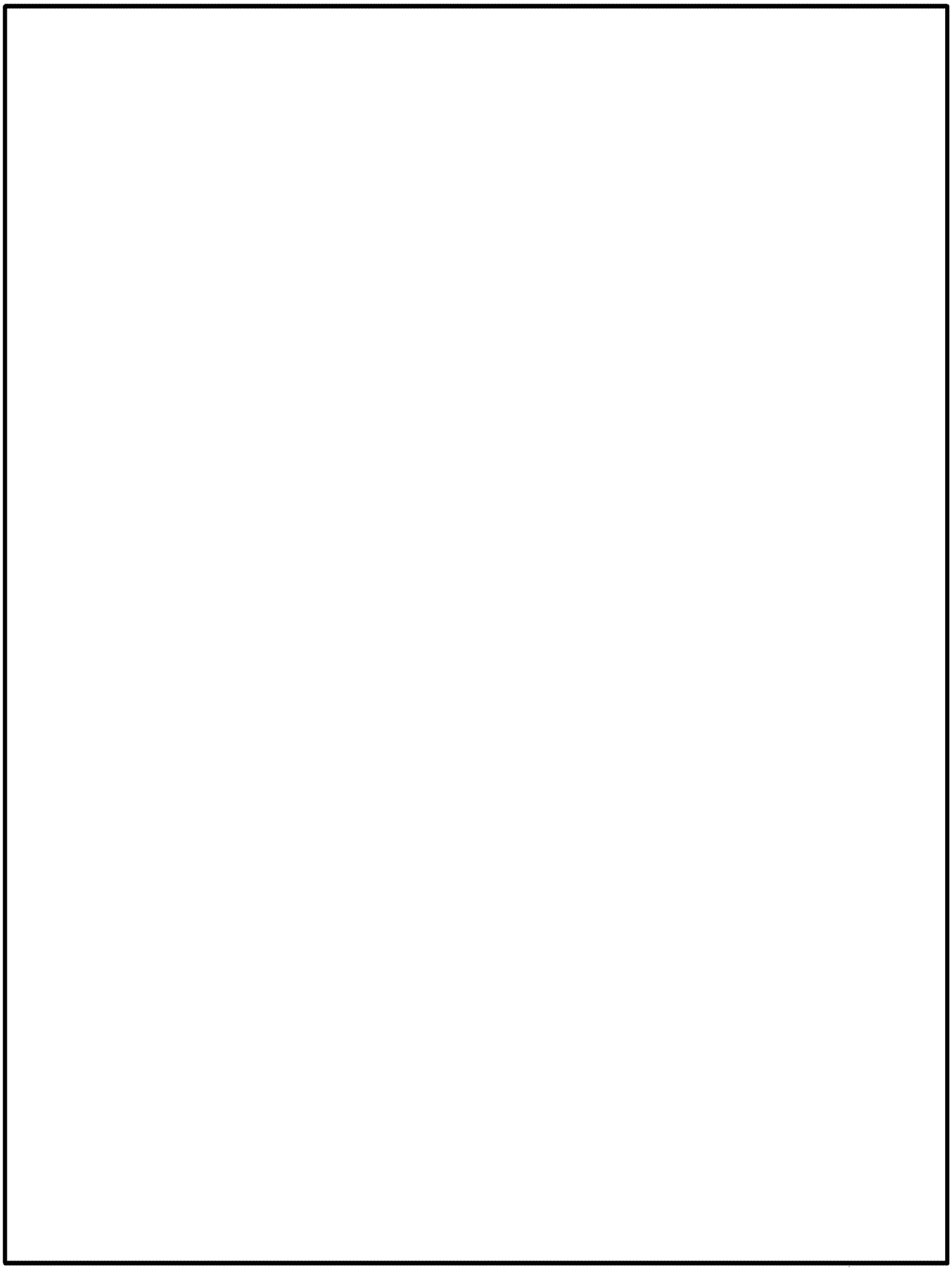


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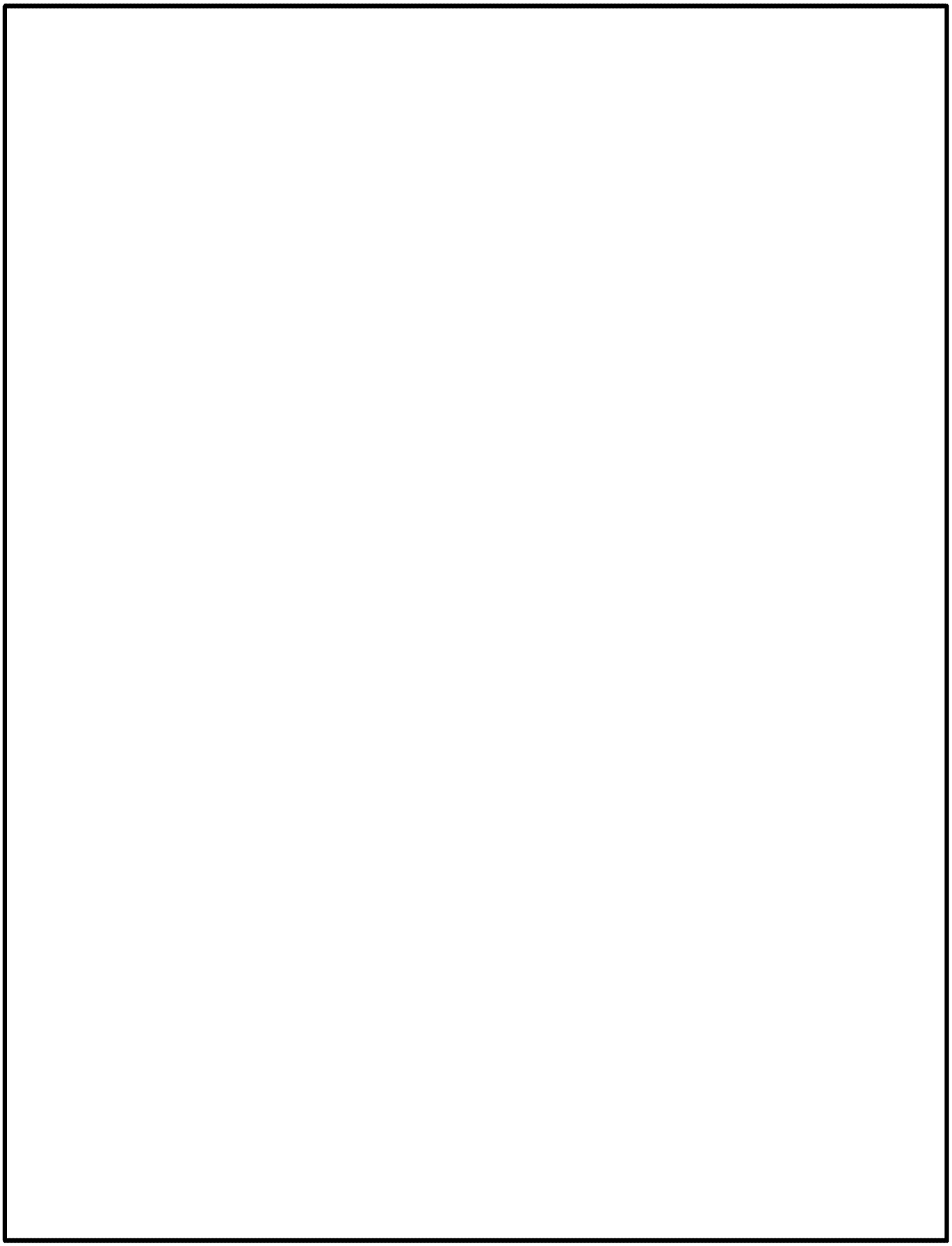
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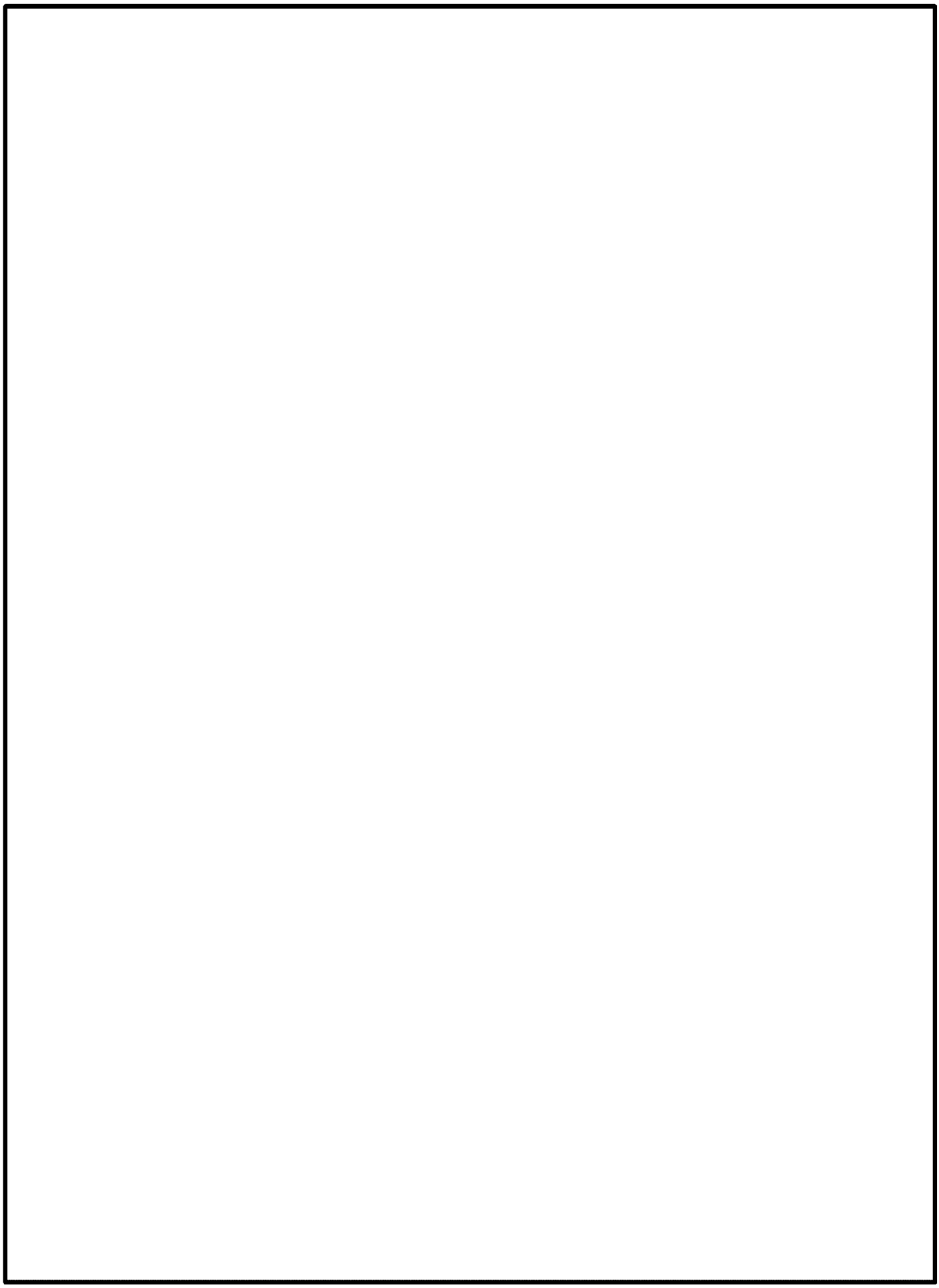
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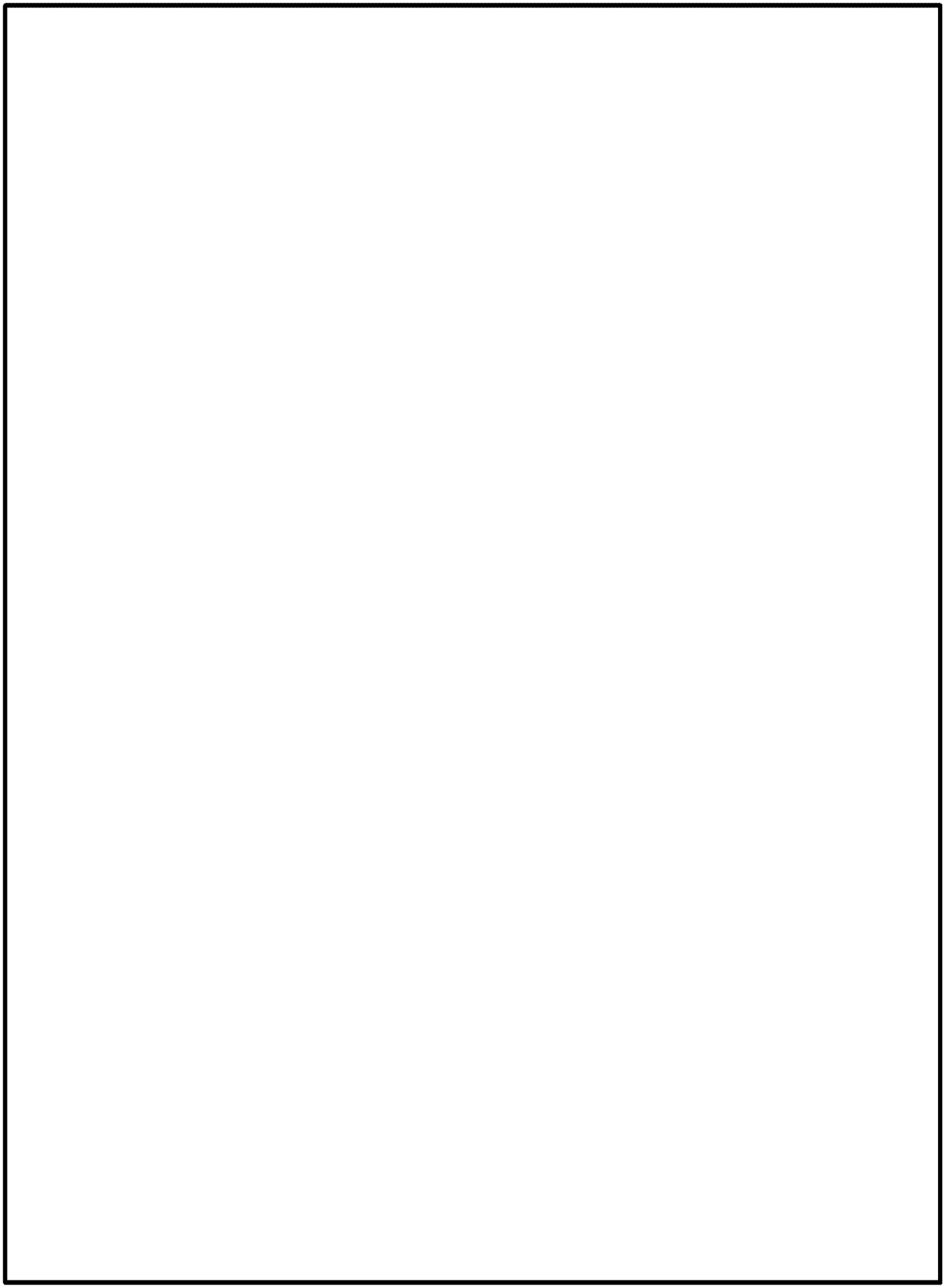
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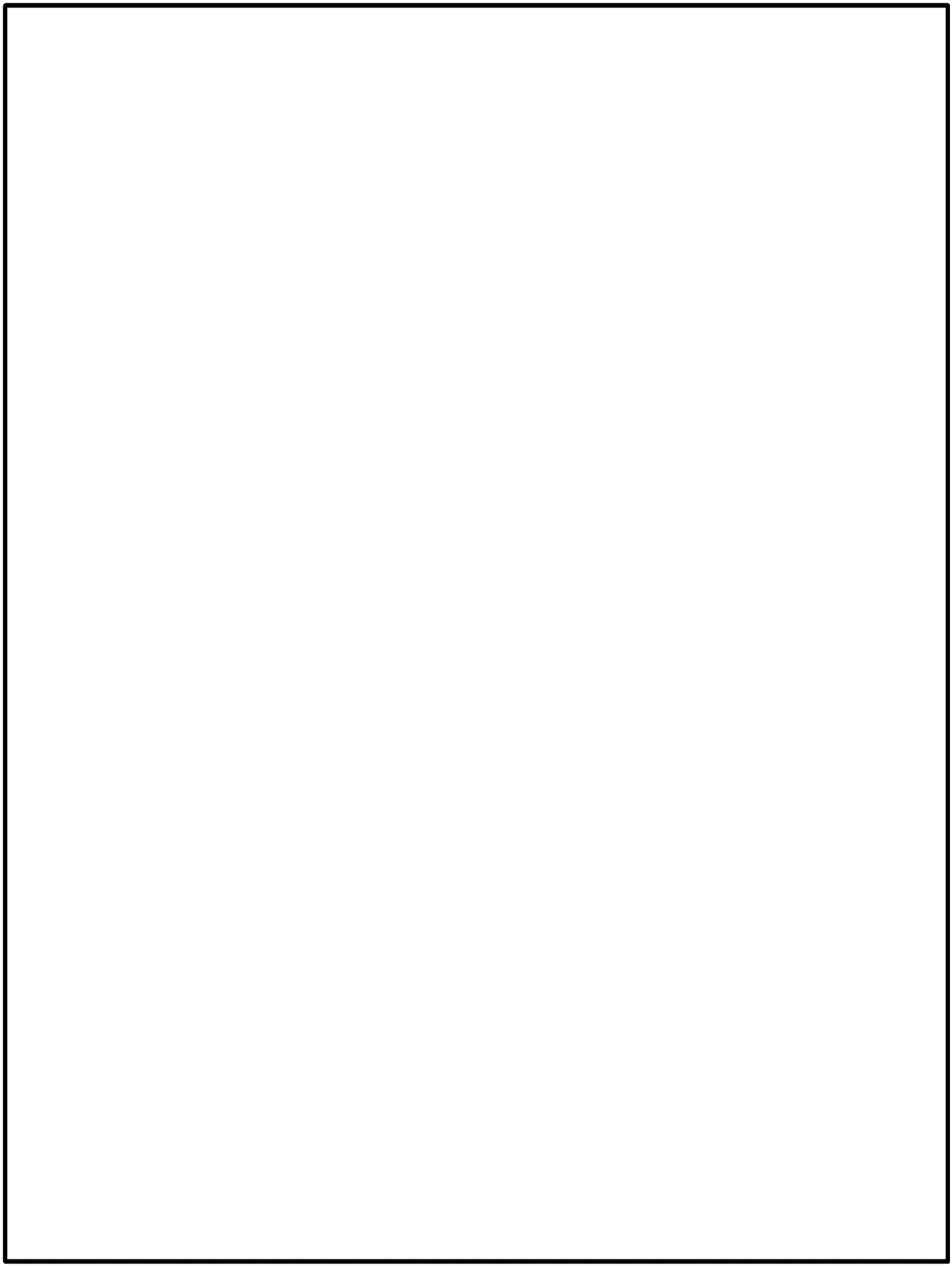
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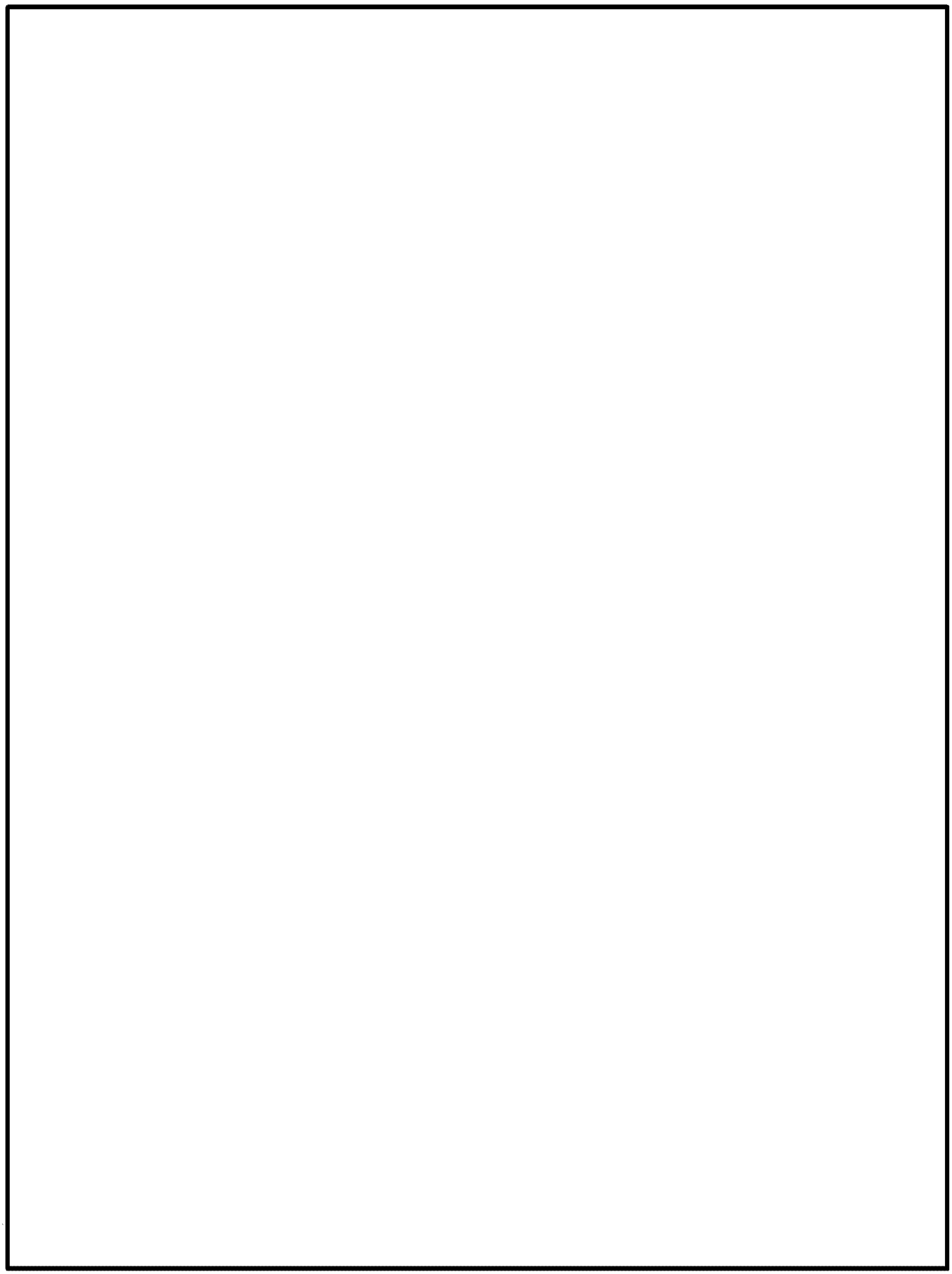
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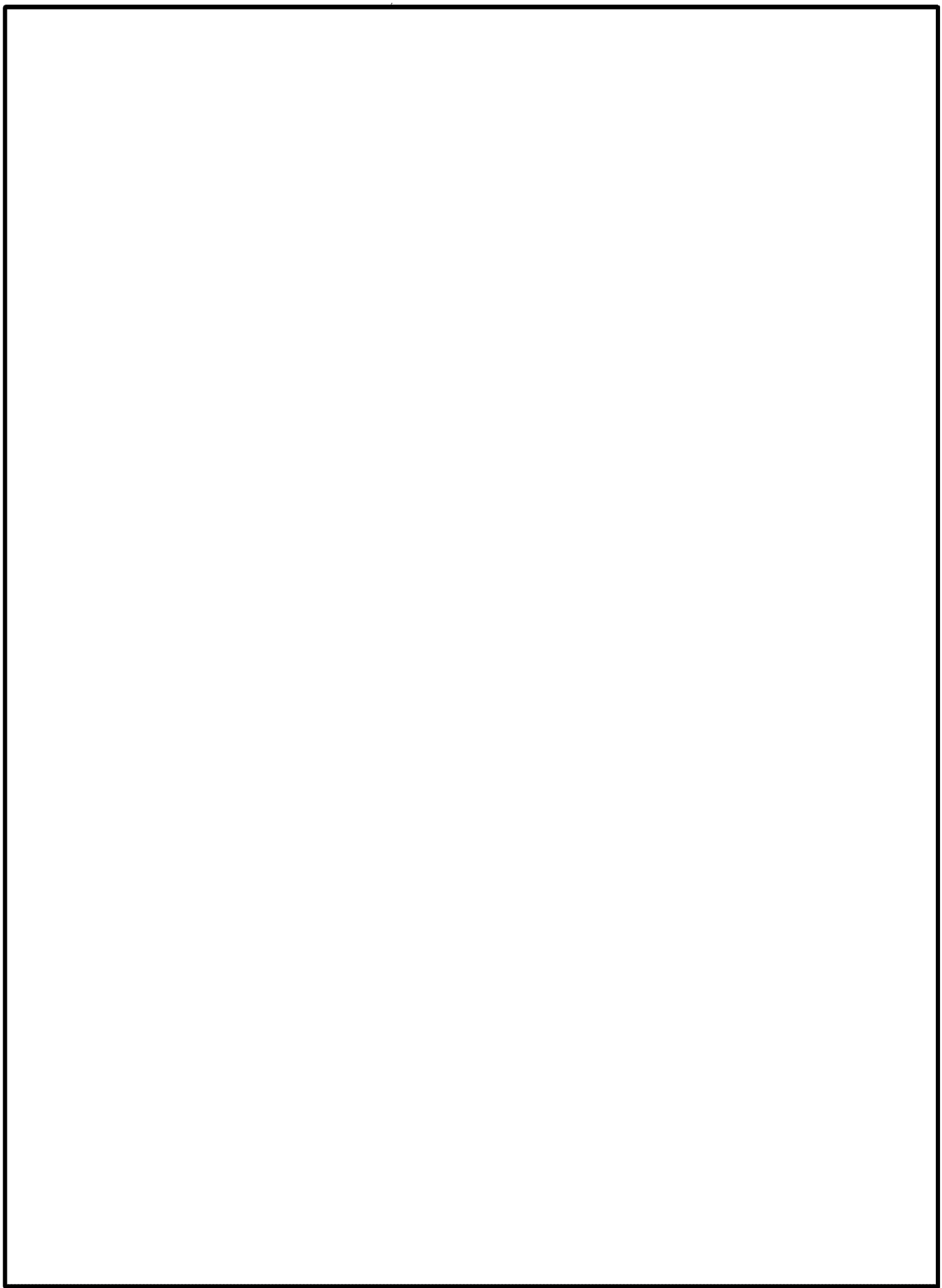
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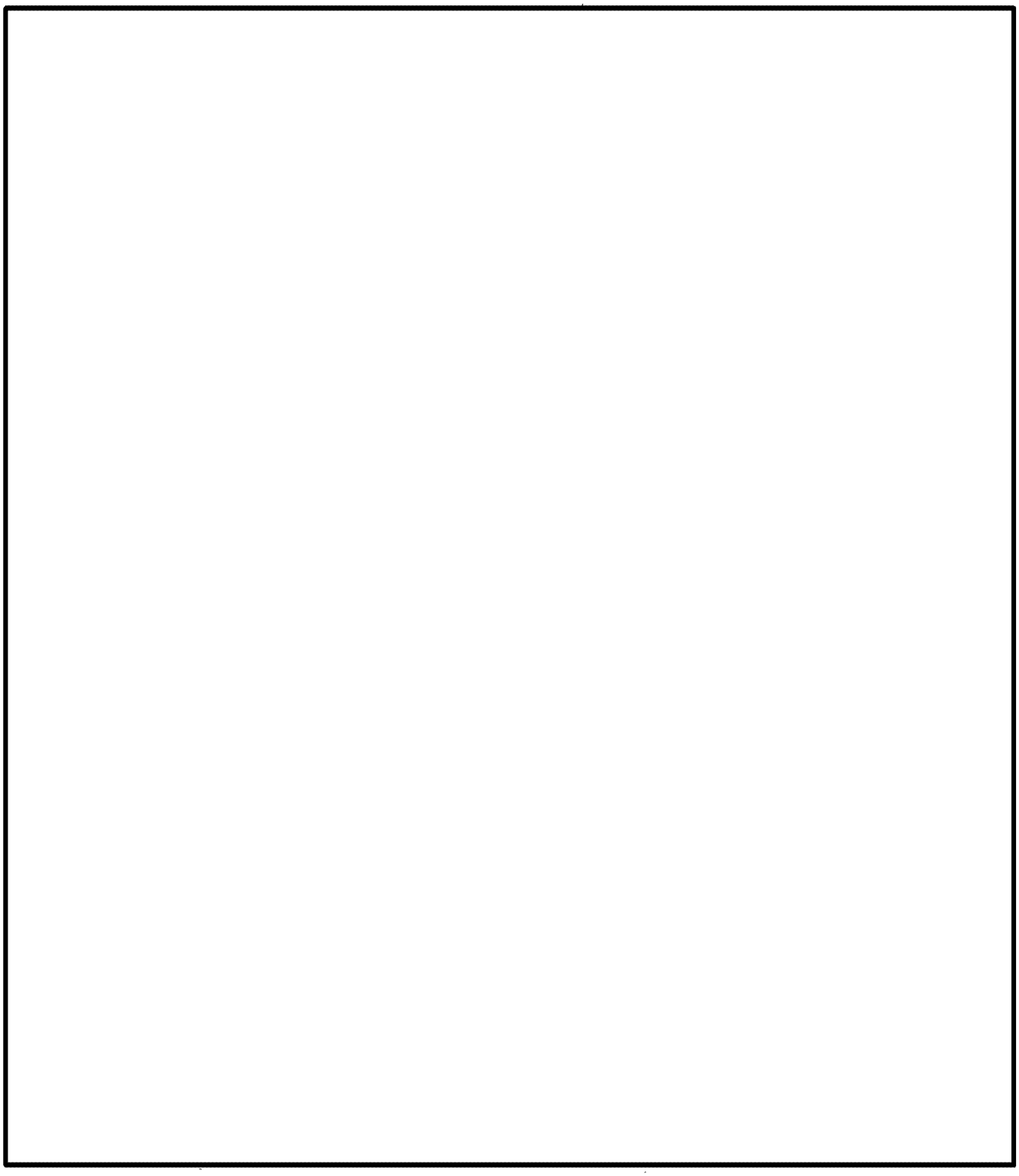
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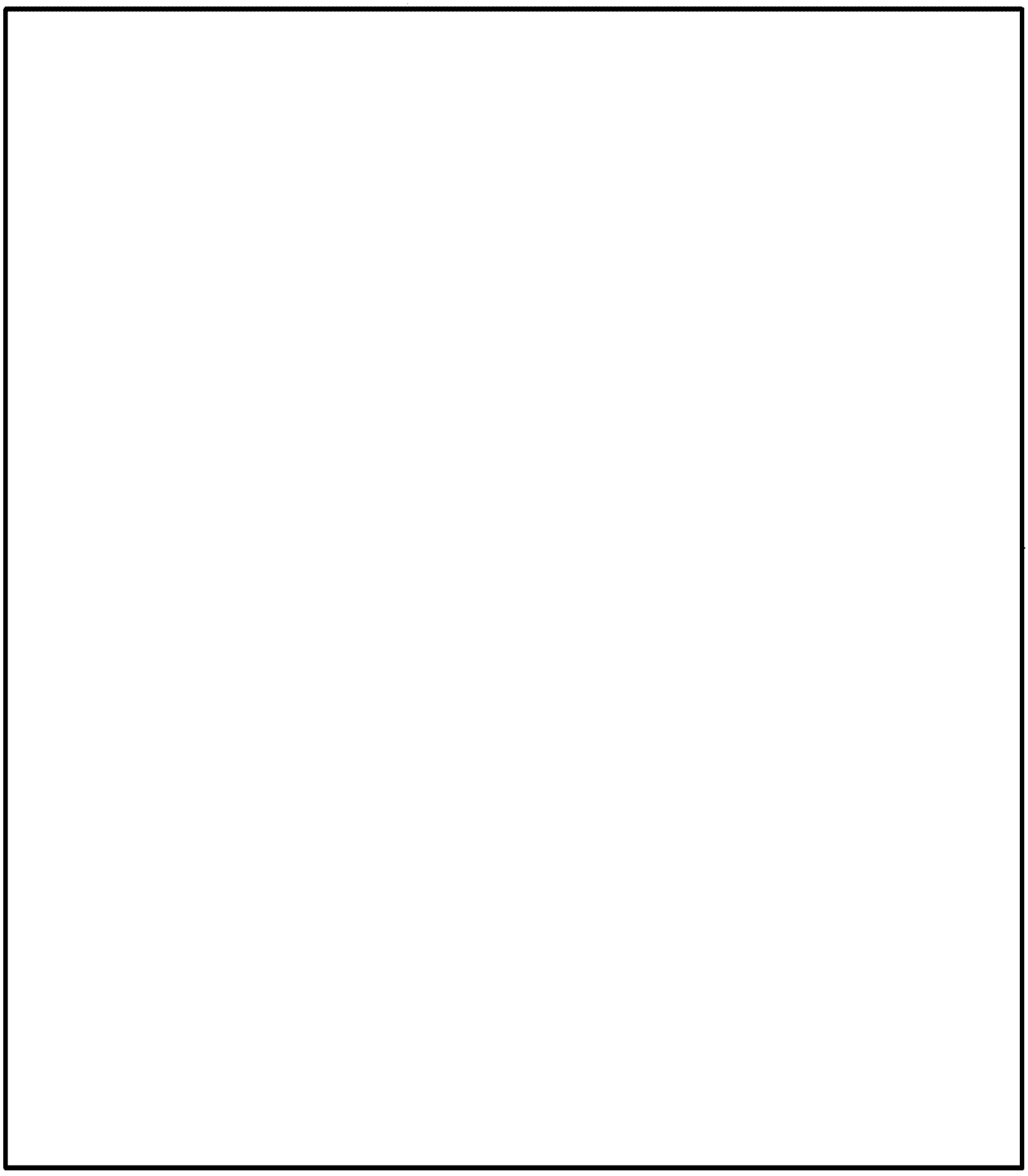


Exhibit A

Summary of EB-5 Program Immigration Procedures



Exhibit B

Raleigh/Durham RC Approval Letter



Exhibit C

Executive Summary of Economic Study



Exhibit D

TEA Designation Letter and Map



Exhibit E

Form of Limited Partnership Agreement of the Fund



ERC RALEIGH/DURHAM FUND I, LP

A Delaware Limited Partnership

Limited Partnership Agreement

Dated as of _____

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NOTICE

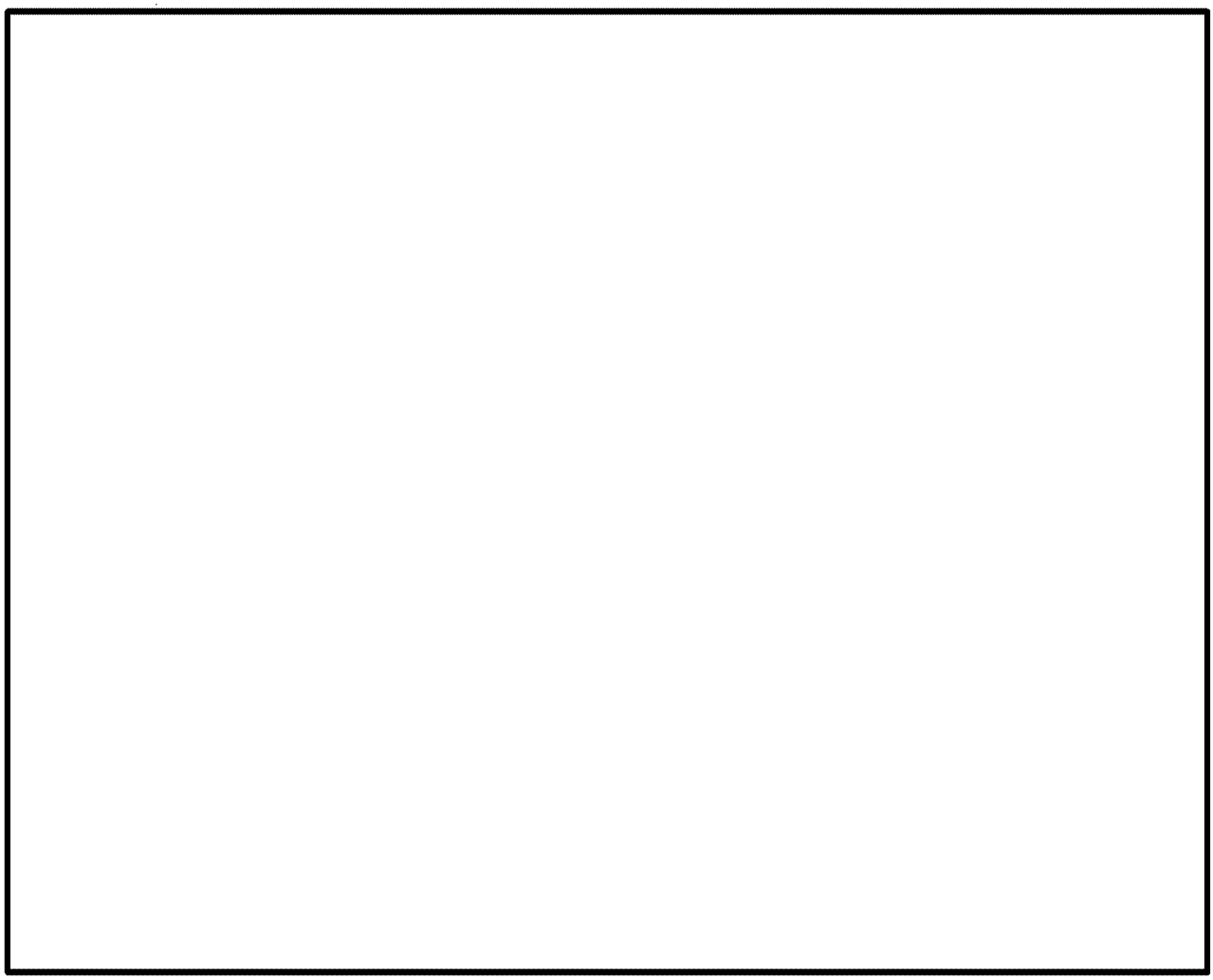


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LIMITED PARTNERSHIP AGREEMENT
OF
ERC RALEIGH/DURHAM FUND I, LP

[redacted]

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. The following capitalized terms shall have the following meanings when used in this Agreement:

"***Act***" means the Delaware Revised Uniform Limited Partnership Act, as amended from time to time (or any corresponding provisions of succeeding law).

[redacted]

"***Advisers Act***" means the Investment Advisers Act of 1940, as amended from time to time.

"***Affiliate***" of any Person means any Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person, and the term "***Affiliated***" has a correlative meaning.

(b)(4)

"***Agreement***" means this Limited Partnership Agreement, as amended from time to time.

"***Authorized Representative***" has the meaning set forth in Section 3.9(a).

[redacted]

"***Capital Account***" has the meaning set forth in Section 7.4(a).

"***Capital Contribution***" means, with respect to any Partner, a cash contribution made by such Partner pursuant to ARTICLE VI.

"***Carried Interest***" has the meaning set forth in Section 7.1(d).

"***Cash Equivalents***" means securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof).

"***Certificate***" means the certificate of formation of the Partnership.

"***Closing Date***" means the date a Limited Partner, other than the Organizational Limited Partner, is admitted to the Partnership.

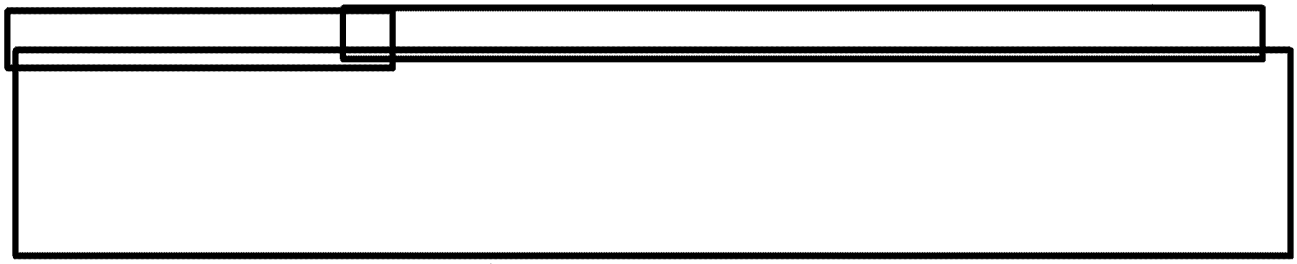
"***Code***" means the Internal Revenue Code of 1986, as amended from time to time.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"***EB-5 Jobs***" means any "Employee" or "Full Time Employee" created by the Partnership, via the investment in the Project Company and the Project, as those terms are defined at 8 CFR 204.6(e); that is, an "Employee" is an individual who provides services or labor in a job which has been created indirectly through investment in the new commercial enterprise; and a "Full Time Employee" means a qualifying employee in a position that requires a minimum of 35 working hours per week.

"***EB-5 Program***" means that certain program designed specifically to serve non-U.S. citizens seeking to immigrate to and receive legal permanent residency in the United States by

making a qualifying investment through a "regional center," as such term is defined at 8 CFR 204.6(e), approved under the USCIS' Immigrant Investor Pilot Program as provided in 8 CFR 204.6(m).



"***Fiscal Year***" has the meaning set forth in Section 2.7.

"***General Partner***" has the meaning set forth in the preamble.

"***General Partner Expenses***" means all administrative and overhead expenses associated with the operation of the General Partner and/or the Manager for the services provided by the General Partner or the Manager to the Partnership.

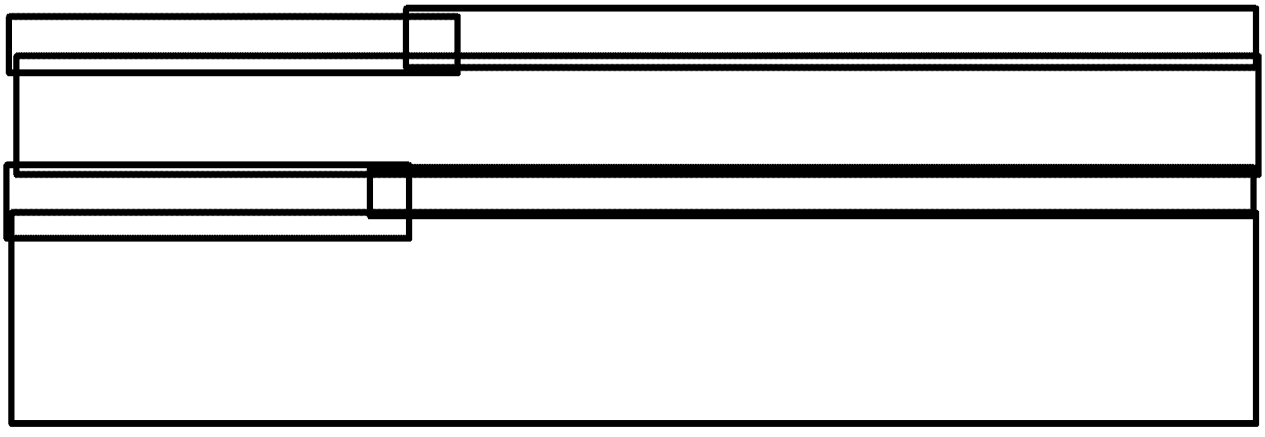
"***Indemnified Party***" has the meaning set forth in Section 9.1(a).

"***Interest***" means the entire ownership interest of a Partner in the Partnership at the relevant time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement.

"***Investment Company Act***" means the Investment Company Act of 1940, as amended from time to time.



"***Limited Partner***" means, at any time, any Person who is at such time a limited partner of the Partnership and shown as such on the books and records of the Partnership in its capacity as a limited partner of the Partnership. For purposes of the Act, the Limited Partners constitute a single class or group of limited partners.

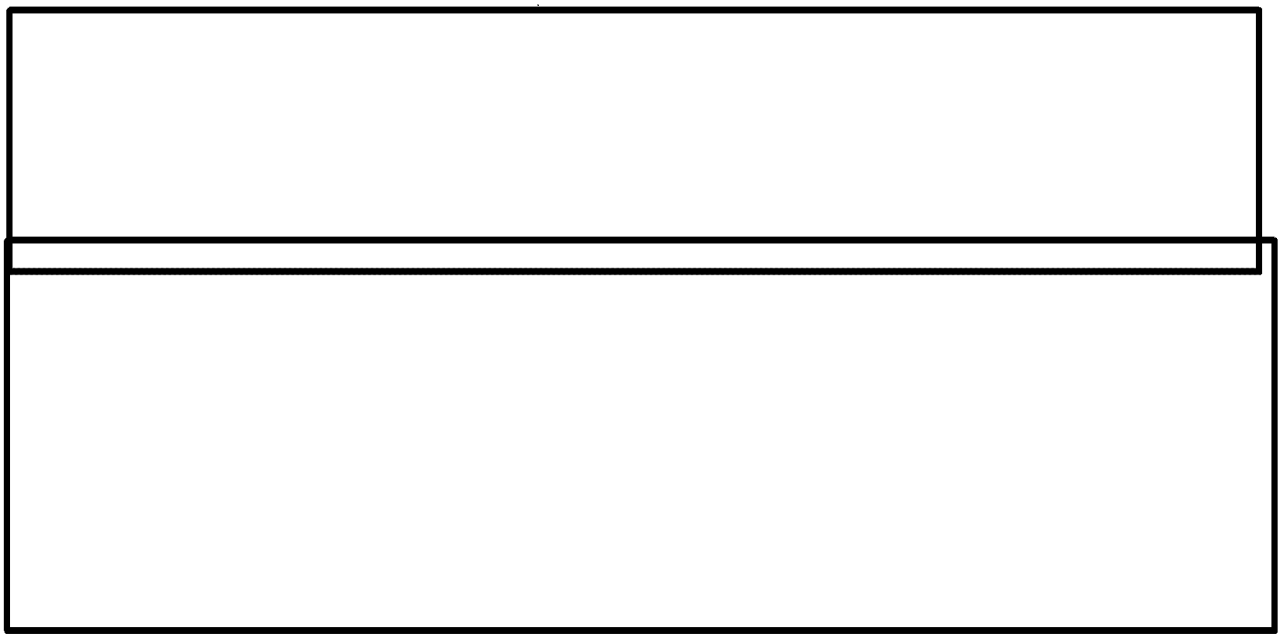


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"***Manager***" means Encore Global Investment Management, LLC a Delaware limited liability company.

"***Management Agreement***" means the Management Agreement by and among the Partnership, the General Partner and the Manager, pursuant to which the General Partner has delegated certain of the General Partner's authority for the making of and monitoring the performance of the investment in the Project Company and the Project.

(b)(4)



"***Operating Expenses***" means all cash expenditures of every kind and nature which the Partnership shall pay, including, without limitation, debt service, audit and legal expenses.

"***Organizational Expenses***" means all costs and expenses incurred in connection with the organization of the Partnership and the offering of Interests, including legal and accounting fees, printing and production costs, travel and out-of-pocket expenses and all allocated expenses incurred by the General Partner or the Partnership in connection with the private placement of the Interests in the Partnership.

"***Organizational Limited Partner***" means _____, in his capacity as organizational limited partner.

"***Other Agreement***" has the meaning set forth in Section 13.11.

"***Partners***" means the General Partner and the Limited Partners, where no distinction is required by the context in which the term is used herein.

"***Partnership***" means ERC Raleigh/Durham Fund I, LP, as such partnership may from time to time be constituted.

"***Partnership Expenses***" has the meaning set forth in Section 4.1(a).

(b)(4)

"***Person***" means any individual, partnership, corporation, limited liability company, trust or other entity.

[redacted]

"***Project***" has the meaning set forth in the Preliminary Statements.

"***Project Company***" has the meaning set forth in the Preliminary Statements.

[redacted]

"***Subscription Amount***" means $500,000, which is the minimum amount a Limited Partner may invest in the Partnership.

(b)(4)

"***Subscription Date***" has the meaning set forth in Section 3.10.

"***Subscription Documents***" means the subscription agreement and the accompanying subscriber information form, and other documents submitted in connection with a Limited Partner's subscription for an Interest.

"***Substituted Limited Partner***" has the meaning set forth in Section 12.2.

"***Tax Matters Partner***" has the meaning set forth in Section 3.1(c).

"***Transfer***" has the meaning set forth in Section 11.1(a).

"***Treasury Bill Rate***" means, with respect to any calendar month, a rate of interest, determined and adjusted monthly by the General Partner as of the fifth Business Day of each month, equal to the annual coupon equivalent yield on 13-week U.S. Treasury bills resulting from the most recent auction of such instruments prior to the monthly determination date.

"***Unreturned Capital***" means, with respect to each Limited Partner, the aggregate cash Capital Contributions of such Limited Partner, less all amounts distributed to such Limited Partner pursuant to Section 7.1(b).

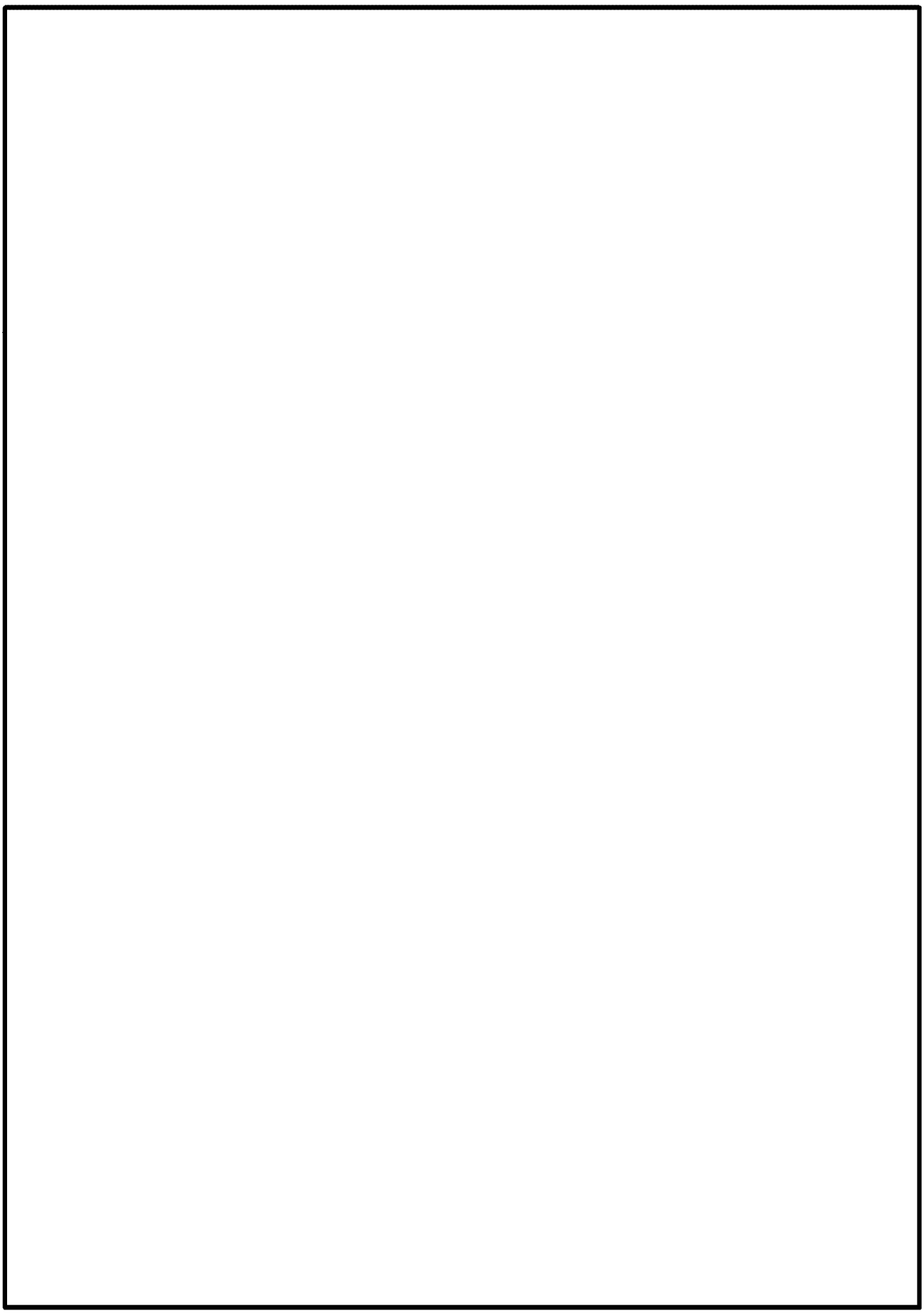
"***USCIS***" has the meaning set forth in the Preliminary Statements.

"***Visa Process***" means the Consular Interview Process or the USCIS adjustment of status process with respect to the EB-5 Program.

ARTICLE II
FORMATION, NAME, PURPOSES AND OFFICES

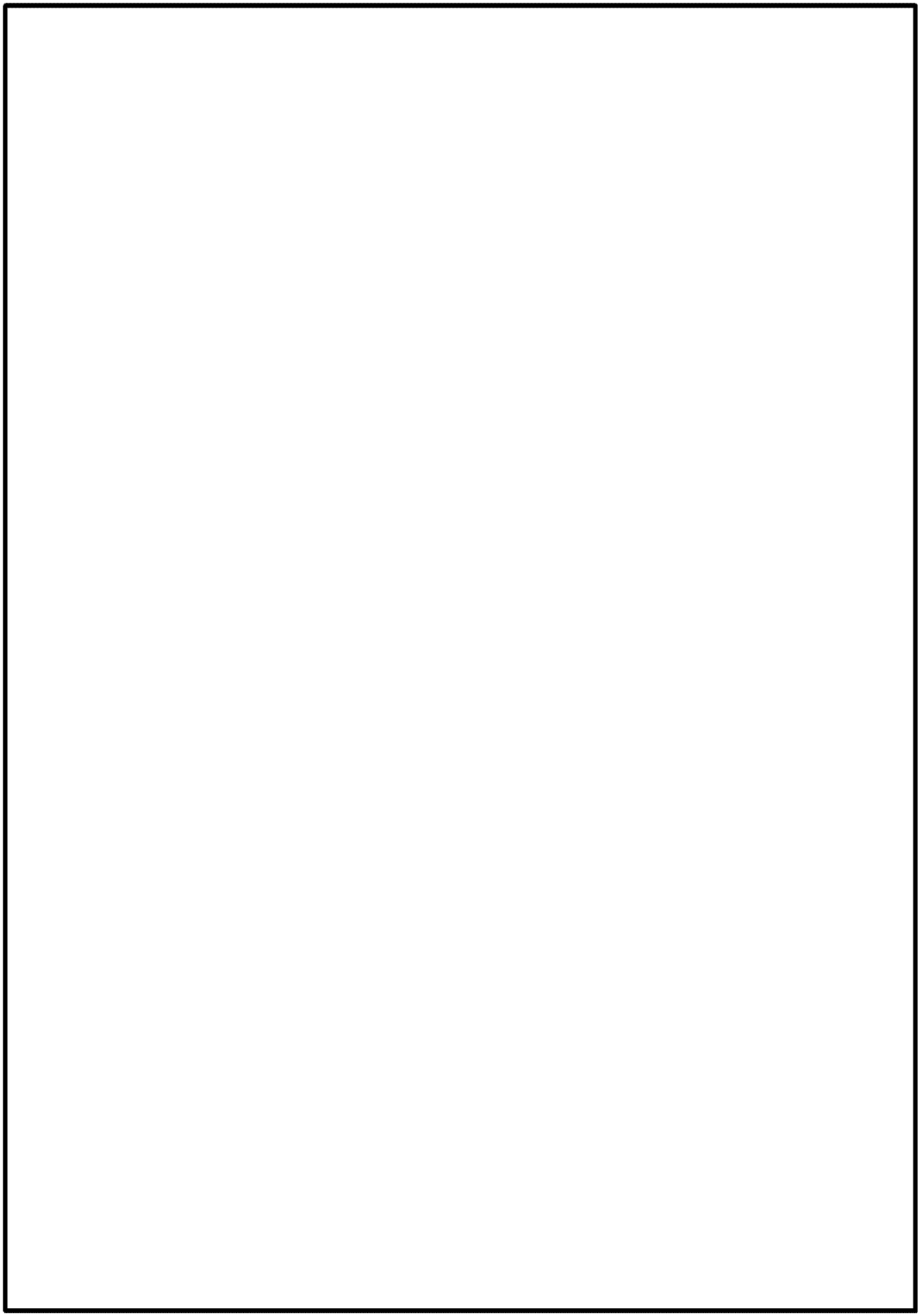
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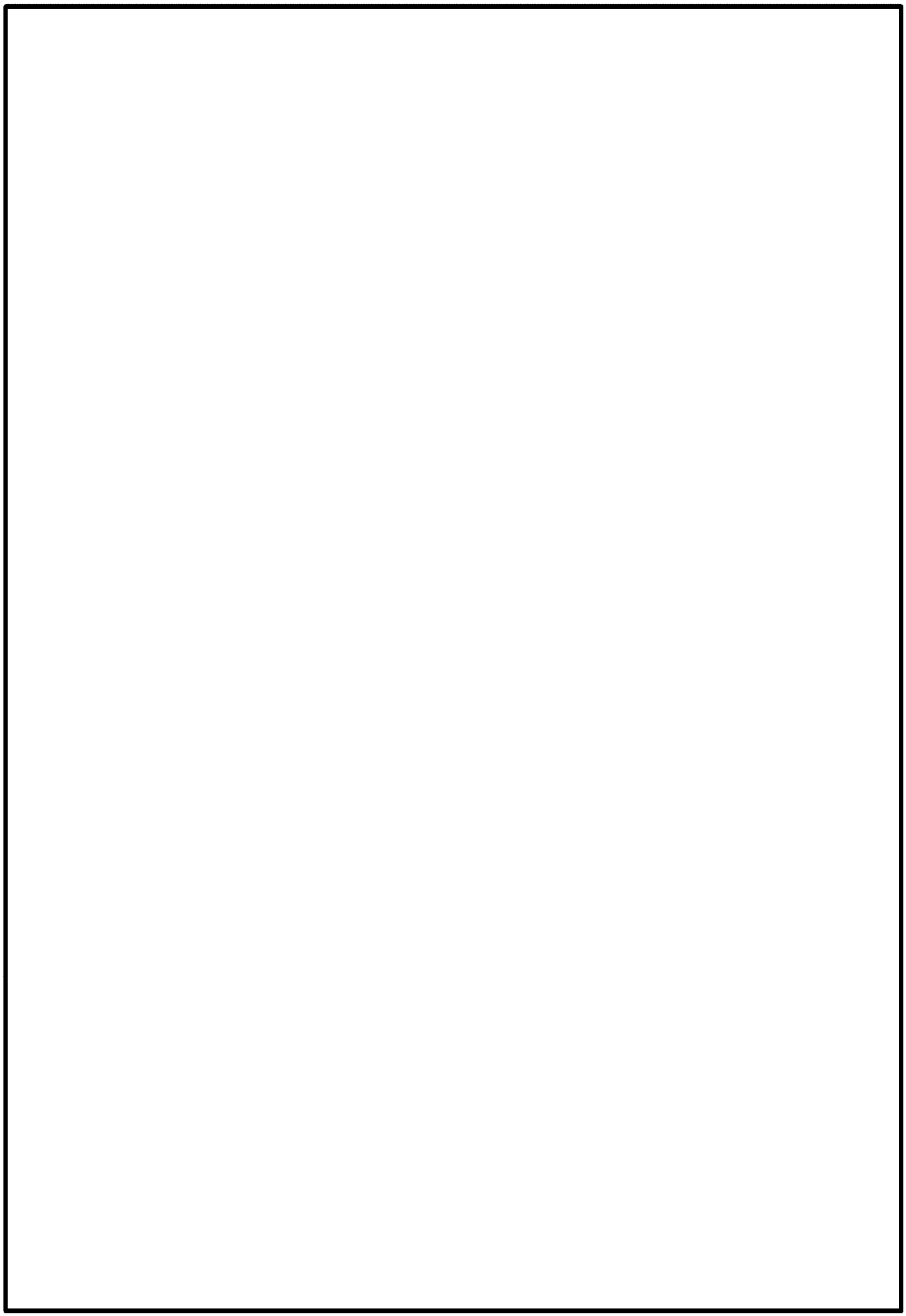
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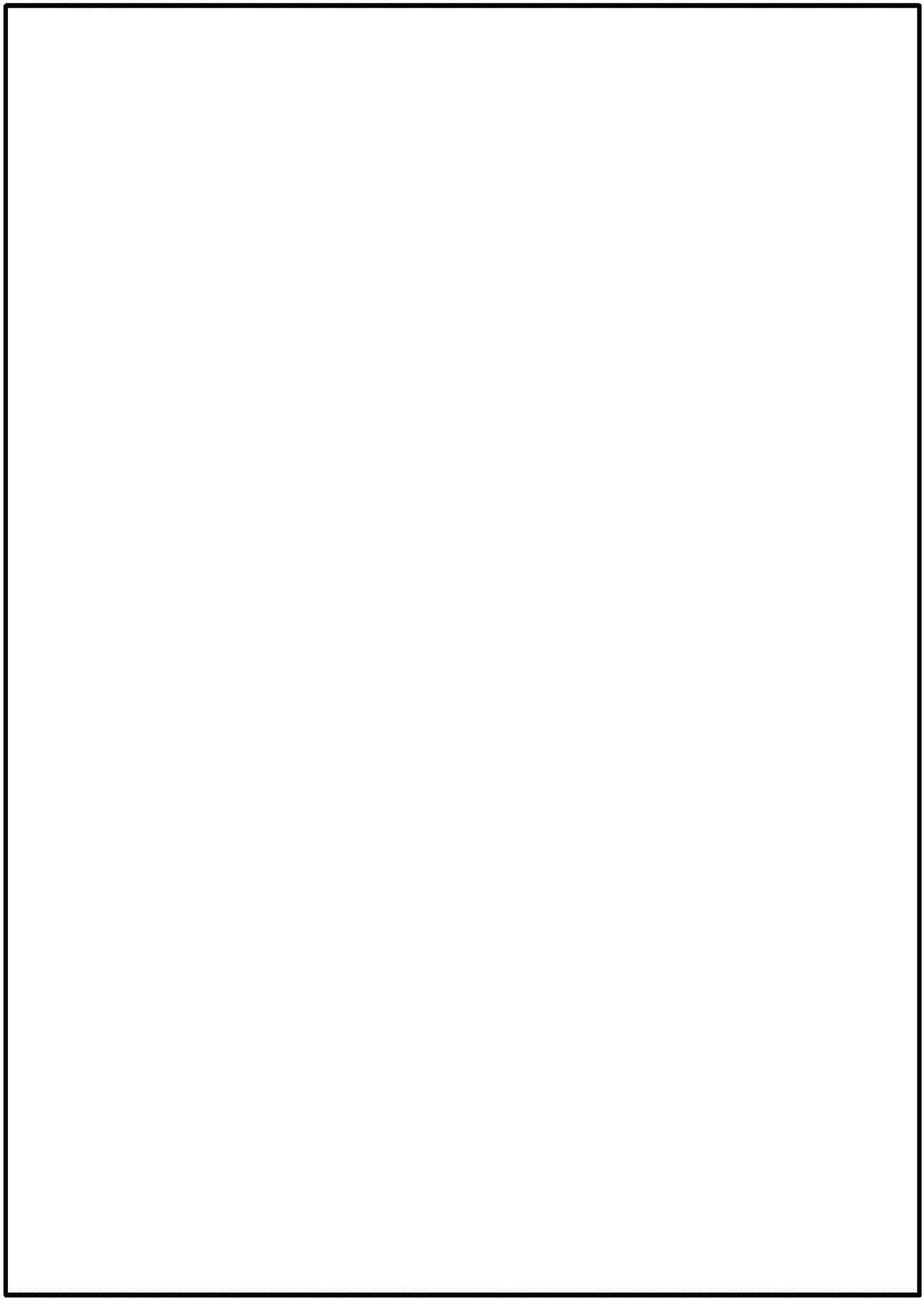


ARTICLE III
MANAGEMENT AND OPERATION OF THE PARTNERSHIP

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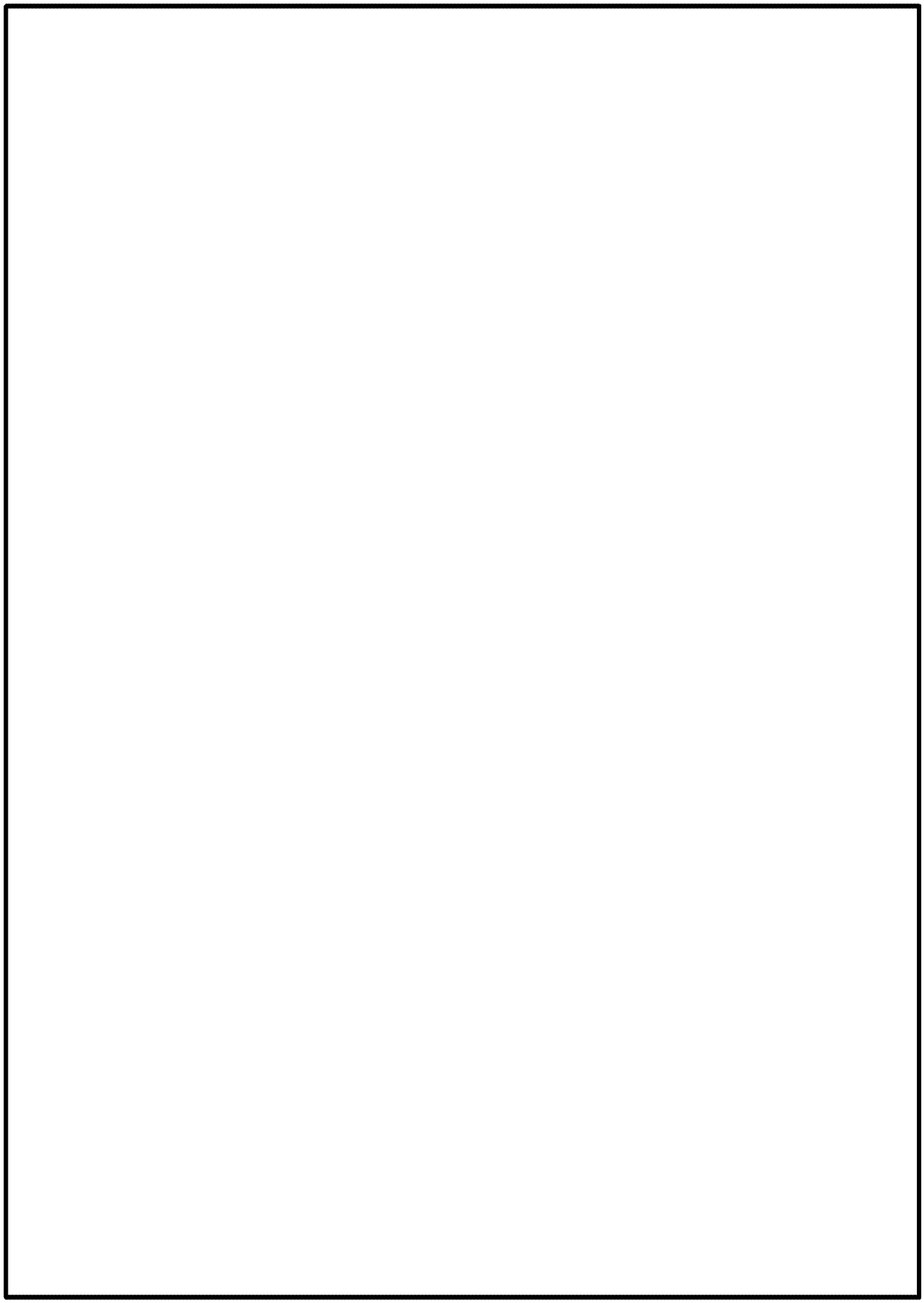




ARTICLE IV
FEES AND EXPENSES

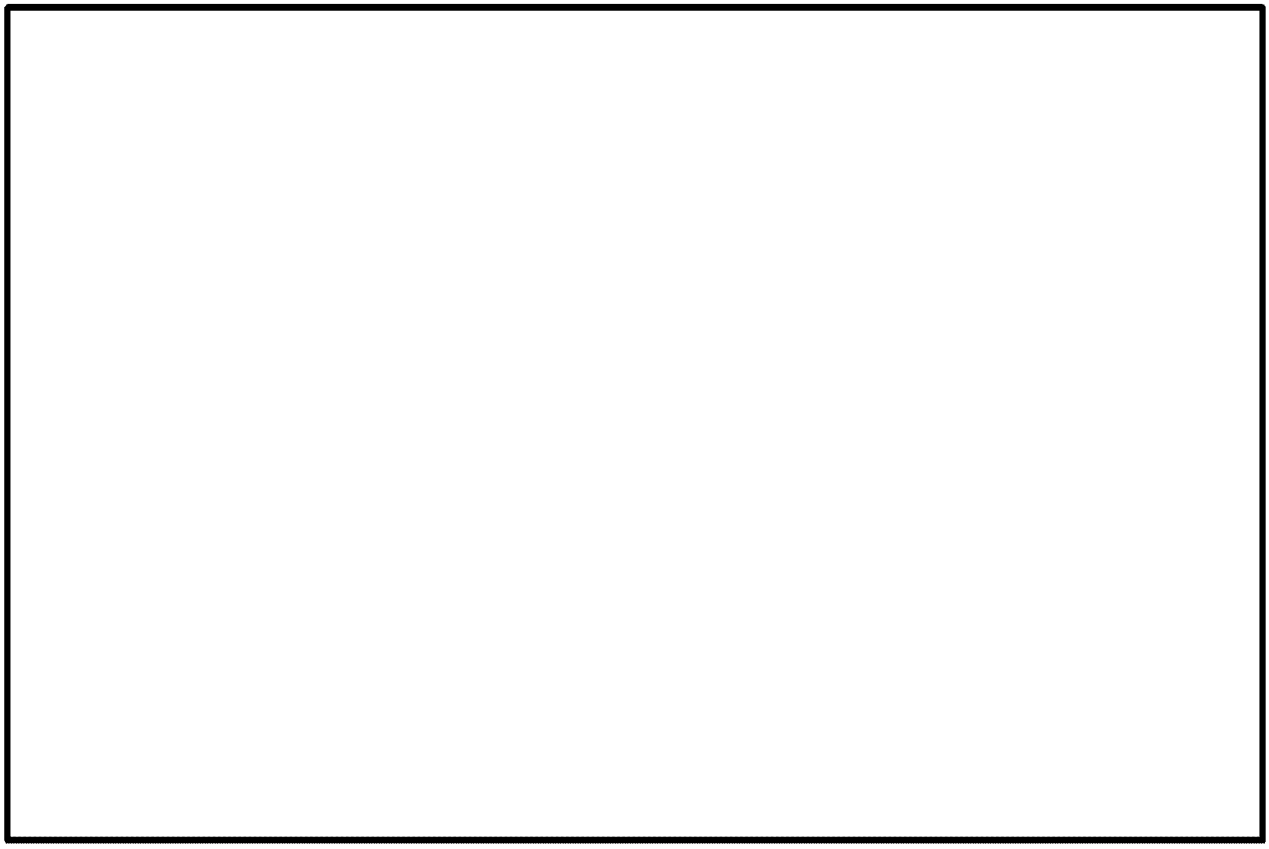
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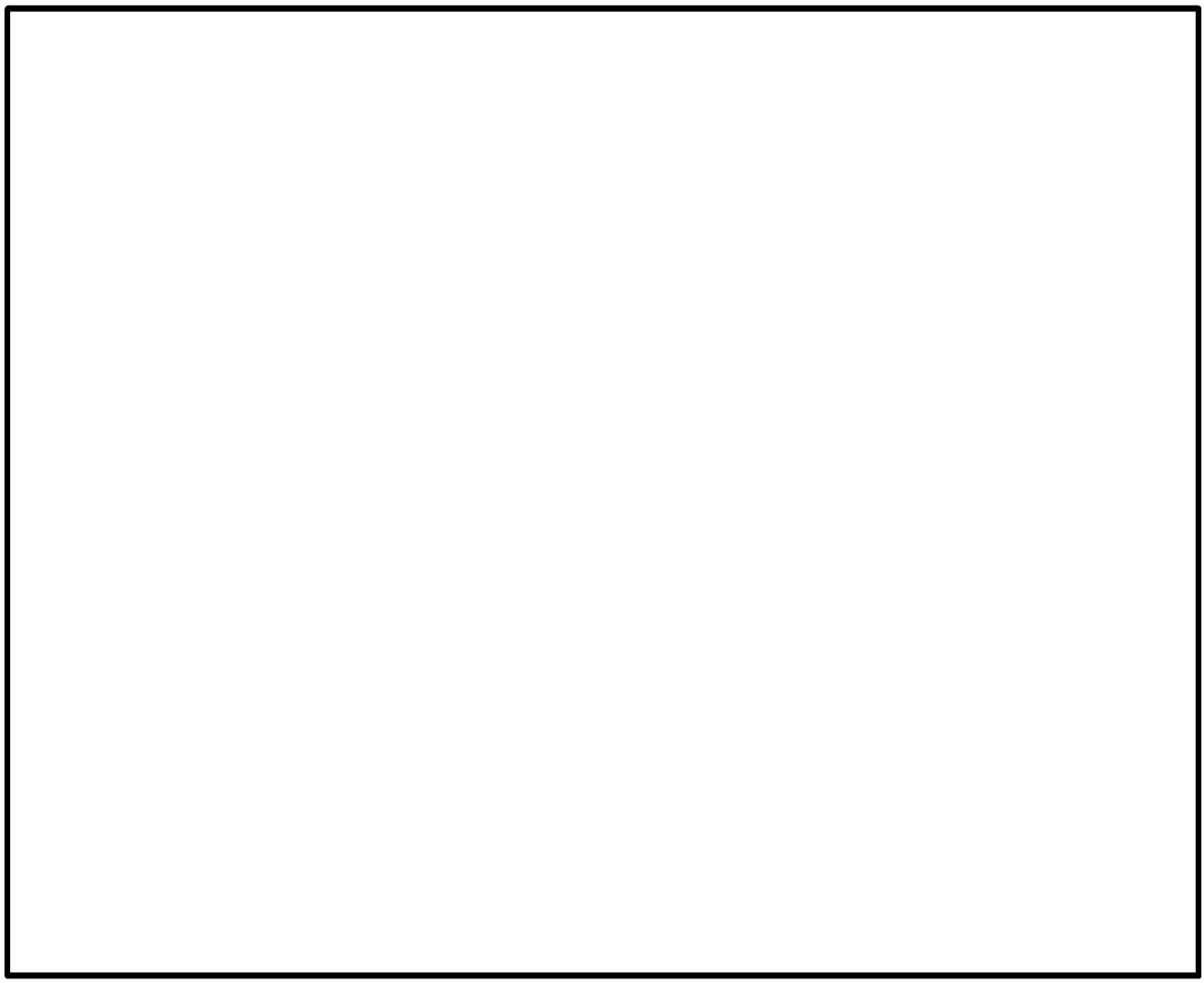


ARTICLE V
INVESTMENTS AND INVESTMENT OPPORTUNITIES

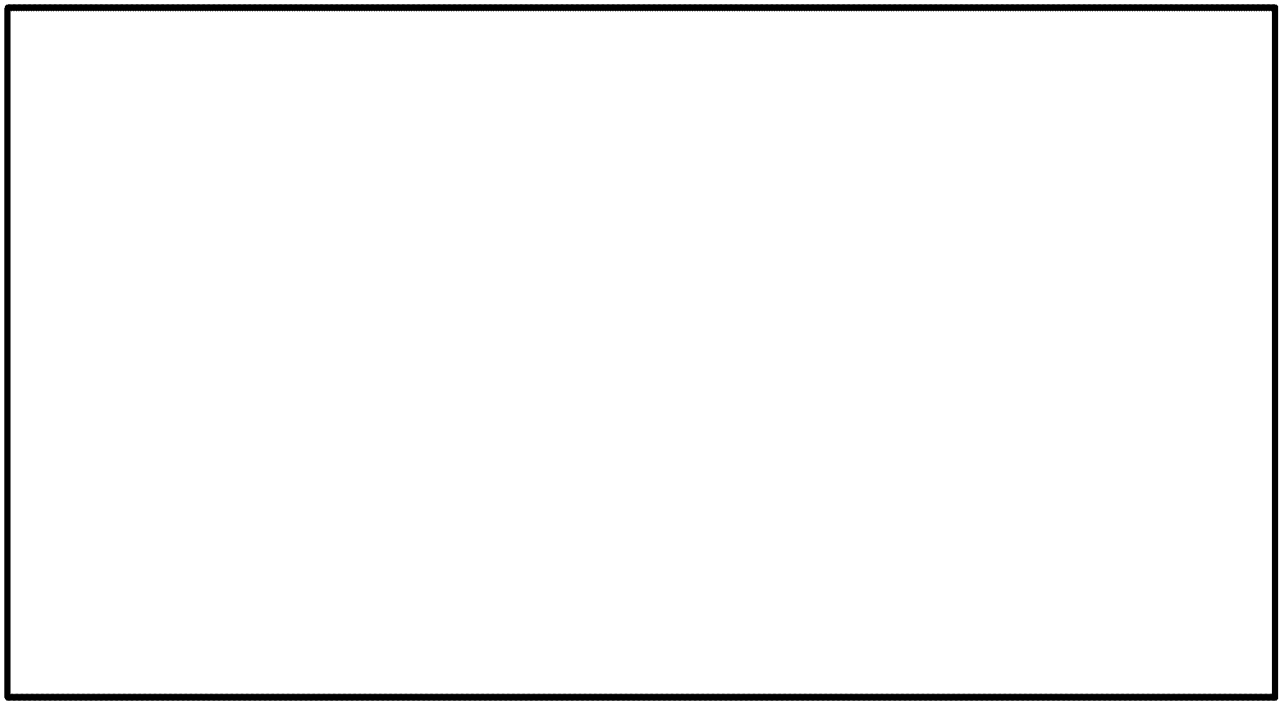


ARTICLE VI
CAPITAL CONTRIBUTIONS

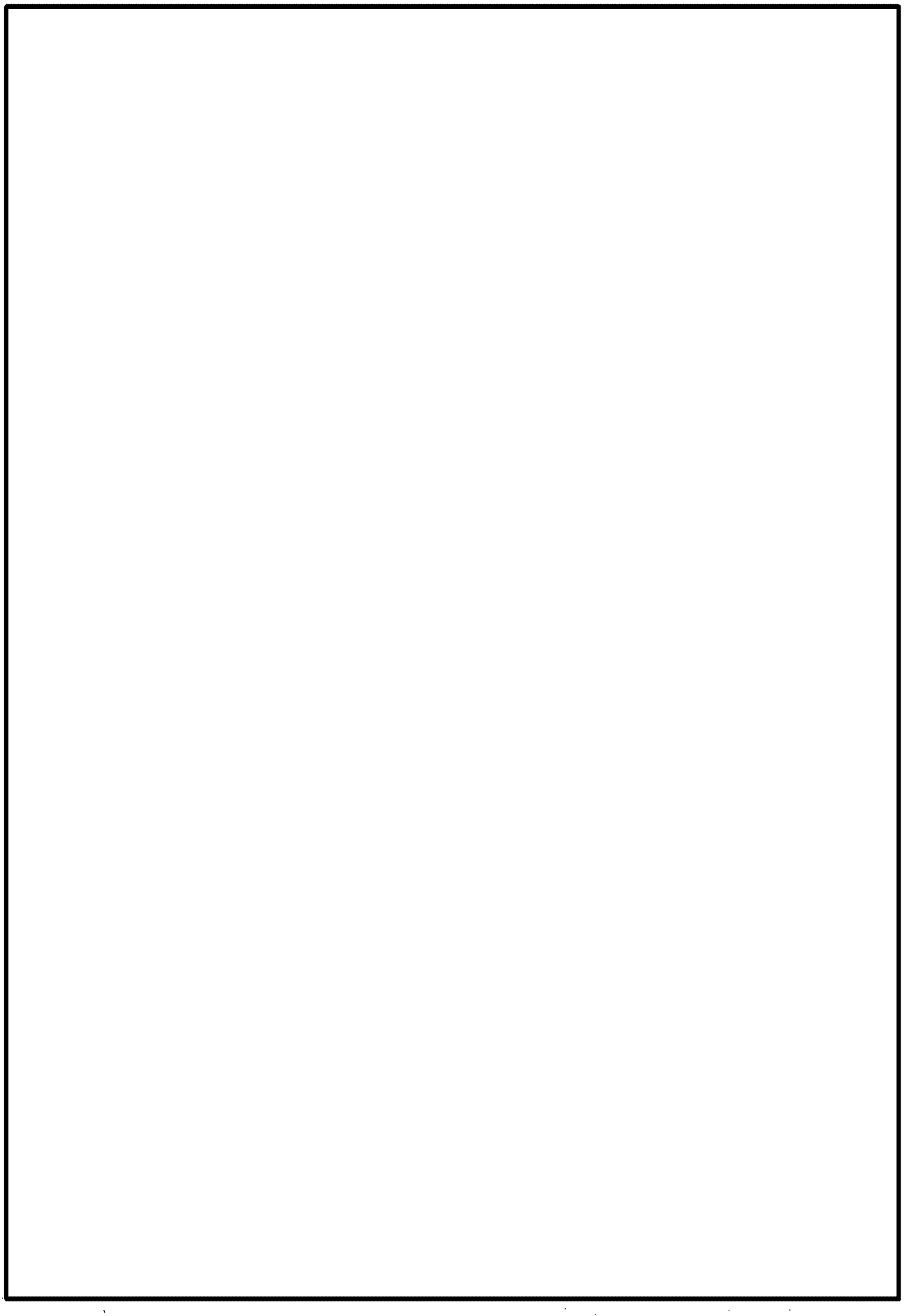


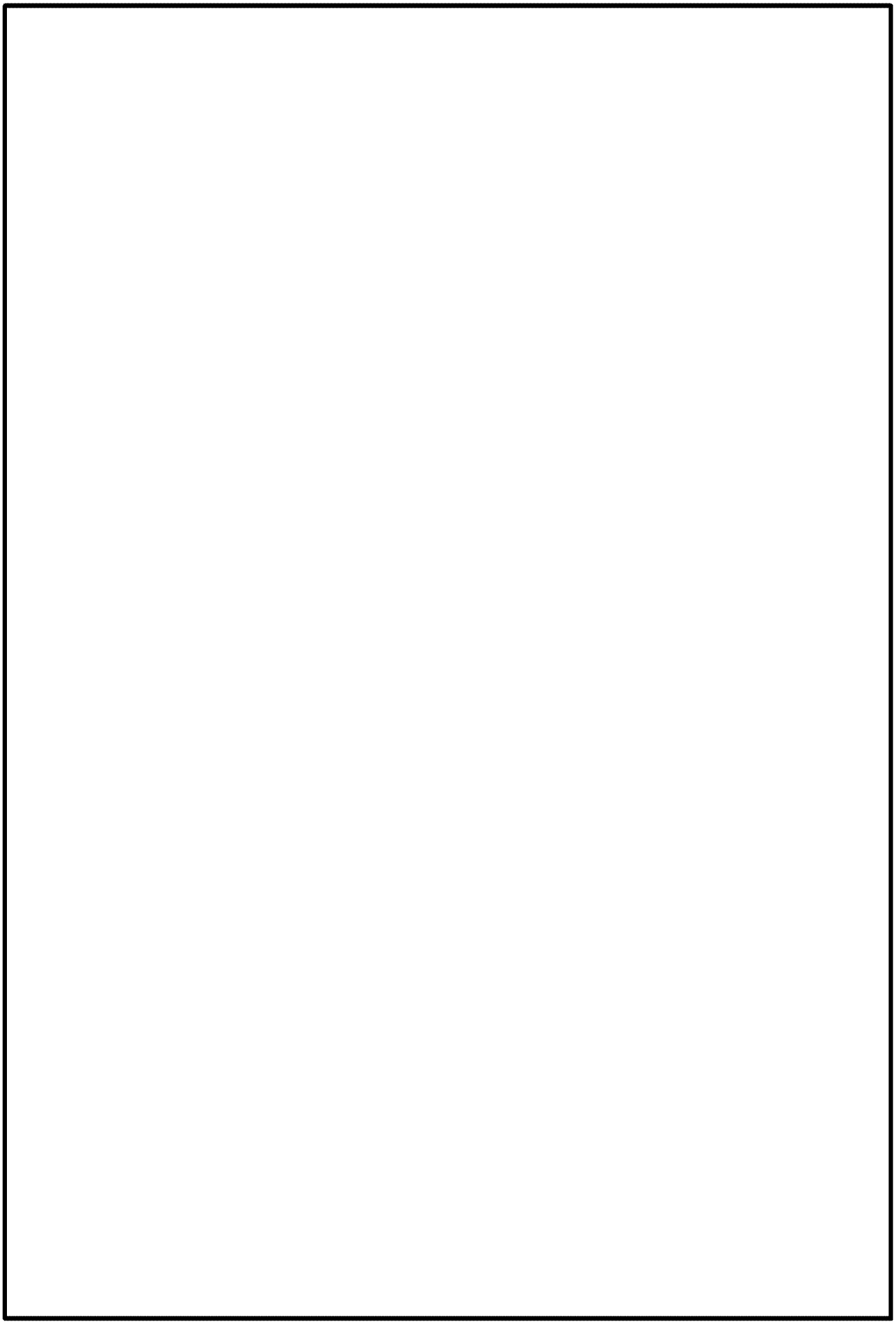


ARTICLE VII
DISTRIBUTIONS; CAPITAL ACCOUNTS; ALLOCATIONS



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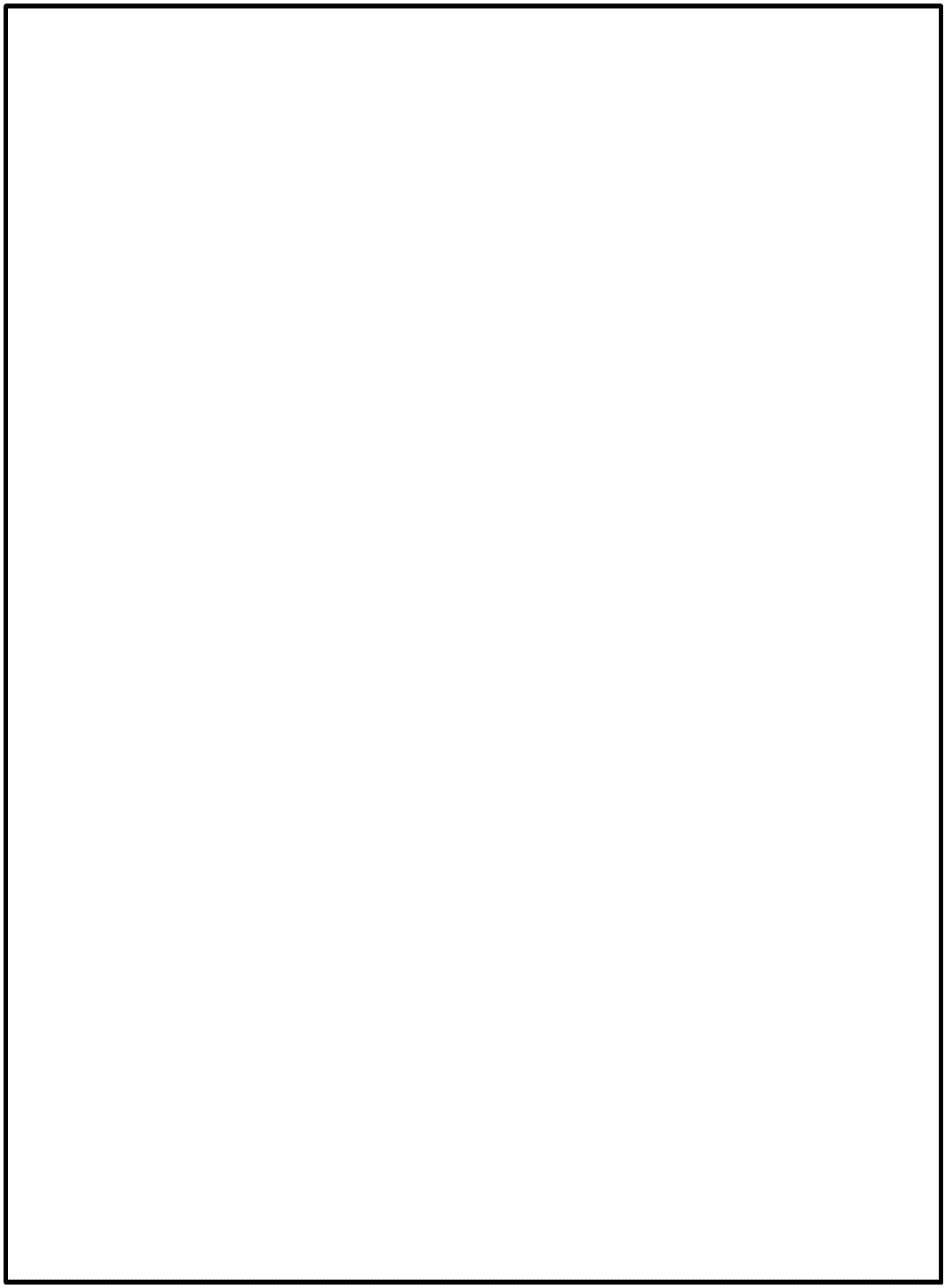
ARTICLE VIII
REPORTS TO LIMITED PARTNERS

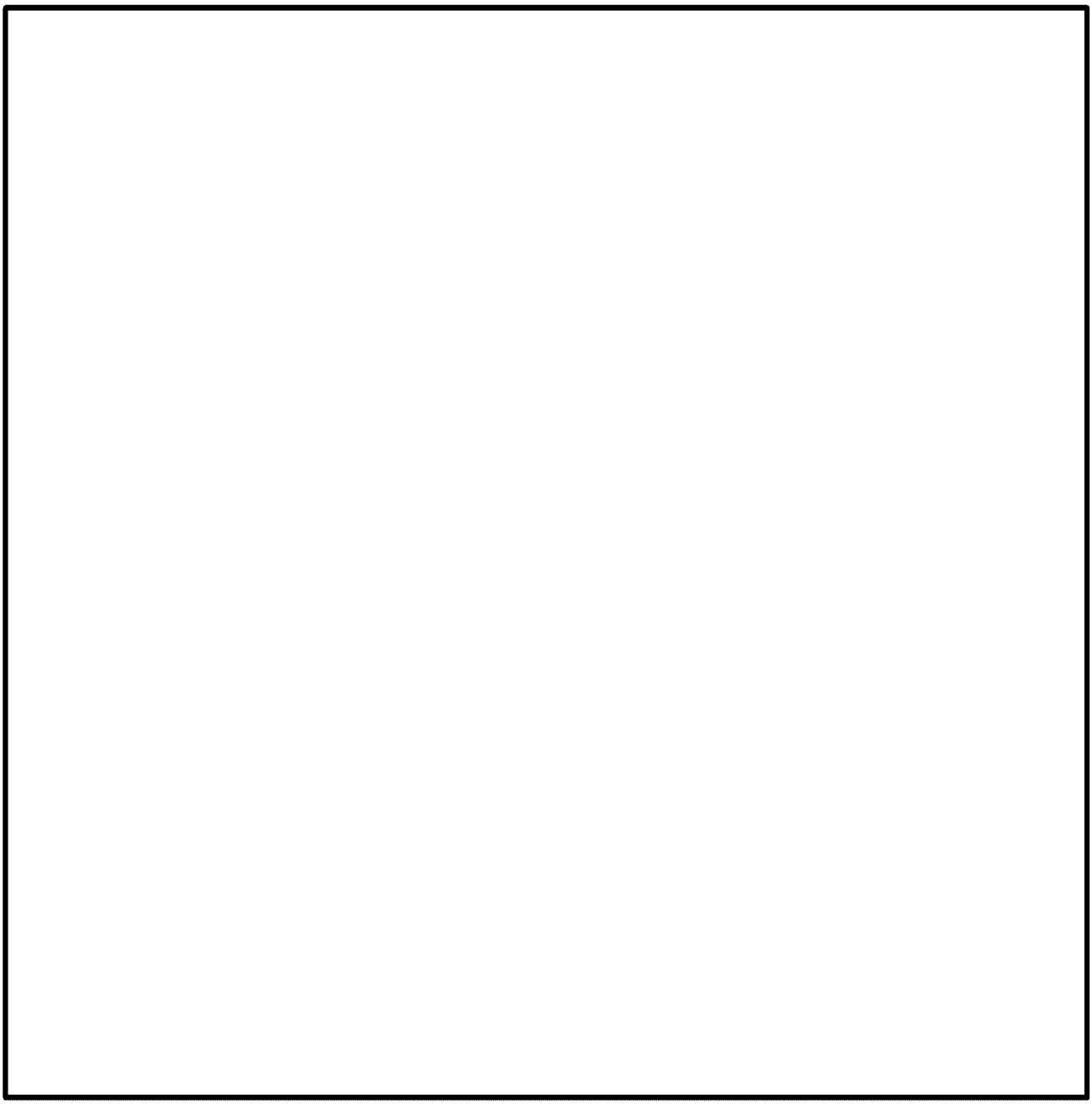
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ARTICLE IX
EXCULPATION AND INDEMNIFICATION

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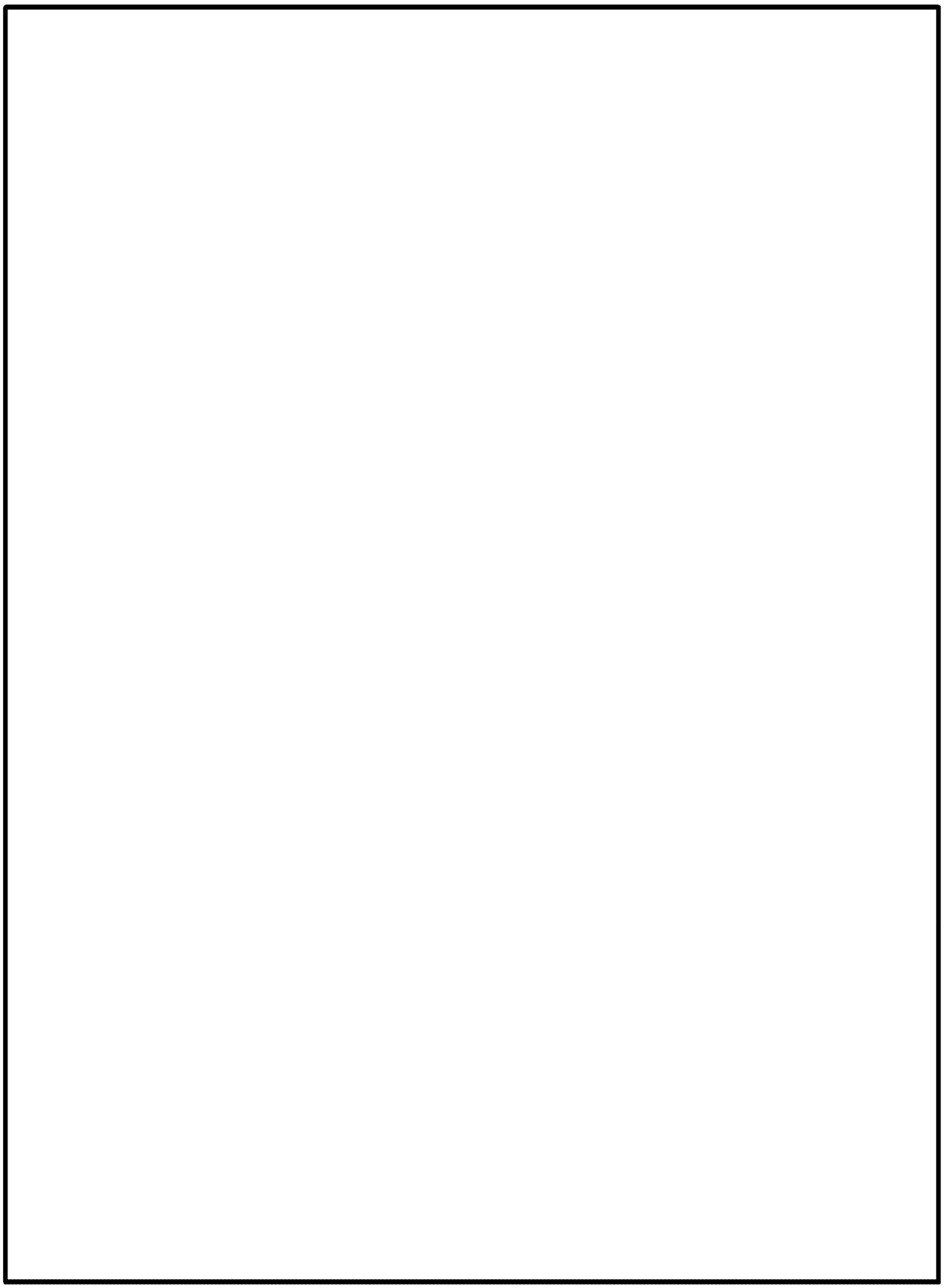




ARTICLE X
DURATION AND DISSOLUTION OF THE PARTNERSHIP



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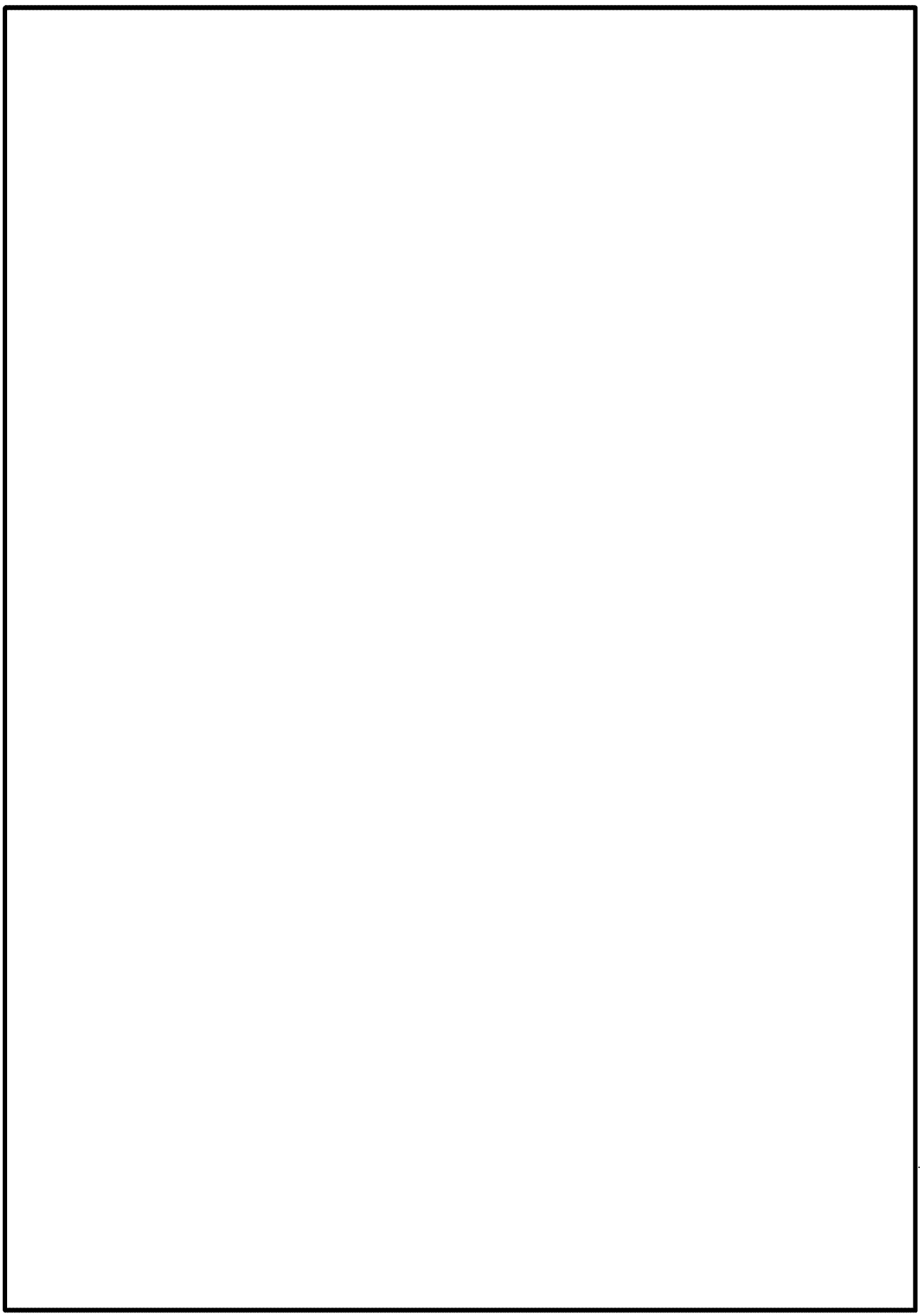
ARTICLE XI
TRANSFERABILITY OF GENERAL PARTNER'S INTEREST

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ARTICLE XII
TRANSFERABILITY OF A LIMITED PARTNER'S INTEREST

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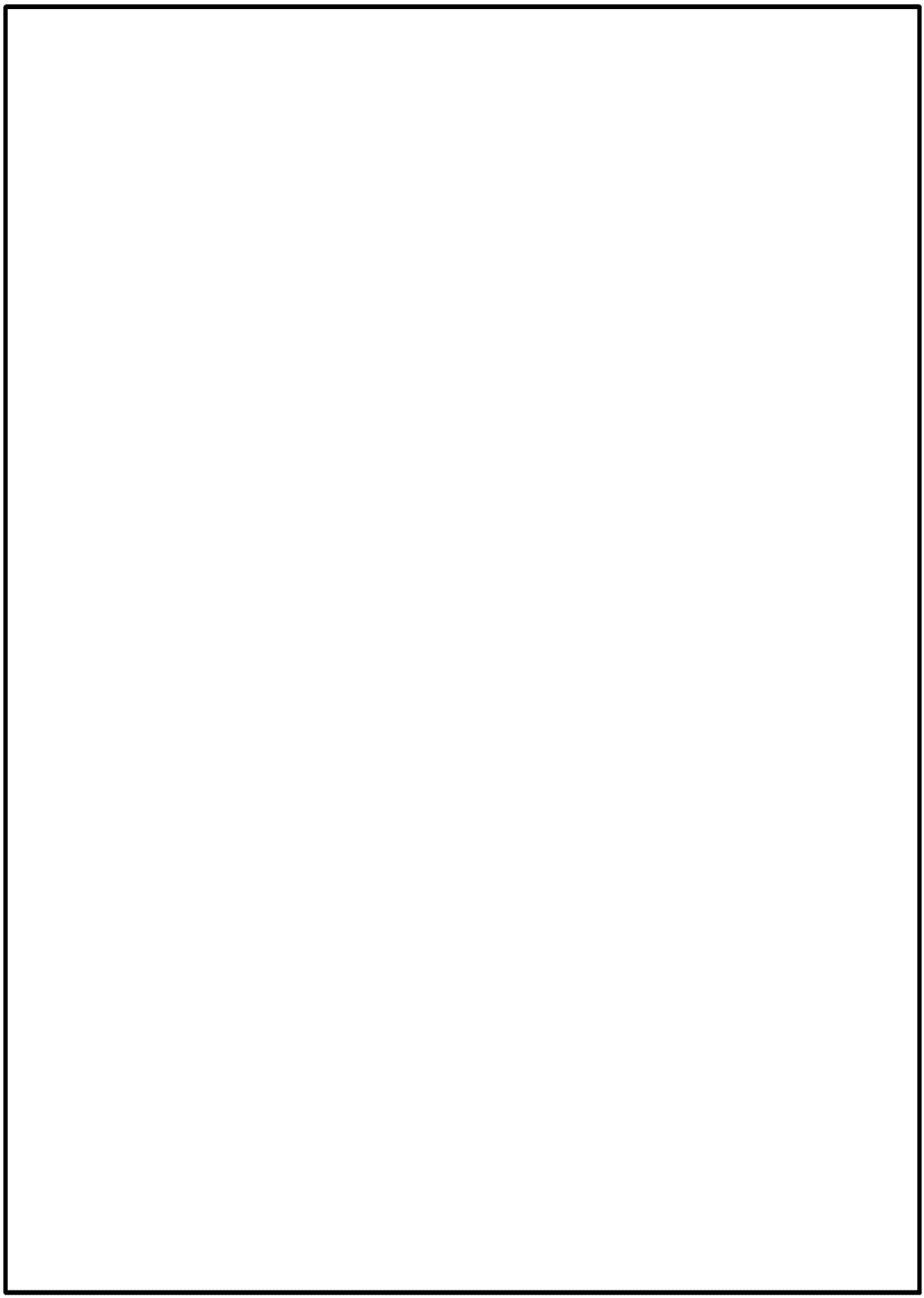


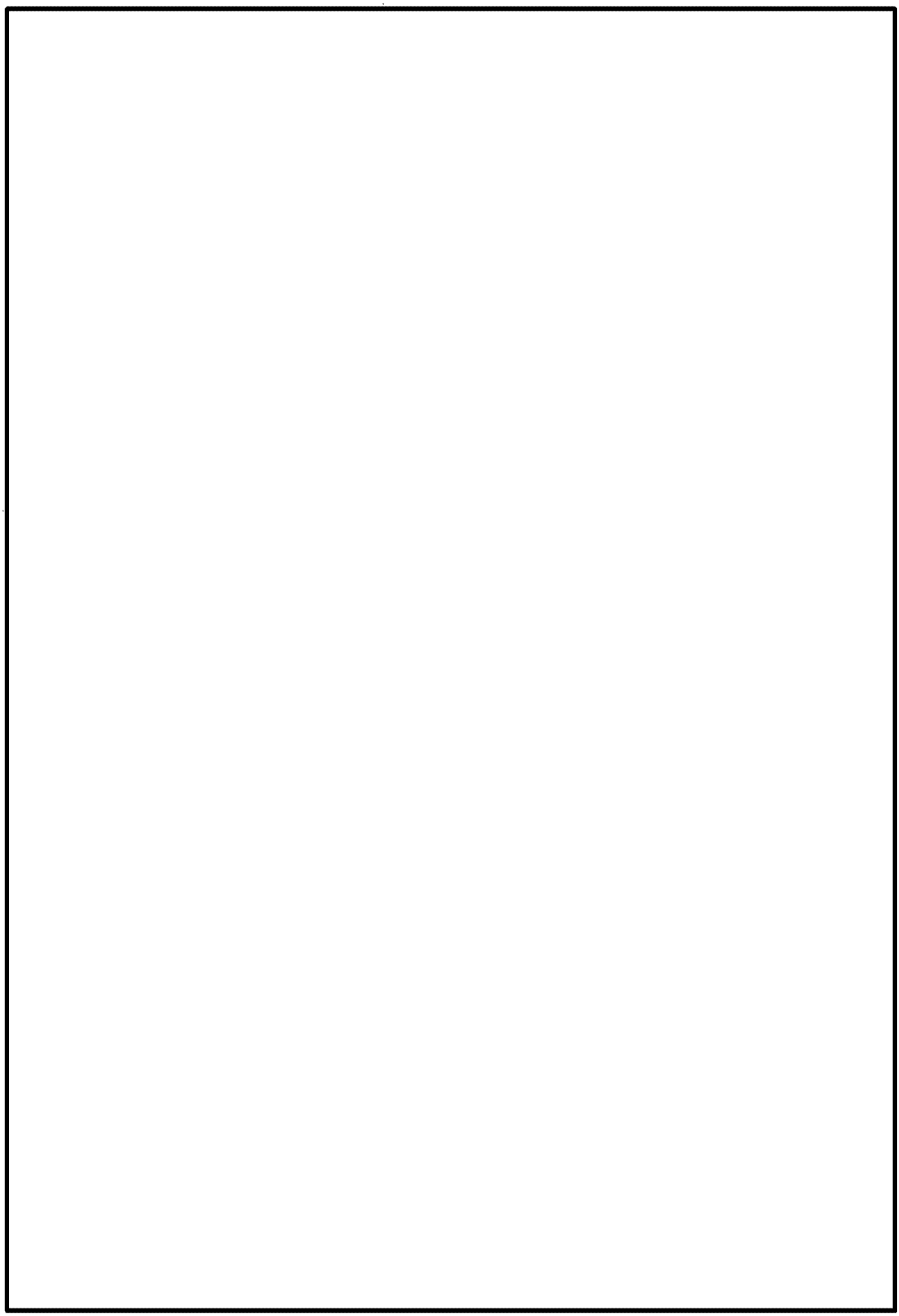
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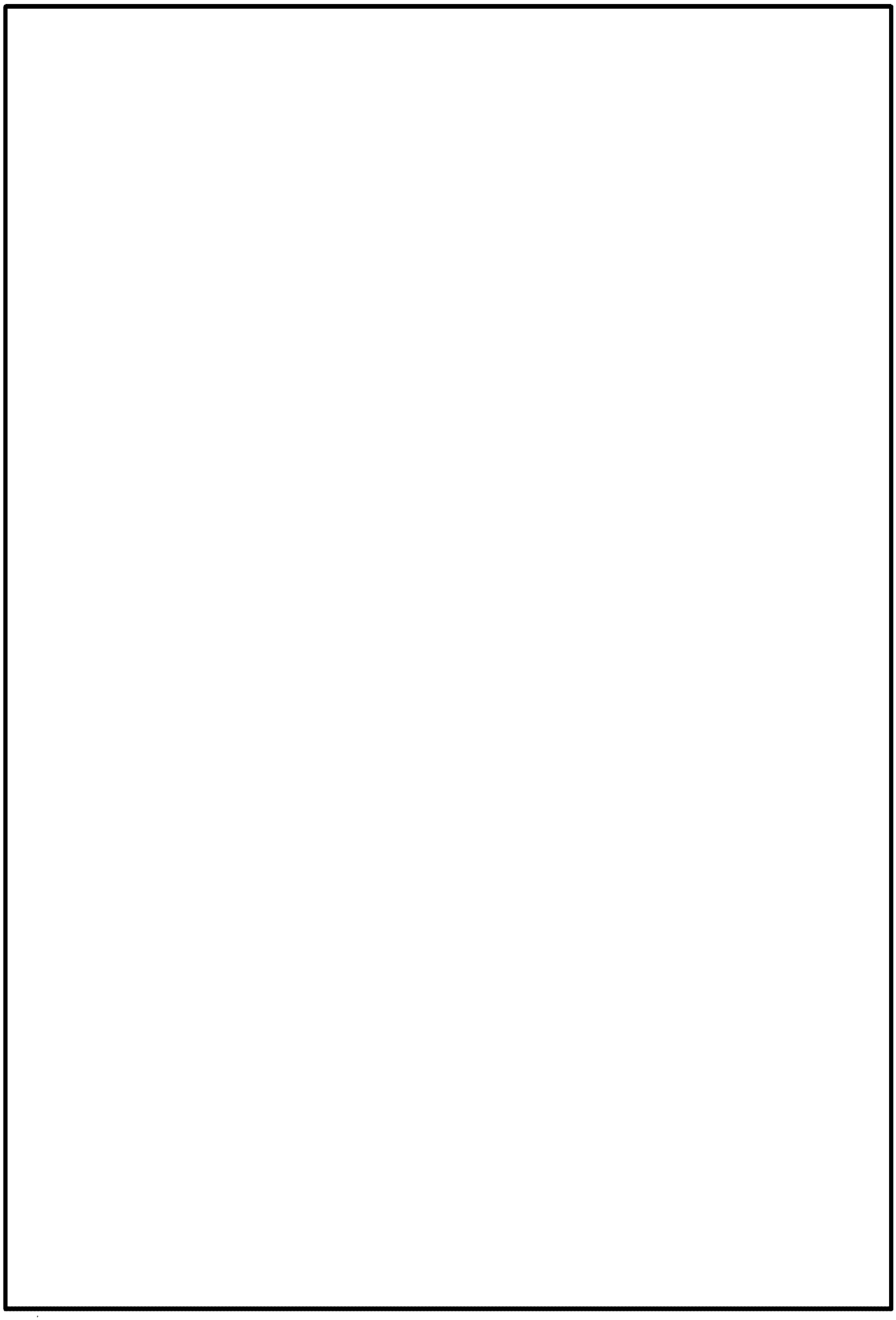
ARTICLE XIII
MISCELLANEOUS

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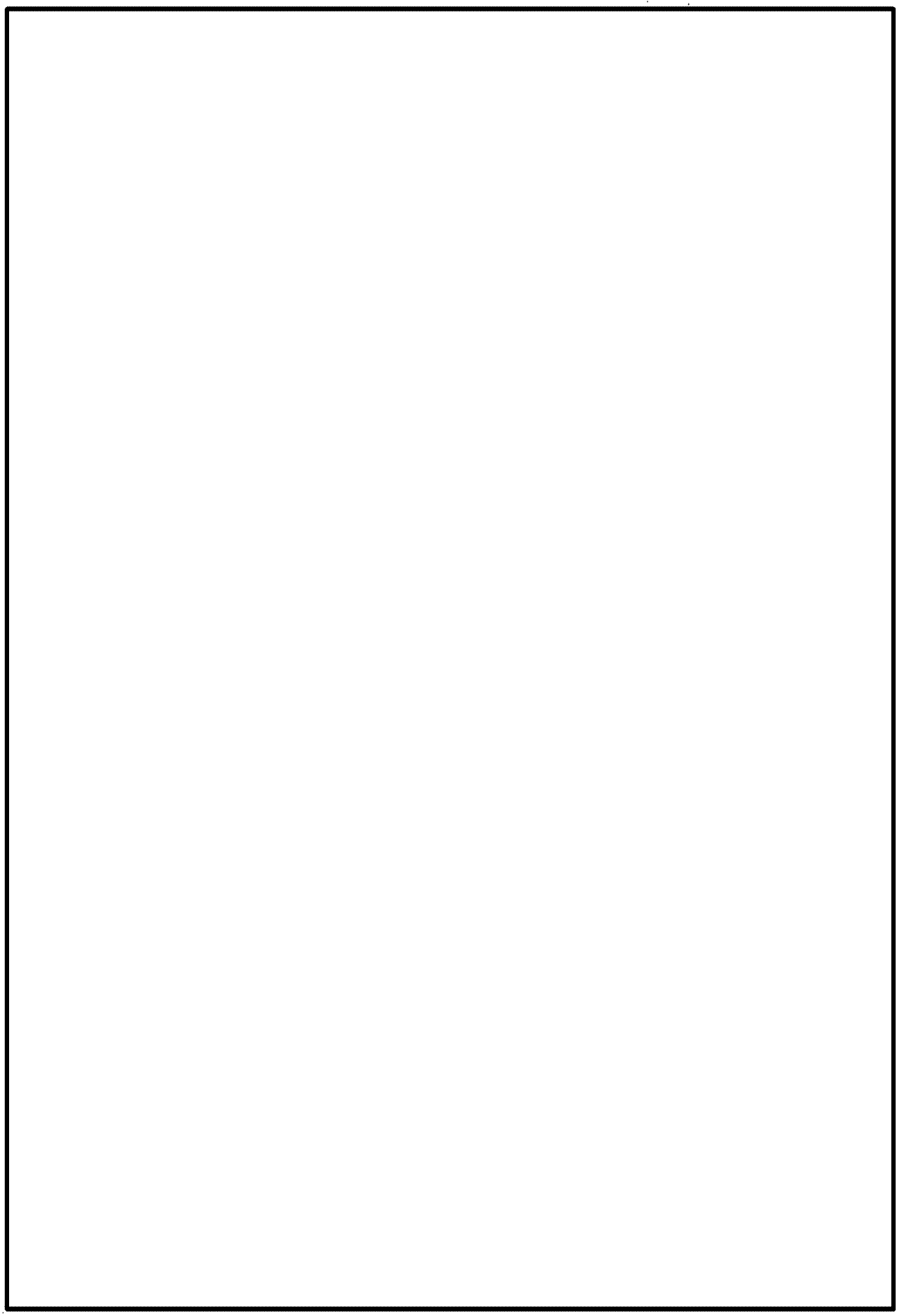




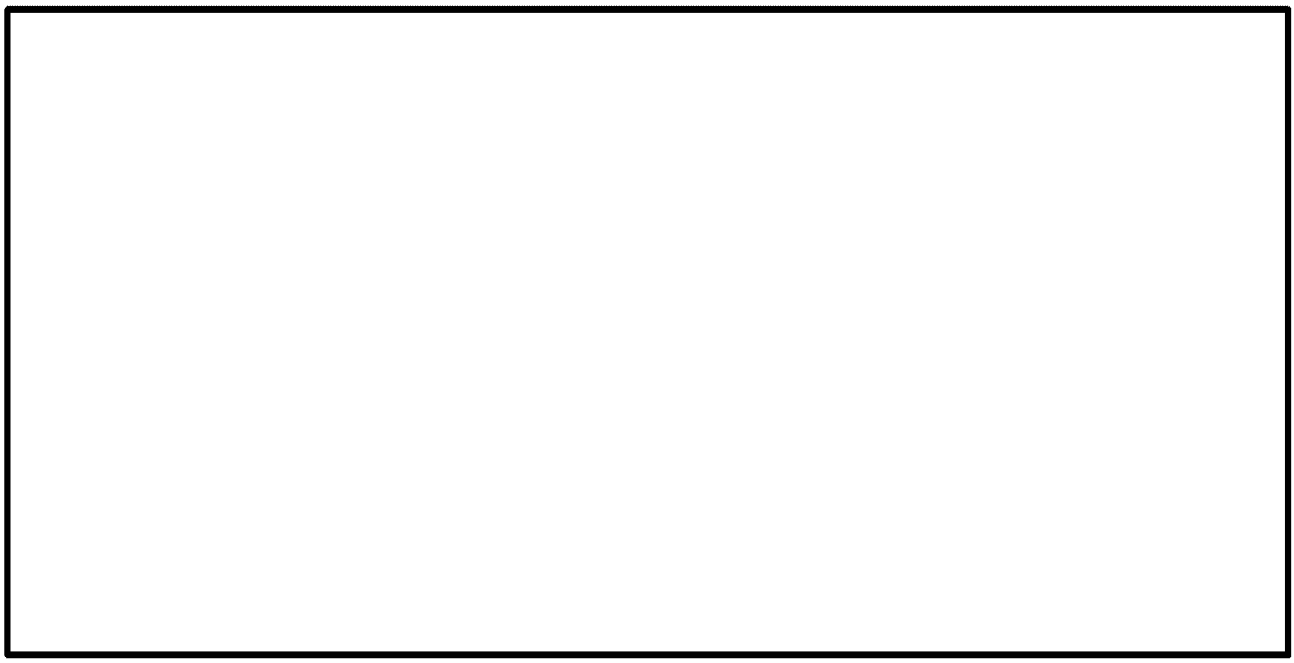
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(b)(4)



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The parties hereto have executed this Agreement as of the day and year first-above written.

GENERAL PARTNER:

ERC RALEIGH/DURHAM FUND I GP, LLC,
a Delaware limited liability company

By: ENCORE GLOBAL INVESTMENT MANAGEMENT, LLC,
a Delaware limited liability company

By: _____
Name: Patrick J. Barber
Title: President

LIMITED PARTNERS:

_____
Name:

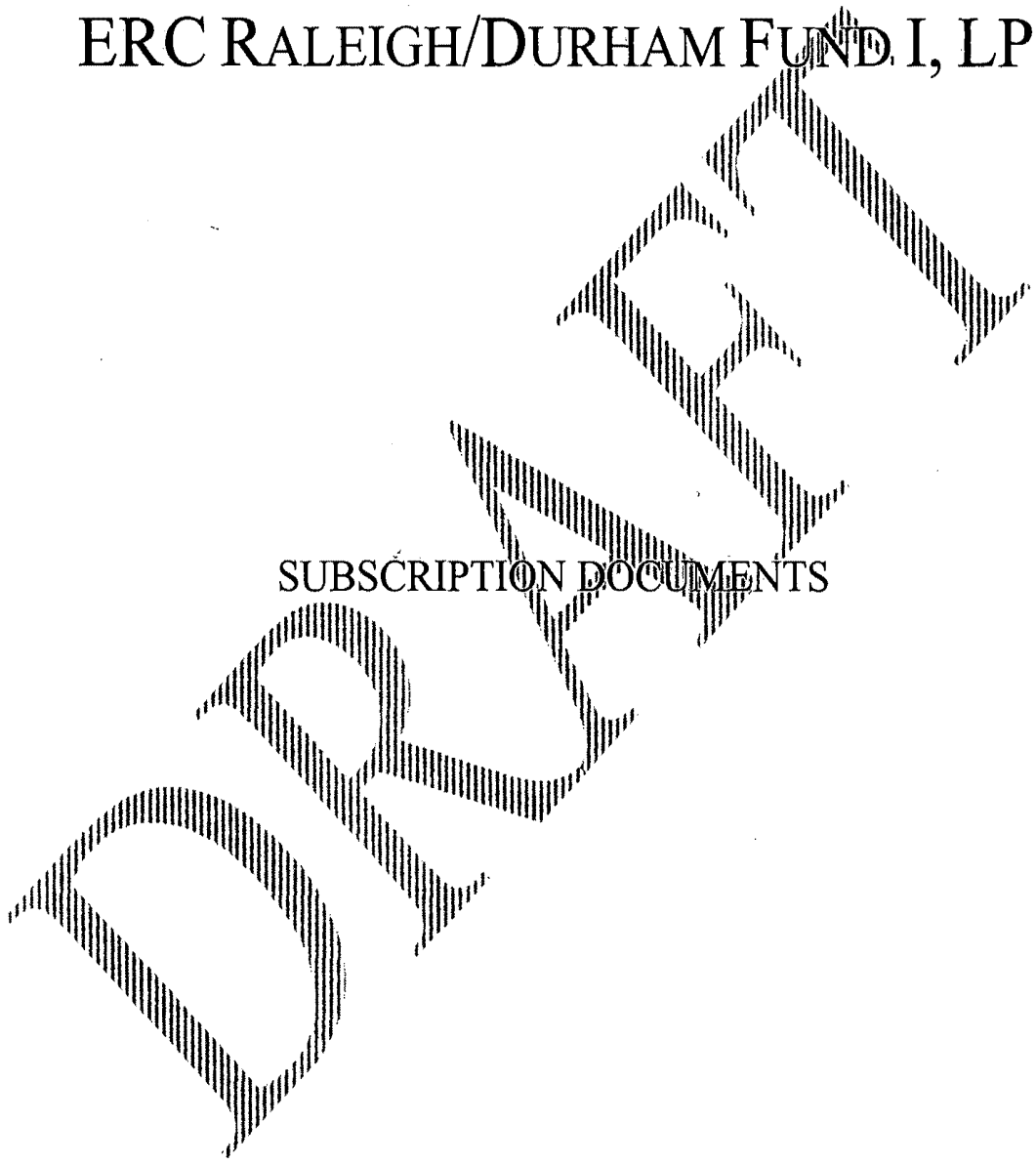
For purposes of his withdrawal:

ORGANIZATIONAL LIMITED PARTNER:

_____
Name:

ERC RALEIGH/DURHAM FUND I, LP

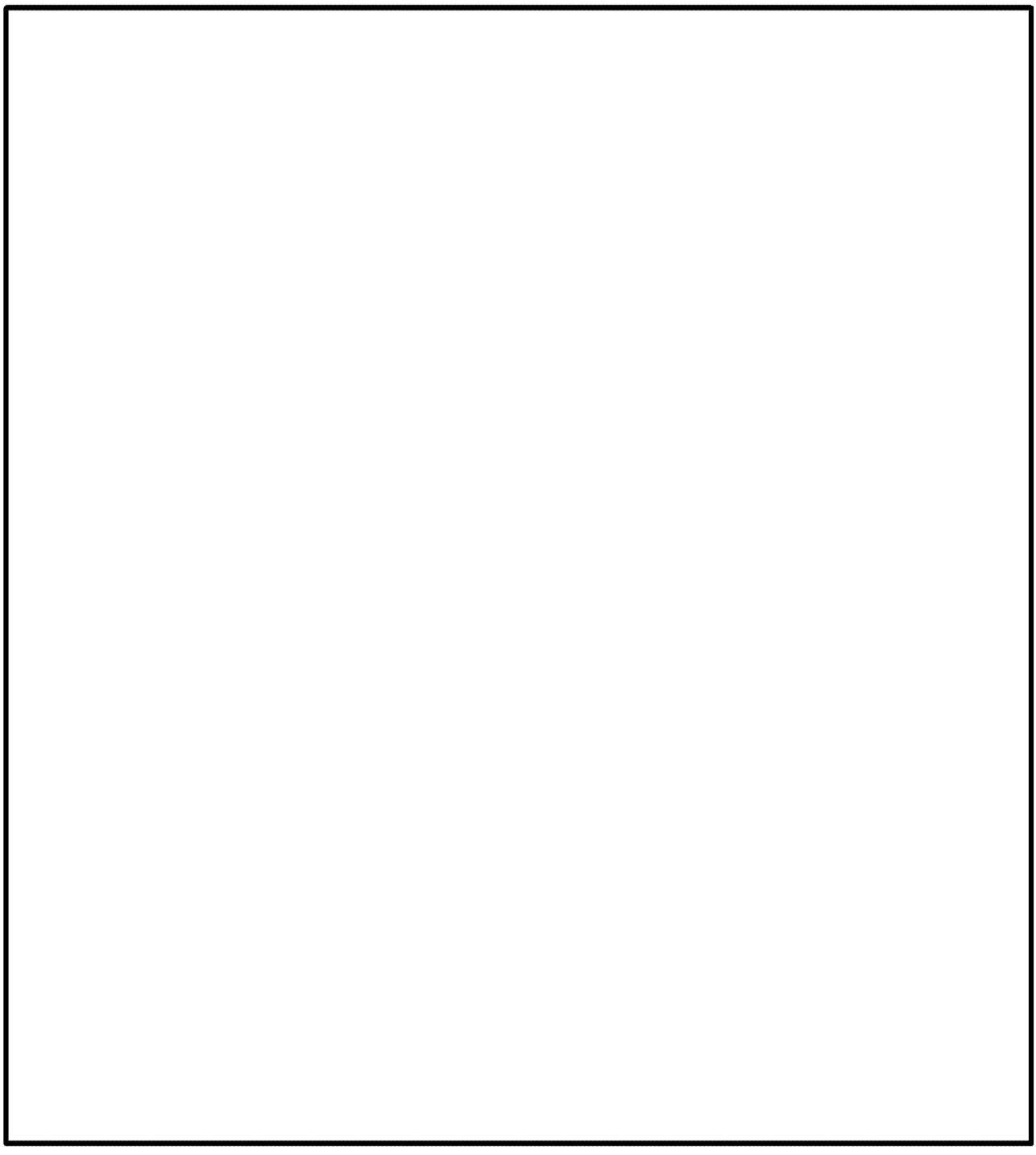
SUBSCRIPTION DOCUMENTS



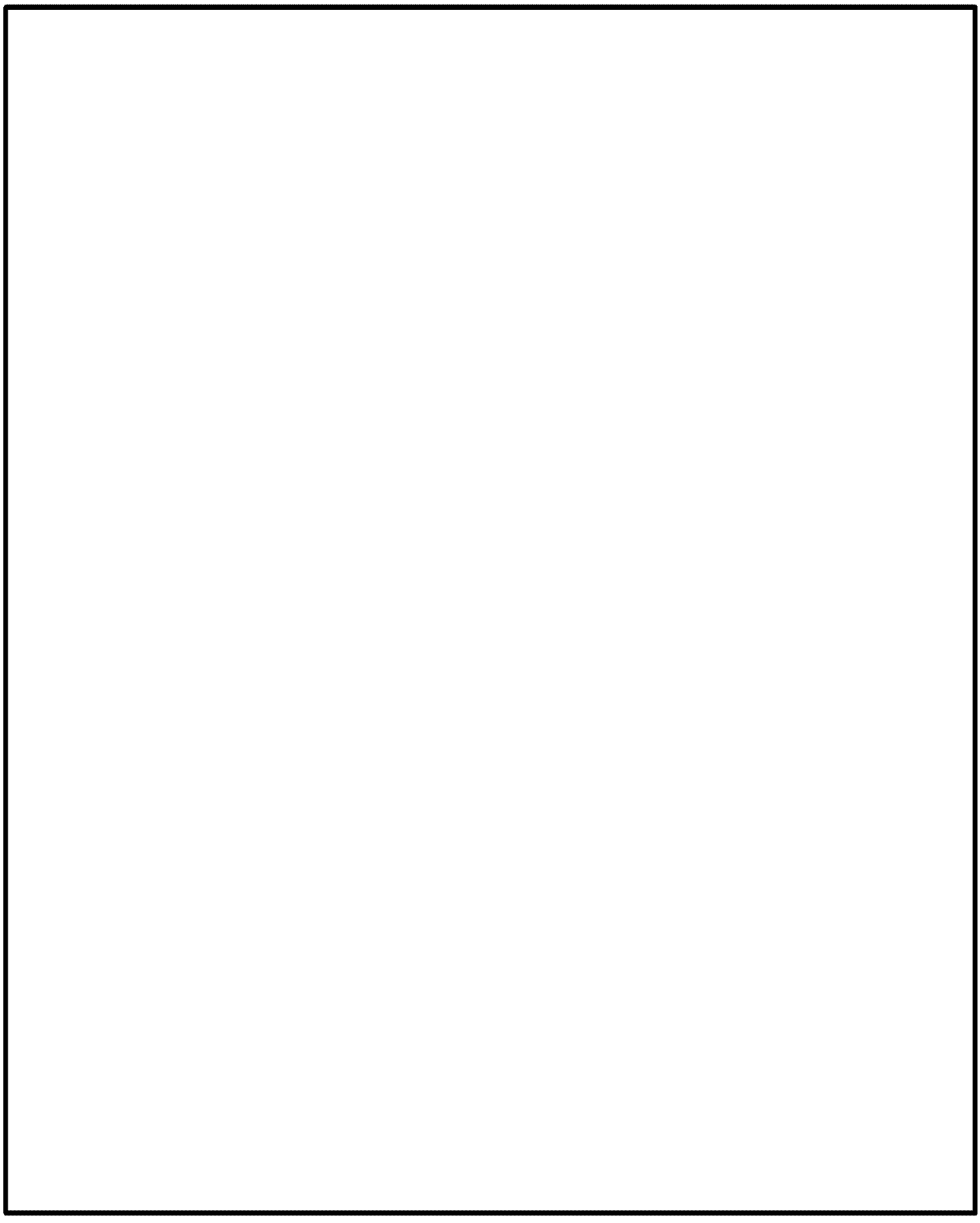
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ERC RALEIGH/DURHAM FUND I, LP

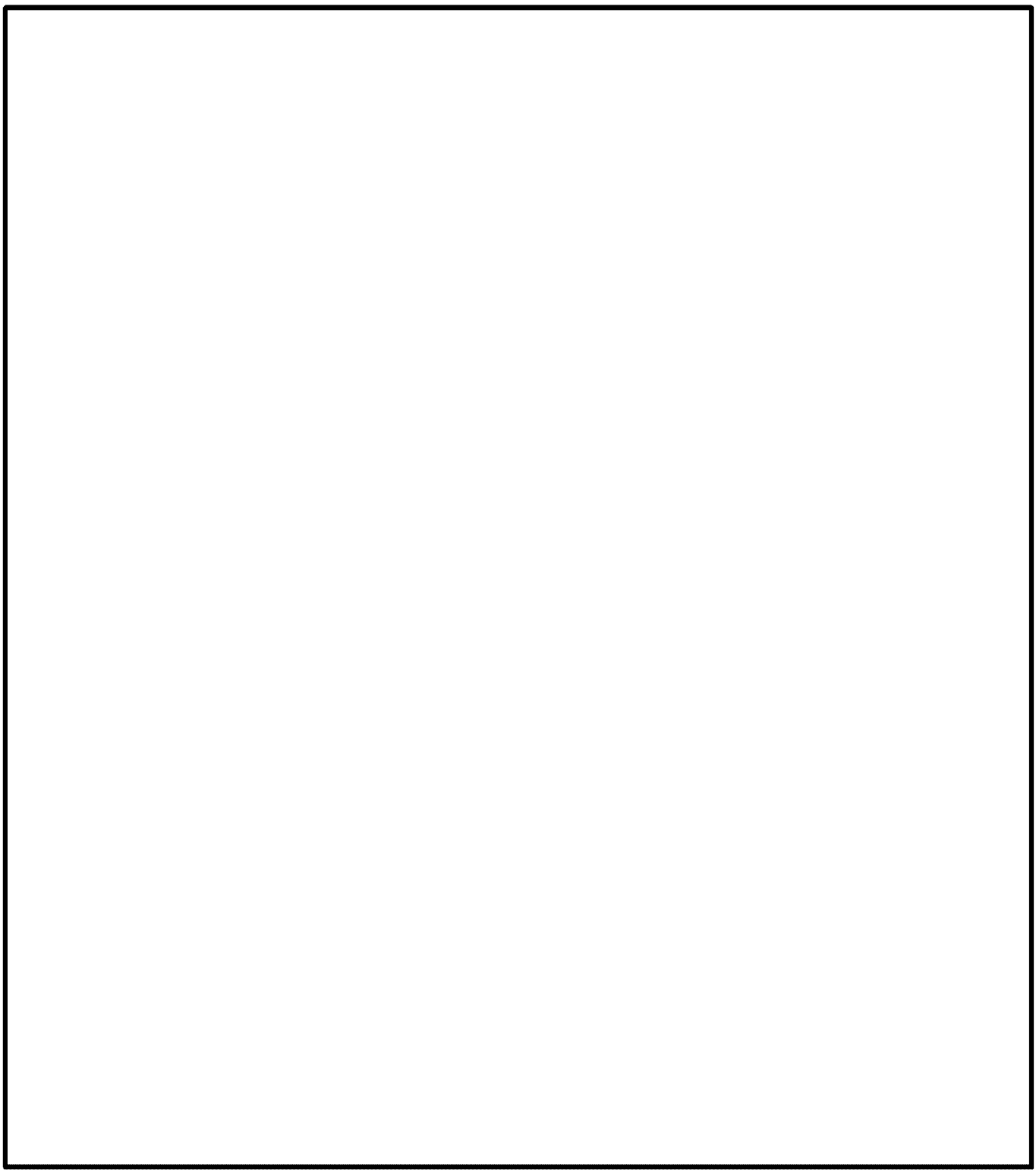
SUBSCRIPTION INSTRUCTIONS



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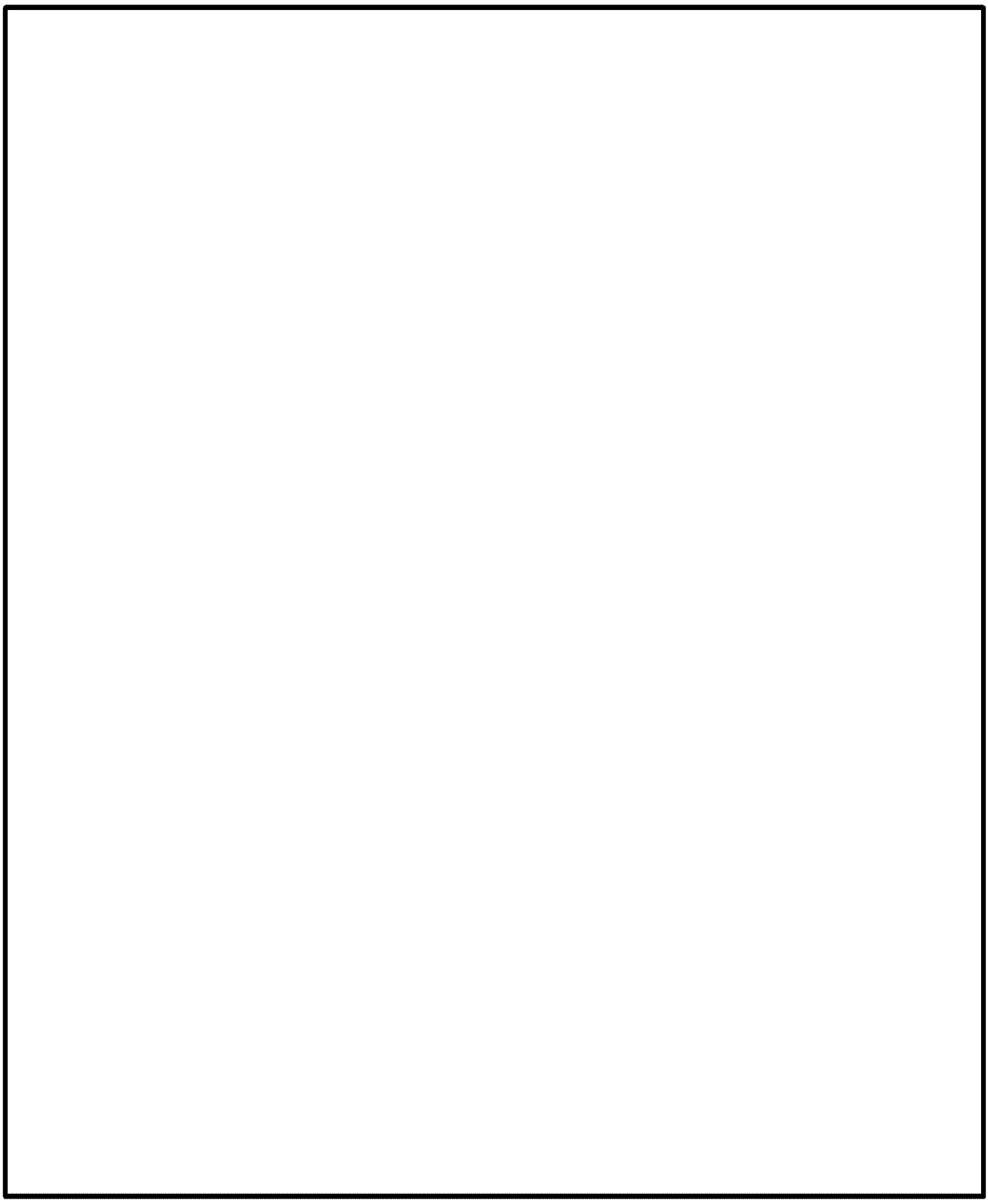
ERC RALEIGH/DURHAM FUND I, LP

PRIVACY POLICY

WHAT DOES ERC NORTH CAROLINA DO WITH YOUR PERSONAL INFORMATION?

_____ 2012

(b)(4)



(b)(4)

ERC RALEIGH/DURHAM FUND I, LP

SUBSCRIBER INFORMATION FORM

3. Contact Information

Primary Contact for Notices and Communications

Name: _____

Mailing Address: _____

_____

Telephone: _____

Fax: _____

E-mail: _____

Secondary Contact for Notices and Communications (optional)

Name: _____

Mailing Address: _____

_____

Telephone: _____

Fax: _____

E-mail: _____

Send copy of Financial Statements and Tax Information Returns to (optional)

Name: _____

Mailing Address: _____

_____

Telephone: _____

Fax: _____

E-mail: _____

Please set forth below the names of persons authorized by the Subscriber to give and receive instructions between the Fund and the Subscriber together with their respective signatures. Such persons are the only persons so authorized until further written notice to the General Partner signed by one or more of such persons.

Name	Signature
_____	_____
_____	_____
_____	_____
_____	_____

4. Remitting Bank or Financial Institution

All subscriptions are payable in full by wire transfer of readily available U.S. dollars to the account of the Fund on or before the business day prior to the proposed date of subscription. Please identify the bank or other financial institution (the "***Wiring Institution***") from which the Subscriber's funds will be wired.[1] Note that any amounts paid to the Subscriber will be paid to the same account from which its subscription funds were originally remitted, unless the General Partner agrees otherwise.

A. Name of Wiring Institution: _____

Address: _____

_____

_____

ABA, Chips or SWIFT Number: _____

Account Name: _____

Account Number: _____

For Benefit of: [*Subscriber Name*]

Account Representative: _____

[1] If the Wiring Institution is not located in a jurisdiction that is a member of the Financial Action Task Force on Money Laundering (the "FATF"), the General Partner may require additional information. For a current list of FATF members see: www.fatf-gafi.org.

Telephone: _____

B. Is the Subscriber a customer of the Wiring Institution?

☐ Yes ☐ No

If you responded "No," please contact the General Partner for additional information that may be required.

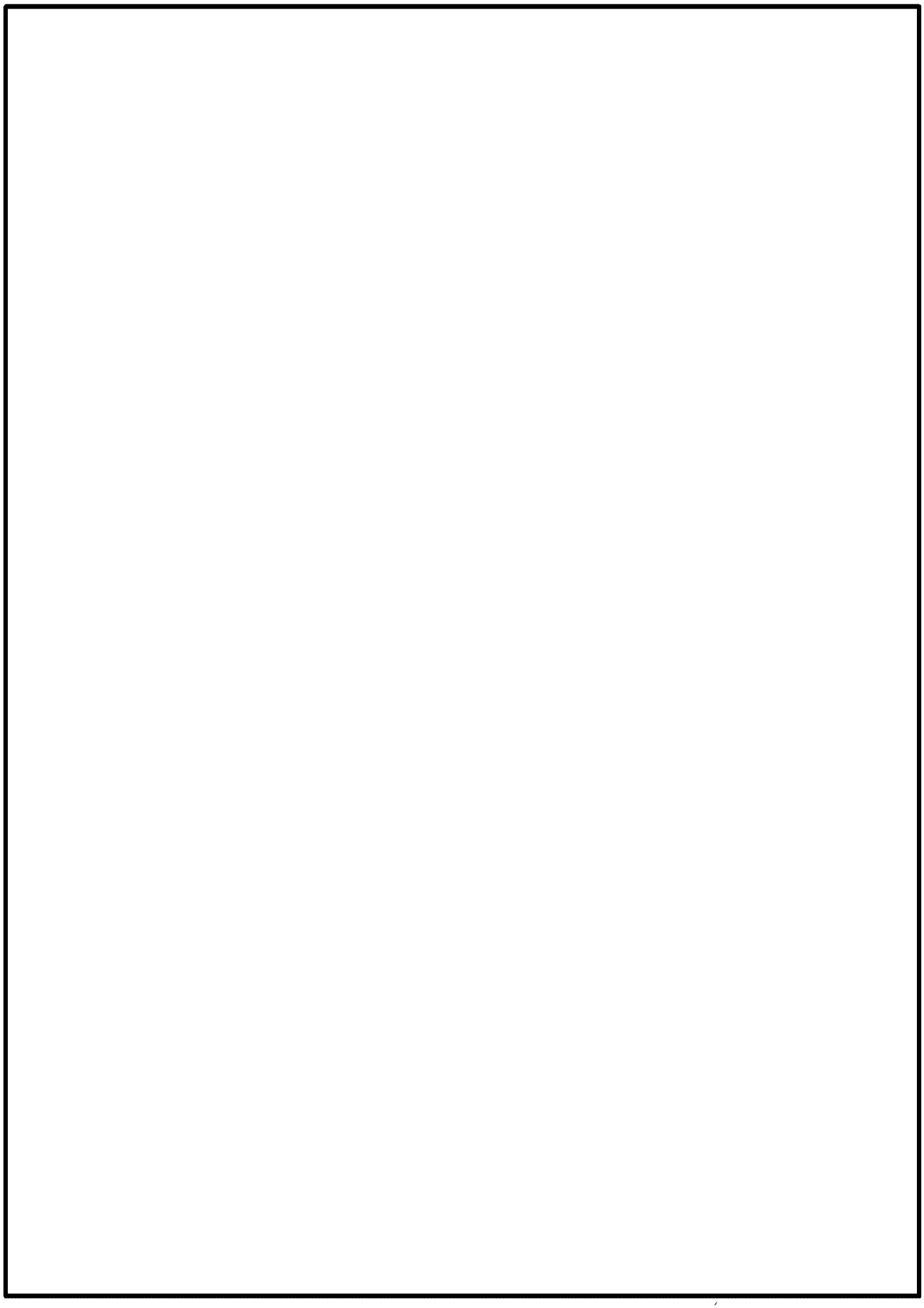
5. Electronic Delivery of Reports and Other Communications

The Fund may make reports and other communications available in electronic form, such as E-mail or by posting on a web site (with notification of the posting by E-mail). Do you consent to receive deliveries of reports and other communications from the Fund (including annual and other updates of our consumer privacy policies and procedures) exclusively in electronic form without separate mailing of paper copies?

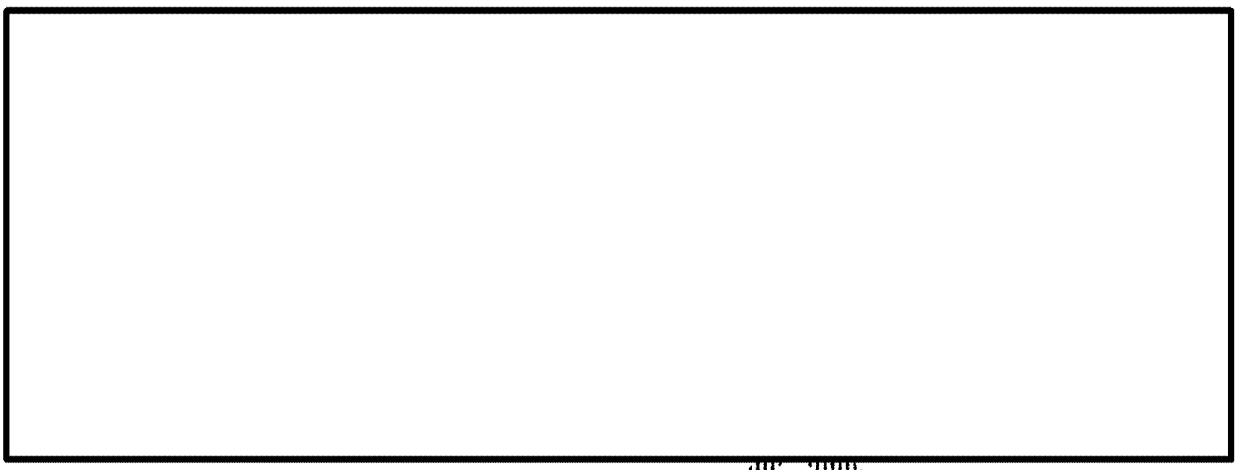
(b)(4) ☐ Yes ☐ No

6. Information Regarding Actual Ownership of the Interest

(b)(4)



(b)(4)



DRAFT

PART B – SUBSCRIBER QUALIFICATION

SECTION I. ACCREDITED INVESTOR STATUS

(b)(4)

SECTION II. QUALIFIED CLIENT STATUS



ERC RALEIGH/DURHAM FUND I, LP

SUBSCRIPTION AGREEMENT

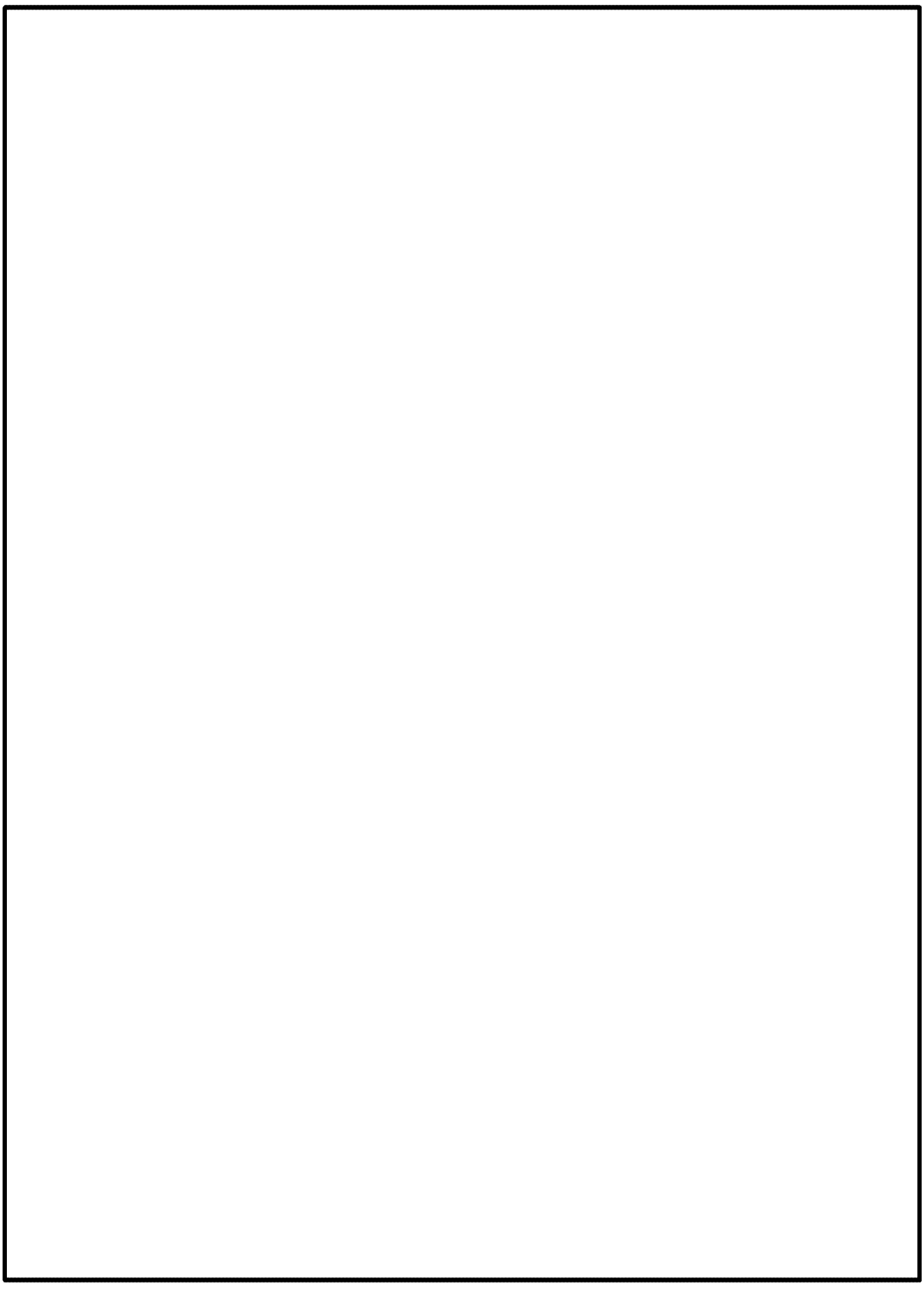
ERC Raleigh/Durham Fund I, LP
c/o ERC Raleigh/Durham Fund I GP, LLC
5005 LBJ Freeway
Suite 1200
Dallas, Texas 75244

(b)(4)

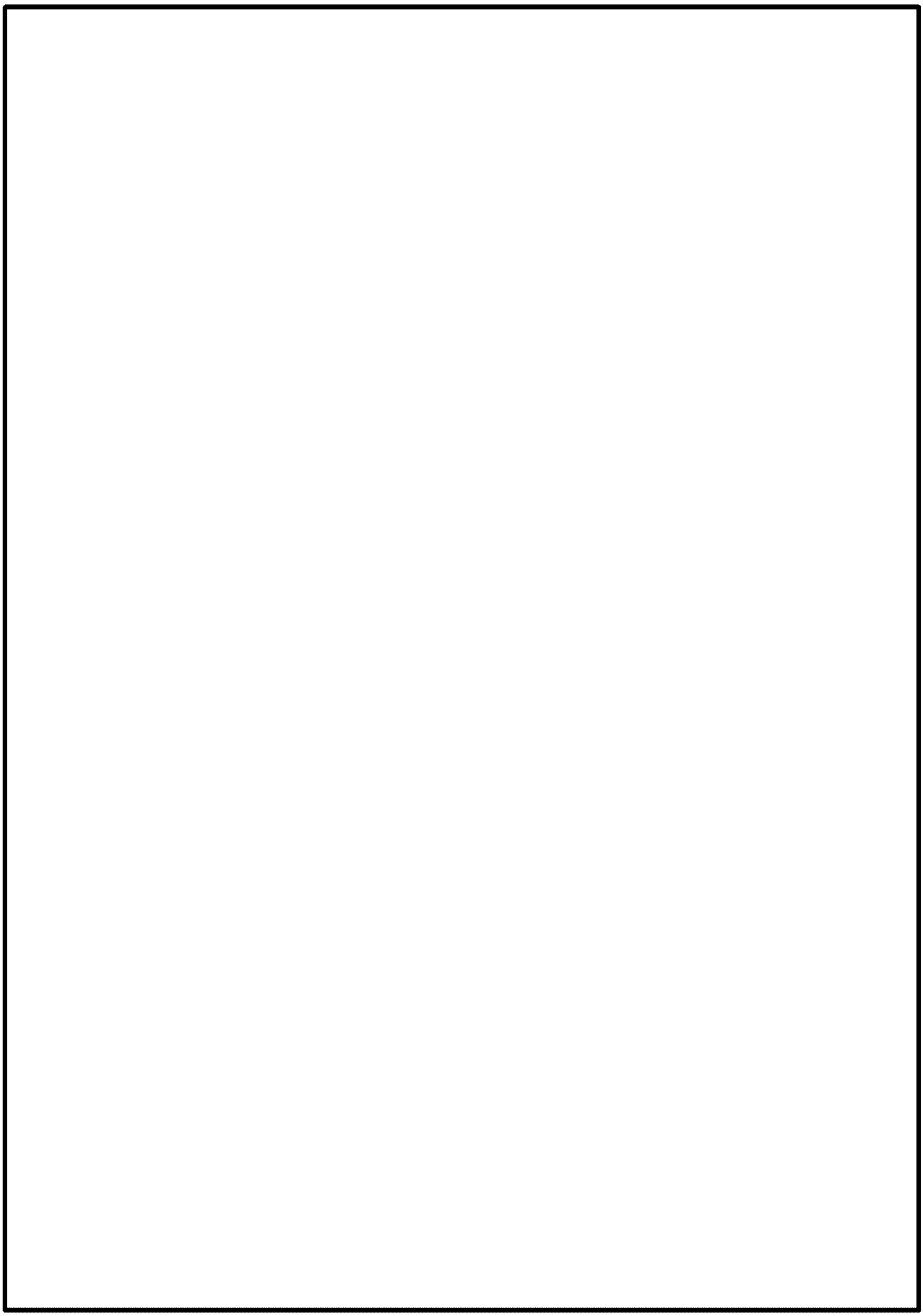


Ladies and Gentlemen:

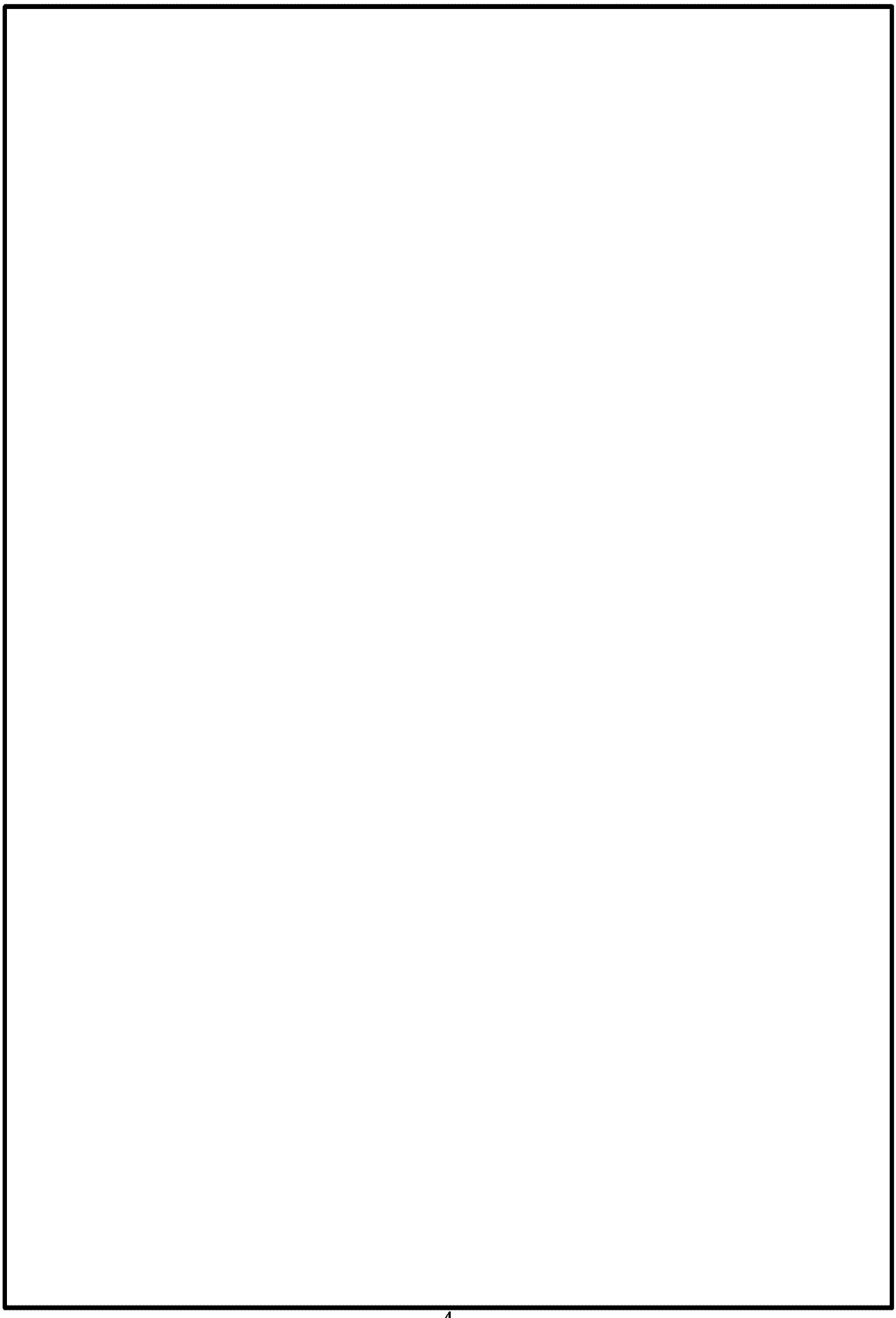
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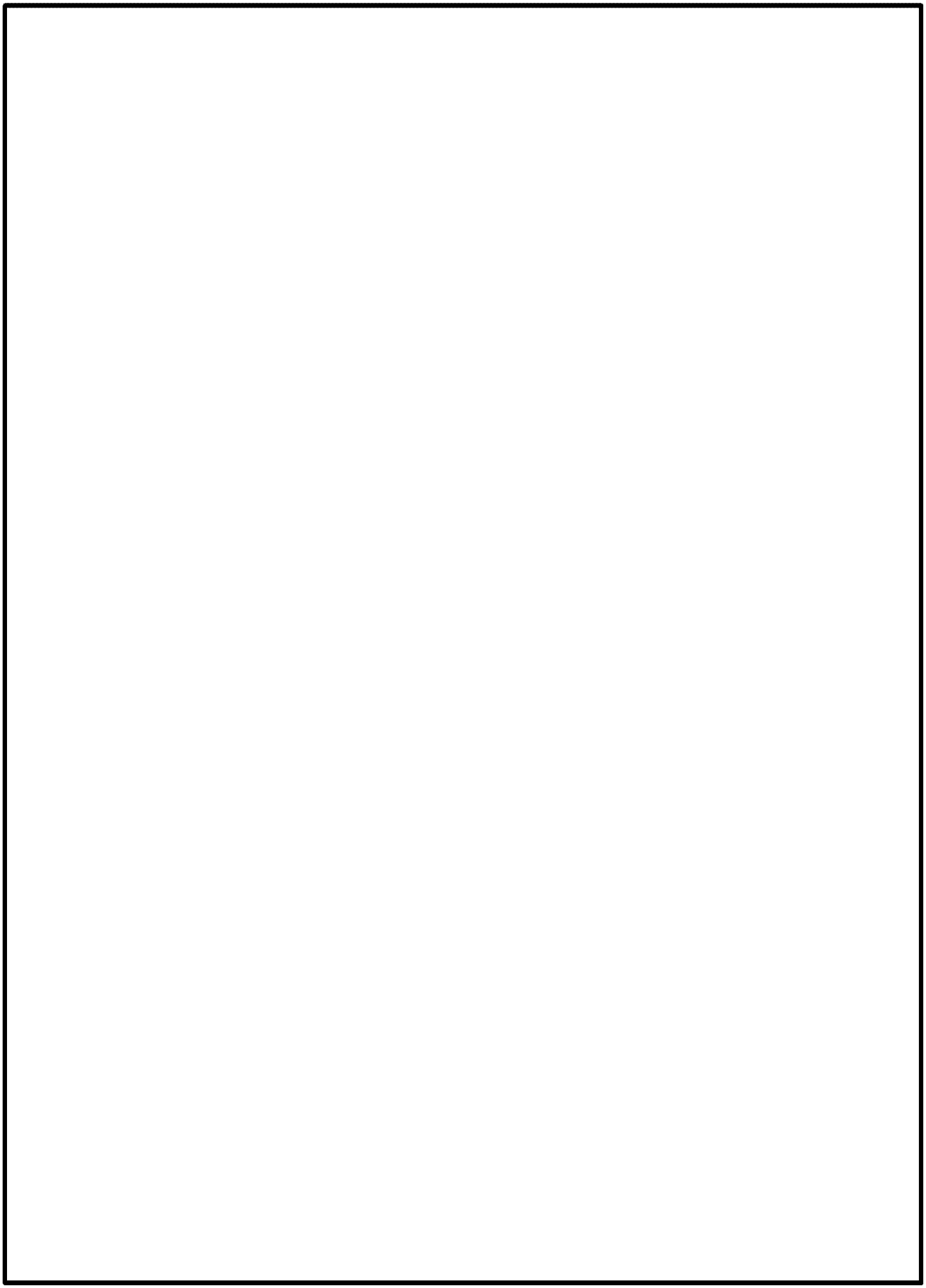
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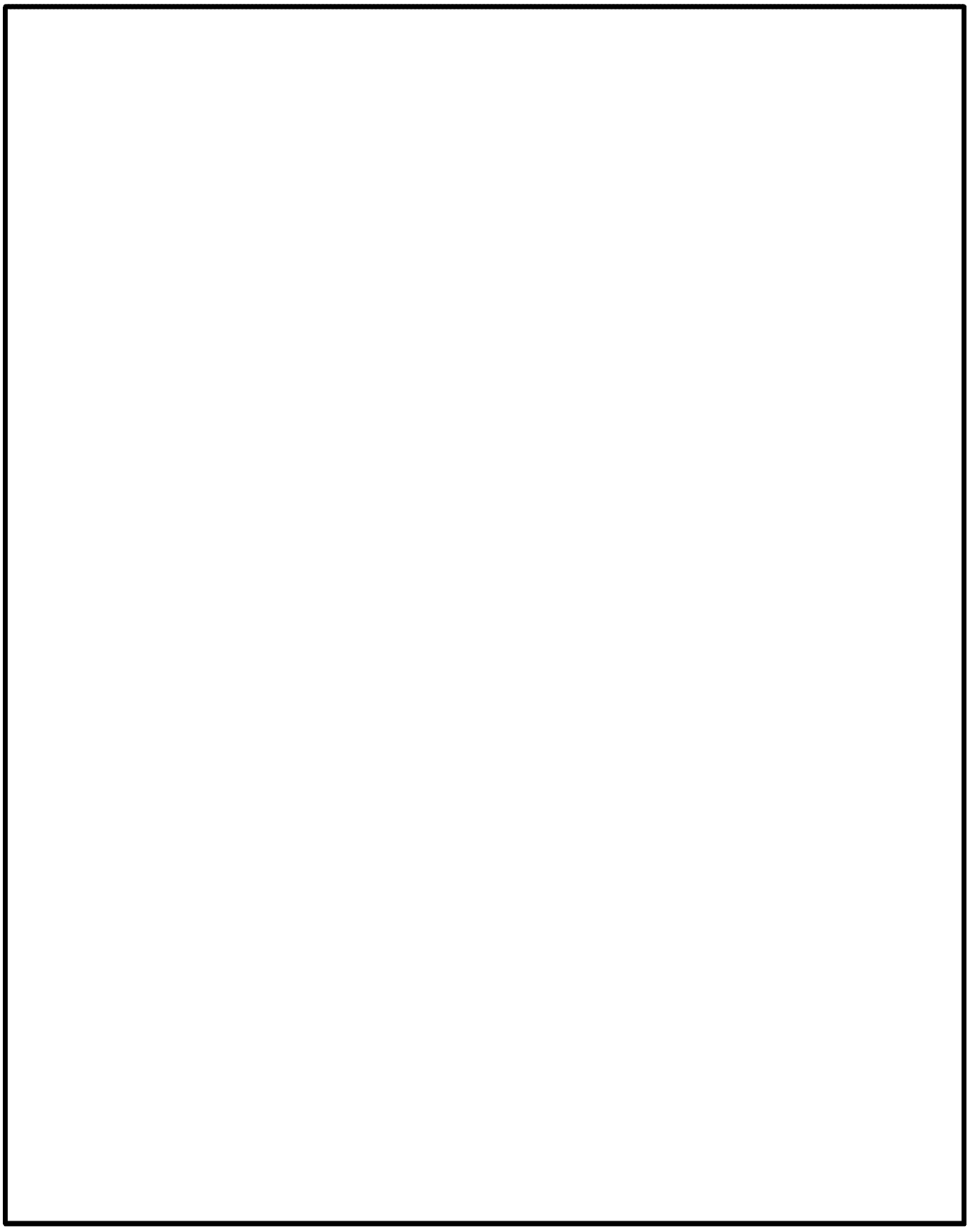
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(b)(4)



(b)(4)



6. Agreement to be a Limited Partner



(b)(4)

7. Power of Attorney

(b)(4)

8. Notices

9. Governing Law

[Signature Page Follows]

DRAFT

(b)(4)

ERC RALEIGH/DURHAM FUND I, LP
SIGNATURE PAGE

(Complete and sign)

Dated: _____, 20__

AMOUNT OF SUBSCRIPTION

U.S.$_____

_____
Name of Subscriber's Spouse
(if a natural person and purchasing jointly or if Subscriber is in a community property jurisdiction)

_____
Name of Subscriber

_____
Signature of Spouse
(if a natural person and purchasing jointly or if Subscriber is in a community property jurisdiction)

_____
Subscriber's Signature

_____

_____
Name and title or representative capacity, if applicable

The Subscriber's subscription is accepted, subject to the provisions of the Subscription Agreement and the Partnership Agreement and receipt by the Manager of the Administrative Fee.

ERC Raleigh/Durham Fund I GP, LLC, General Partner

By: _____
Name:
Title:

Dated: _____, 20__

APPENDIX A

DEFINITIONS

Beneficial Interest Holder: A holder of any beneficial interest in an Interest.

Close Associate: With respect to a Senior Foreign Political Figure, a person who is widely and publicly known internationally to maintain an unusually close relationship with the Senior Foreign Political Figure; includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure.

EB-5 Program: that certain program designed specifically to serve non-U.S. citizens seeking to immigrate to and receive legal permanent residency in the United States by making a qualifying investment through a "regional center," as such term is defined at 8 CFR 204.6(e), approved under the USCIS' Immigrant Investor Pilot Program as provided in 8 CFR 204.6(m).

EB-5 Jobs: Jobs created by the Fund's investment in the Project.

FATF: The Financial Action Task Force on Money Laundering.

FATF Country: A country that is a member of FATF. For a current list of FATF members, see: www.fatf-gafi.org.

Foreign Bank: An organization that (a) is organized under the laws of a country outside the United States, (b) engages in the business of banking, (c) is recognized as a bank by the bank supervisory or monetary authority of the country of its organization or principal banking operations, (d) receives deposits to a substantial extent in the regular course of its business, and (e) has the power to accept demand deposits, but does not include the U.S. branches or agencies of a foreign bank.

Foreign Shell Bank: A Foreign Bank without a Physical Presence in any country; does not include a Regulated Affiliate.

Government Entity: Any government or any state, department or other political subdivision thereof, or any governmental body, agency, authority or instrumentality in any jurisdiction exercising executive, legislative, regulatory or administrative functions of or pertaining to government.

Immediate Family: With respect to a Senior Foreign Political Figure, typically includes the political figure's parents, siblings, spouse, children and in-laws.

Non-Cooperative Jurisdiction: Any foreign country or territory that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as FATF, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur. For FATF's list of non-cooperative countries and territories, see http://www.fatf-gafi.org/pages/0,3417,en_32250379_32236992_1_1_1_1_1,00.html.

(b)(4)

[redacted]

Publicly Traded Company: An entity whose securities are listed on a recognized securities exchange or quoted on an automated quotation system in the U.S. or a country other than a Non-Cooperative Jurisdiction, or a wholly-owned subsidiary of such an entity.

[redacted]

Regulated Affiliate: A Foreign Shell Bank that: (a) is an affiliate of a depository institution, credit union, or Foreign Bank that maintains a Physical Presence in the U.S. or a foreign country, as applicable; and (b) is subject to supervision by a banking authority in the country regulating such affiliated depository institution, credit union, or Foreign Bank.

[redacted]

Senior Foreign Political Figure: A senior official in the executive, legislative, administrative, military or judicial branches of a non-U.S. government (whether elected or not), a senior official of a major non-U.S. political party, or a senior executive of a non-U.S. government-owned corporation. In addition, a Senior Foreign Political Figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a Senior Foreign Political Figure.

USA PATRIOT Act: The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Pub. L. No. 107-56).

USCIS: United States Citizenship and Immigration Service, an agency of the U.S. Department of Homeland Security. See www.uscis.gov.

(b)(4)

APPENDIX B

W-9 AND W-8BEN

(See Attached)



Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ _____
☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 7[2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

Form **W-8BEN**
(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:	Instead, use Form:
• A U.S. citizen or other U.S. person, including a resident alien individual	W-9
• A person claiming that income is effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)	W-8ECI or W-8IMY
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions)	W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

• A person acting as an intermediary	W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of ..... within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article ..... of the treaty identified on line 9a above to claim a ..... % rate of withholding on (specify type of income): .....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,

2 The beneficial owner is not a U.S. person,

3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, **and**

4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) ..... Date (MM-DD-YYYY) ..... Capacity in which acting

Instructions for Form W-8BEN

(Rev. February 2006)

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

Department of the Treasury
Internal Revenue Service

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

For definitions of terms used throughout these instructions, see *Definitions* on pages 3 and 4.

Purpose of form. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of:

- Interest (including certain original issue discount (OID));
- Dividends;
- Rents;
- Royalties;
- Premiums;
- Annuities;
- Compensation for, or in expectation of, services performed;
- Substitute payments in a securities lending transaction; or
- Other fixed or determinable annual or periodical gains, profits, or income.

This tax is imposed on the gross amount paid and is generally collected by withholding under section 1441 or 1442 on that amount. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person, such as an intermediary, agent, or partnership, for the benefit of the beneficial owner.

In addition, section 1446 requires a partnership conducting a trade or business in the United States to withhold tax on a foreign partner's distributive share of the partnership's effectively connected taxable income. Generally, a foreign person that is a partner in a partnership that submits a Form W-8 for purposes of section 1441 or 1442 will satisfy the documentation requirements under section 1446 as well. However, in some cases the documentation requirements of sections 1441 and 1442 do not match the documentation requirements of section 1446. See Regulations sections 1.1446-1 through 1.1446-6. Further, the owner of a disregarded entity, rather than the disregarded entity itself, shall submit the appropriate Form W-8 for purposes of section 1446.

If you receive certain types of income, you must provide Form W-8BEN to:

- Establish that you are not a U.S. person;
- Claim that you are the beneficial owner of the income for which Form W-8BEN is being provided or a partner in a partnership subject to section 1446; and
- If applicable, claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty.

You may also be required to submit Form W-8BEN to claim an exception from domestic information reporting and backup withholding for certain types of income that are not subject to foreign-person withholding. Such income includes:

- Broker proceeds.
- Short-term (183 days or less) original issue discount (OID).
- Bank deposit interest.
- Foreign source interest, dividends, rents, or royalties.
- Proceeds from a wager placed by a nonresident alien individual in the games of blackjack, baccarat, craps, roulette, or big-6 wheel.

You may also use Form W-8BEN to certify that income from a notional principal contract is not effectively connected with the conduct of a trade or business in the United States.

A withholding agent or payer of the income may rely on a properly completed Form W-8BEN to treat a payment associated with the Form W-8BEN as a payment to a foreign person who beneficially owns the amounts paid. If applicable, the withholding agent may rely on the Form W-8BEN to apply a reduced rate of withholding at source.

Provide Form W-8BEN to the withholding agent or payer before income is paid or credited to you. Failure to provide a Form W-8BEN when requested may lead to withholding at a 30% rate (foreign-person withholding) or the backup withholding rate.

Additional information. For additional information and instructions for the withholding agent, see the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

Who must file. You must give Form W-8BEN to the withholding agent or payer if you are a foreign person and you are the beneficial owner of an amount subject to withholding. Submit Form W-8BEN when requested by the withholding agent or payer whether or not you are claiming a reduced rate of, or exemption from, withholding.

Do not use Form W-8BEN if:

- You are a U.S. citizen (even if you reside outside the United States) or other U.S. person (including a resident alien individual). Instead, use Form W-9, Request for Taxpayer Identification Number and Certification.
- You are a disregarded entity with a single owner that is a U.S. person and you are not a hybrid entity claiming treaty benefits. Instead, provide Form W-9.

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- You are a nonresident alien individual who claims exemption from withholding on compensation for independent or dependent personal services performed in the United States. Instead, provide Form 8233, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, or Form W-4, Employee's Withholding Allowance Certificate.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United States, unless it is allocable to you through a partnership. Instead, provide Form W-8ECI, Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States. If any of the income for which you have provided a Form W-8BEN becomes effectively connected, this is a change in circumstances and Form W-8BEN is no longer valid. You must file Form W-8ECI. See *Change in circumstances* on this page.
- You are filing for a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section 115(2), 501(c), 892, 895, or 1443(b). Instead, provide Form W-8EXP, Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding. However, you should use Form W-8BEN if you are claiming treaty benefits or are providing the form only to claim you are a foreign person exempt from backup withholding. You should use Form W-8ECI if you received effectively connected income (for example, income from commercial activities).
- You are a foreign flow-through entity, other than a hybrid entity, claiming treaty benefits. Instead, provide Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding. However, if you are a partner, beneficiary, or owner of a flow-through entity and you are not yourself a flow-through entity, you may be required to furnish a Form W-8BEN to the flow-through entity.
- You are a disregarded entity for purposes of section 1446. Instead, the owner of the entity must submit the form.
- You are a reverse hybrid entity transmitting beneficial owner documentation provided by your interest holders to claim treaty benefits on their behalf. Instead, provide Form W-8IMY.
- You are a withholding foreign partnership or a withholding foreign trust within the meaning of sections 1441 and 1442 and the accompanying regulations. A withholding foreign partnership or a withholding foreign trust is a foreign partnership or trust that has entered into a withholding agreement with the IRS under which it agrees to assume primary withholding responsibility for each partner's, beneficiary's, or owner's distributive share of income subject to withholding that is paid to the partnership or trust. Instead, provide Form W-8IMY.
- You are acting as an intermediary (that is, acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.
- You are a foreign partnership or foreign grantor trust for purposes of section 1446. Instead, provide Form W-8IMY and accompanying documentation. See Regulations sections 1.1446-1 through 1.1446-6.

Giving Form W-8BEN to the withholding agent. Do not send Form W-8BEN to the IRS. Instead, give it to the person who is requesting it from you. Generally, this will be the person from whom you receive the payment, who credits your account, or a partnership that allocates income to you. Give Form W-8BEN to the person requesting it before the payment is made to you, credited to your account or allocated. If you do not provide this form, the withholding agent may have to withhold at the 30% rate, backup withholding rate, or the rate applicable under section 1446. If you receive more than one type of income from a single withholding agent for which you claim different benefits, the withholding agent may, at its option, require you to submit a Form W-8BEN for each different type of income. Generally, a separate Form W-8BEN must be given to each withholding agent.

Note. If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person if Forms W-8BEN are provided by all of the owners. If the withholding agent receives a Form W-9 from any of the joint owners, the payment must be treated as made to a U.S. person.

Change in circumstances. If a change in circumstances makes any information on the Form W-8BEN you have submitted incorrect, you must notify the withholding agent or payer within 30 days of the change in circumstances and you must file a new Form W-8BEN or other appropriate form.

If you use Form W-8BEN to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. However, if you use Form W-8BEN to claim treaty benefits, a move to the United States or outside the country where you have been claiming treaty benefits is a change in circumstances. In that case, you must notify the withholding agent or payer within 30 days of the move.

If you become a U.S. citizen or resident alien after you submit Form W-8BEN, you are no longer subject to the 30% withholding rate or the withholding tax on a foreign partner's share of effectively connected income. You must notify the withholding agent or payer within 30 days of becoming a U.S. citizen or resident alien. You may be required to provide a Form W-9. For more information, see Form W-9 and instructions.

Expiration of Form W-8BEN. Generally, a Form W-8BEN provided without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8BEN signed on September 30, 2005, remains valid through December 31, 2008. A Form W-8BEN furnished with a U.S. TIN will remain in effect until a change in circumstances makes any information on the form incorrect, provided that the withholding agent reports on Form 1042-S at least one payment annually to the beneficial owner who provided the Form W-8BEN. See the instructions for line 6

beginning on page 4 for circumstances under which you must provide a U.S. TIN.

Definitions

Beneficial owner. For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (that is, a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of a foreign grantor trust (that is, a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (that is, a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

For purposes of section 1446, the same beneficial owner rules apply, except that under section 1446 a foreign simple trust rather than the beneficiary provides the form to the partnership.

The beneficial owner of income paid to a foreign estate is the estate itself.

Note. A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9. For purposes of section 1446, a U.S. grantor trust or disregarded entity shall not provide the withholding agent a Form W-9 in its own right. Rather, the grantor or other owner shall provide the withholding agent the appropriate form.

Foreign person. A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person. It also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a qualified intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

Nonresident alien individual. Any individual who is not a citizen or resident alien of the United States is a nonresident alien individual. An alien individual meeting either the "green card test" or the "substantial presence test" for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is a resident of a foreign country under the residence article of an income tax treaty, or an alien individual who is a bona fide resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual. See Pub. 519, U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.

CAUTION *Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (for example, filing a joint income tax return), such individual is still treated as a nonresident alien for withholding tax purposes on all income except wages.*

Flow-through entity. A flow-through entity is a foreign partnership (other than a withholding foreign partnership), a foreign simple or foreign grantor trust (other than a withholding foreign trust), or, for payments for which a reduced rate of withholding is claimed under an income tax treaty, any entity to the extent the entity is considered to be fiscally transparent (see below) with respect to the payment by an interest holder's jurisdiction.

For purposes of section 1446, a foreign partnership or foreign grantor trust must submit Form W-8IMY to establish the partnership or grantor trust as a look through entity. The Form W-8IMY may be accompanied by this form or another version of Form W-8 or Form W-9 to establish the foreign or domestic status of a partner or grantor or other owner. See Regulations section 1.1446-1.

Hybrid entity. A hybrid entity is any person (other than an individual) that is treated as fiscally transparent (see below) in the United States but is not treated as fiscally transparent by a country with which the United States has an income tax treaty. Hybrid entity status is relevant for claiming treaty benefits. See the instructions for line 9c on page 5.

Reverse hybrid entity. A reverse hybrid entity is any person (other than an individual) that is not fiscally transparent under U.S. tax law principles but that is fiscally transparent under the laws of a jurisdiction with which the United States has an income tax treaty. See the instructions for line 9c on page 5.

Fiscally transparent entity. An entity is treated as fiscally transparent with respect to an item of income for which treaty benefits are claimed to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts are generally considered to be fiscally transparent with respect to items of income received by them.

Disregarded entity. A business entity that has a single owner and is not a corporation under Regulations section 301.7701-2(b) is disregarded as an entity separate from its owner.

A disregarded entity shall not submit this form to a partnership for purposes of section 1446. Instead, the owner of such entity shall provide appropriate documentation. See Regulations section 1.1446-1.

Amounts subject to withholding. Generally, an amount subject to withholding is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as OID), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums).

For purposes of section 1446, the amount subject to withholding is the foreign partner's share of the partnership's effectively connected taxable income.

Withholding agent. Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies. Generally, the person who pays (or causes to be paid) the amount subject to withholding to the foreign person (or to its agent) must withhold.

For purposes of section 1446, the withholding agent is the partnership conducting the trade or business in the United States. For a publicly traded partnership, the withholding agent may be the partnership, a nominee holding an interest on behalf of a foreign person, or both. See Regulations sections 1.1446-1 through 1.1446-6.

Specific Instructions

TIP *A hybrid entity should give Form W-8BEN to a withholding agent only for income for which it is claiming a reduced rate of withholding under an income tax treaty. A reverse hybrid entity should give Form W-8BEN to a withholding agent only for income for which no treaty benefit is being claimed.*

Part I

Line 1. Enter your name. If you are a disregarded entity with a single owner who is a foreign person and you are not claiming treaty benefits as a hybrid entity, this form should be completed and signed by your foreign single owner. If the account to which a payment is made or credited is in the name of the disregarded entity, the foreign single owner should inform the withholding agent of this fact. This may be done by including the name and account number of the disregarded entity on line 8 (reference number) of the form. However, if you are a disregarded entity that is claiming treaty benefits as a hybrid entity, this form should be completed and signed by you.

Line 2. If you are a corporation, enter the country of incorporation. If you are another type of entity, enter the country under whose laws you are created, organized, or governed. If you are an individual, enter N/A (for "not applicable").

Line 3. Check the one box that applies. By checking a box, you are representing that you qualify for this classification. You must check the box that represents your classification (for example, corporation, partnership, trust, estate, etc.) under U.S. tax principles. Do not check the box that describes your status under the law of the treaty country. If you are a partnership or disregarded entity receiving a payment for which treaty benefits are being claimed, you must check the "Partnership" or "Disregarded entity" box. If you are a sole proprietor, check the "Individual" box, not the "Disregarded entity" box.

CAUTION *Only entities that are tax-exempt under section 501 should check the "Tax-exempt organization" box. Such organizations should use Form W-8BEN only if they are claiming a reduced rate of withholding under an income tax treaty or some code exception other than section 501. Use Form W-8EXP if you are claiming an exemption from withholding under section 501.*

Line 4. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are giving Form W-8BEN to claim a reduced rate of withholding under an income tax treaty, you must determine your residency in the manner required by the treaty. Do not show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

Line 5. Enter your mailing address only if it is different from the address you show on line 4.

Line 6. If you are an individual, you are generally required to enter your social security number (SSN). To apply for an SSN, get Form SS-5 from a Social Security Administration (SSA) office or, if in the United States, you may call the SSA at 1-800-772-1213. Fill in Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you must get an individual taxpayer identification number (ITIN). To apply for an ITIN, file Form W-7 with the IRS. It usually takes 4-6 weeks to get an ITIN.

CAUTION *An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.*

If you are not an individual or you are an individual who is an employer or you are engaged in a U.S. trade or business as a sole proprietor, you must enter an employer identification number (EIN). If you do not have an EIN, you should apply for one on Form SS-4, Application for Employer Identification Number. If you are a disregarded entity claiming treaty benefits as a hybrid entity, enter your EIN.

A partner in a partnership conducting a trade or business in the United States will likely be allocated effectively connected taxable income. The partner is

required to file a U.S. federal income tax return and must have a U.S. taxpayer identification number (TIN).

You must provide a U.S. TIN if you are:

- Claiming an exemption from withholding under section 871(f) for certain annuities received under qualified plans,
- A foreign grantor trust with 5 or fewer grantors,
- Claiming benefits under an income tax treaty, or
- Submitting the form to a partnership that conducts a trade or business in the United States.

However, a U.S. TIN is not required to be shown in order to claim treaty benefits on the following items of income:

- Dividends and interest from stocks and debt obligations that are actively traded;
- Dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund);
- Dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were upon issuance) publicly offered and are registered with the SEC under the Securities Act of 1933; and
- Income related to loans of any of the above securities.

TIP *You may want to obtain and provide a U.S. TIN on Form W-8BEN even though it is not required. A Form W-8BEN containing a U.S. TIN remains valid for as long as your status and the information relevant to the certifications you make on the form remain unchanged provided at least one payment is reported to you annually on Form 1042-S.*

Line 7. If your country of residence for tax purposes has issued you a tax identifying number, enter it here. For example, if you are a resident of Canada, enter your Social Insurance Number.

Line 8. This line may be used by the filer of Form W-8BEN or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. For example, withholding agents who are required to associate the Form W-8BEN with a particular Form W-8IMY may want to use line 8 for a referencing number or code that will make the association clear. A beneficial owner may use line 8 to include the number of the account for which he or she is providing the form. A foreign single owner of a disregarded entity may use line 8 to inform the withholding agent that the account to which a payment is made or credited is in the name of the disregarded entity (see instructions for line 1 on page 4).

Part II

Line 9a. Enter the country where you claim to be a resident for income tax treaty purposes. For treaty purposes, a person is a resident of a treaty country if the person is a resident of that country under the terms of the treaty.

Line 9b. If you are claiming benefits under an income tax treaty, you must have a U.S. TIN unless one of the exceptions listed in the line 6 instructions above applies.

Line 9c. An entity (but not an individual) that is claiming a reduced rate of withholding under an income tax treaty must represent that it:

- Derives the item of income for which the treaty benefit is claimed, and
- Meets the limitation on benefits provisions contained in the treaty, if any.

An item of income may be derived by either the entity receiving the item of income or by the interest holders in the entity or, in certain circumstances, both. An item of income paid to an entity is considered to be derived by the entity only if the entity is not fiscally transparent under the laws of the entity's jurisdiction with respect to the item of income. An item of income paid to an entity shall be considered to be derived by the interest holder in the entity only if:

- The interest holder is not fiscally transparent in its jurisdiction with respect to the item of income, and
- The entity is considered to be fiscally transparent under the laws of the interest holder's jurisdiction with respect to the item of income. An item of income paid directly to a type of entity specifically identified in a treaty as a resident of a treaty jurisdiction is treated as derived by a resident of that treaty jurisdiction.

If an entity is claiming treaty benefits on its own behalf, it should complete Form W-8BEN. If an interest holder in an entity that is considered fiscally transparent in the interest holder's jurisdiction is claiming a treaty benefit, the interest holder should complete Form W-8BEN on its own behalf and the fiscally transparent entity should associate the interest holder's Form W-8BEN with a Form W-8IMY completed by the entity.

CAUTION *An income tax treaty may not apply to reduce the amount of any tax on an item of income received by an entity that is treated as a domestic corporation for U.S. tax purposes. Therefore, neither the domestic corporation nor its shareholders are entitled to the benefits of a reduction of U.S. income tax on an item of income received from U.S. sources by the corporation.*

To determine whether an entity meets the limitation on benefits provisions of a treaty, you must consult the specific provisions or articles under the treaties. Income tax treaties are available on the IRS website at *www.irs.gov*.

TIP *If you are an entity that derives the income as a resident of a treaty country, you may check this box if the applicable income tax treaty does not contain a "limitation on benefits" provision.*

Line 9d. If you are a foreign corporation claiming treaty benefits under an income tax treaty that entered into force before January 1, 1987 (and has not been renegotiated) on (a) U.S. source dividends paid to you by another foreign corporation or (b) U.S. source interest paid to you by a U.S. trade or business of another foreign corporation, you must generally be a "qualified resident" of a treaty country. See section 884 for the definition of interest paid by a U.S. trade or business of a foreign corporation ("branch interest") and other applicable rules.

In general, a foreign corporation is a qualified resident of a country if any of the following apply.

- It meets a 50% ownership and base erosion test.
- It is primarily and regularly traded on an established securities market in its country of residence or the United States.
- It carries on an active trade or business in its country of residence.
- It gets a ruling from the IRS that it is a qualified resident.

See Regulations section 1.884-5 for the requirements that must be met to satisfy each of these tests.

If you are claiming treaty benefits under an income tax treaty entered into force after December 31, 1986, do not check box 9d. Instead, check box 9c.

Line 9e. Check this box if you are related to the withholding agent within the meaning of section 267(b) or 707(b) and the aggregate amount subject to withholding received during the calendar year will exceed $500,000. Additionally, you must file Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b).

Line 10

Line 10 must be used only if you are claiming treaty benefits that require that you meet conditions not covered by the representations you make in lines 9a through 9e. However, this line should always be completed by foreign students and researchers claiming treaty benefits. See *Scholarship and fellowship grants* below for more information.

The following are additional examples of persons who should complete this line.

- Exempt organizations claiming treaty benefits under the exempt organization articles of the treaties with Canada, Mexico, Germany, and the Netherlands.
- Foreign corporations that are claiming a preferential rate applicable to dividends based on ownership of a specific percentage of stock.
- Persons claiming treaty benefits on royalties if the treaty contains different withholding rates for different types of royalties.

This line is generally not applicable to claiming treaty benefits under an interest or dividends (other than dividends subject to a preferential rate based on ownership) article of a treaty.

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes. The individual must use Form W-9 to claim the tax treaty benefit. See the instructions for Form W-9 for more information. Also see *Nonresident alien student or researcher who becomes a resident alien* later for an example.

Scholarship and fellowship grants. A nonresident alien student (including a trainee or business apprentice) or researcher who receives noncompensatory scholarship or fellowship income may use Form W-8BEN to claim benefits under a tax treaty that apply to reduce or eliminate U.S. tax on such income. No Form W-8BEN is required unless a treaty benefit is being claimed. A nonresident alien student or researcher who receives compensatory scholarship or fellowship income must use Form 8233 to claim any benefits of a tax treaty that apply to that income. The student or researcher must use Form W-4 for any part of such income for which he or she is not claiming a tax treaty withholding exemption. Do not use Form W-8BEN for compensatory scholarship or fellowship income. See *Compensation for Dependent Personal Services* in the Instructions for Form 8233.

If you are a nonresident alien individual who received noncompensatory scholarship or fellowship income and personal services income (including compensatory scholarship or fellowship income) from the same withholding agent, you may use Form 8233 to claim a tax treaty withholding exemption for part or all of both types of income.

Completing lines 4 and 9a. Most tax treaties that contain an article exempting scholarship or fellowship grant income from taxation require that the recipient be a resident of the other treaty country at the time of, or immediately prior to, entry into the United States. Thus, a student or researcher may claim the exemption even if he or she no longer has a permanent address in the other treaty country after entry into the United States. If this is the case, you may provide a U.S. address on line 4 and still be eligible for the exemption if all other conditions required by the tax treaty are met. You must also identify on line 9a the tax treaty country of which you were a resident at the time of, or immediately prior to, your entry into the United States.

Completing line 10. You must complete line 10 if you are a student or researcher claiming an exemption from taxation on your scholarship or fellowship grant income under a tax treaty.

Nonresident alien student or researcher who becomes a resident alien. You must use Form W-9 to claim an exception to a saving clause. See *Nonresident alien who becomes a resident alien* on this page for a general explanation of saving clauses and exceptions to them.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would complete Form W-9.

Part III

If you check this box, you must provide the withholding agent with the required statement for income from a notional principal contract that is to be treated as income not effectively connected with the conduct of a trade or business in the United States. You should update this statement as often as necessary. A new Form W-8BEN is not required for each update provided the form otherwise remains valid.

Part IV

Form W-8BEN must be signed and dated by the beneficial owner of the income, or, if the beneficial owner is not an individual, by an authorized representative or

officer of the beneficial owner. If Form W-8BEN is completed by an agent acting under a duly authorized power of attorney, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form. Form 2848, Power of Attorney and Declaration of Representative, may be used for this purpose. The agent, as well as the beneficial owner, may incur liability for the penalties provided for an erroneous, false, or fraudulent form.

Broker transactions or barter exchanges. Income from transactions with a broker or a barter exchange is subject to reporting rules and backup withholding unless Form W-8BEN or a substitute form is filed to notify the broker or barter exchange that you are an exempt foreign person.

You are an exempt foreign person for a calendar year in which:

- You are a nonresident alien individual or a foreign corporation, partnership, estate, or trust;
- You are an individual who has not been, and does not plan to be, present in the United States for a total of 183 days or more during the calendar year; and
- You are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

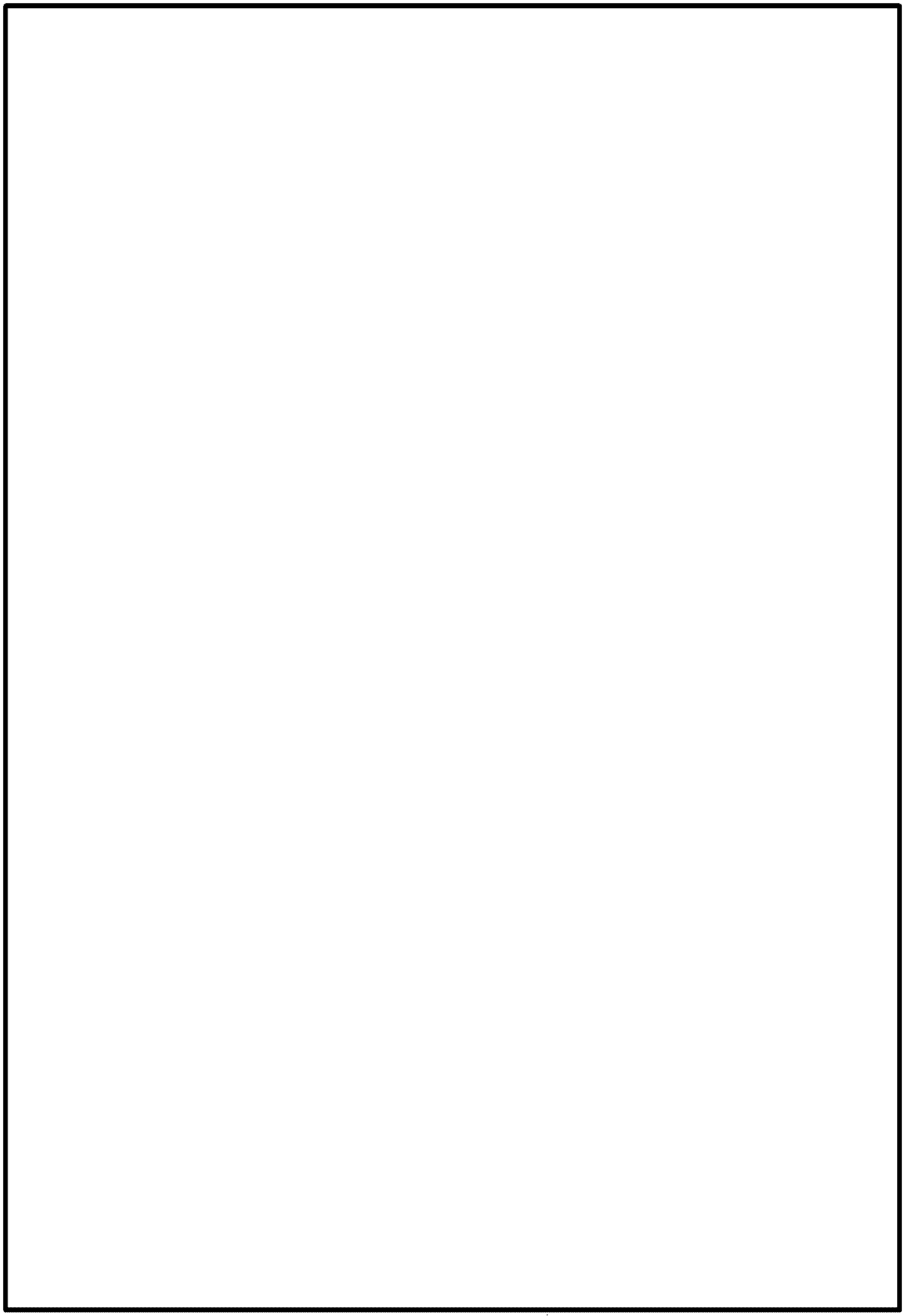
Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

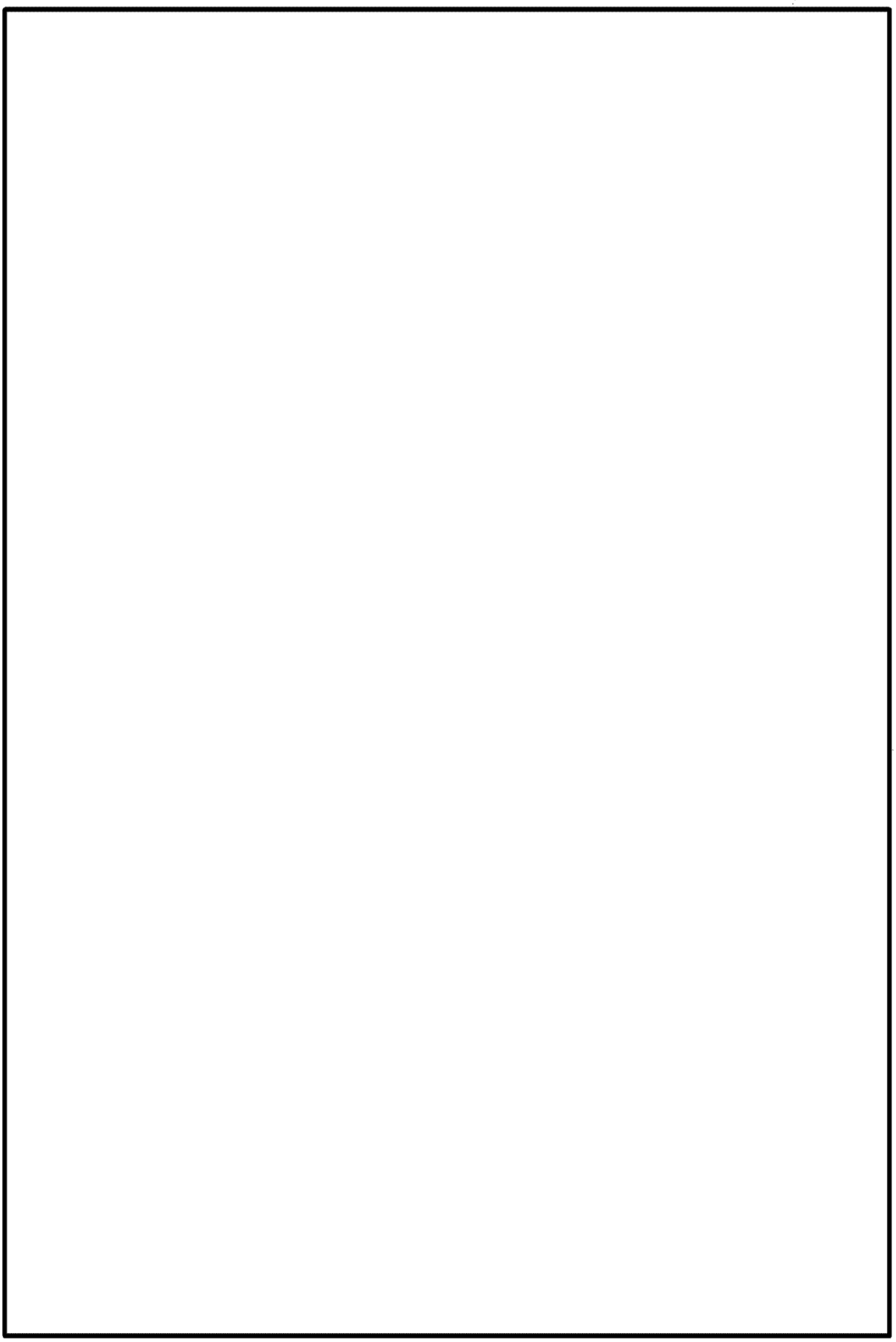
The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping,** 5 hr., 58 min.; **Learning about the law or the form,** 3 hr., 46 min.; **Preparing and sending the form to IRS,** 4 hr., 2 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can email us at **taxforms@irs.gov*. Please put "Forms Comment" on the subject line. Or you can write to Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send Form W-8BEN to this office. Instead, give it to your withholding agent.

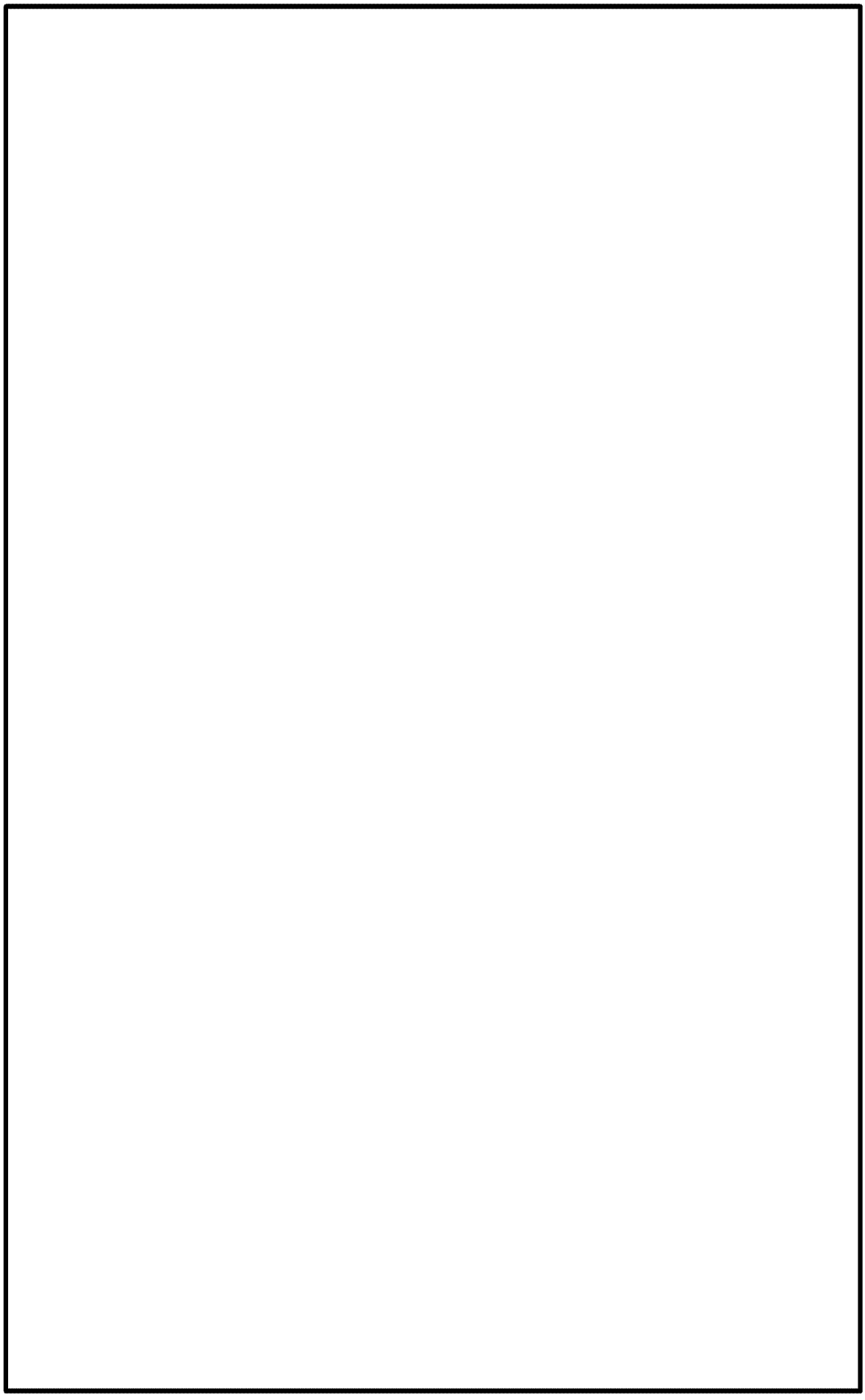
ESCROW AGREEMENT
(SUBSCRIPTION ESCROW AGREEMENT)



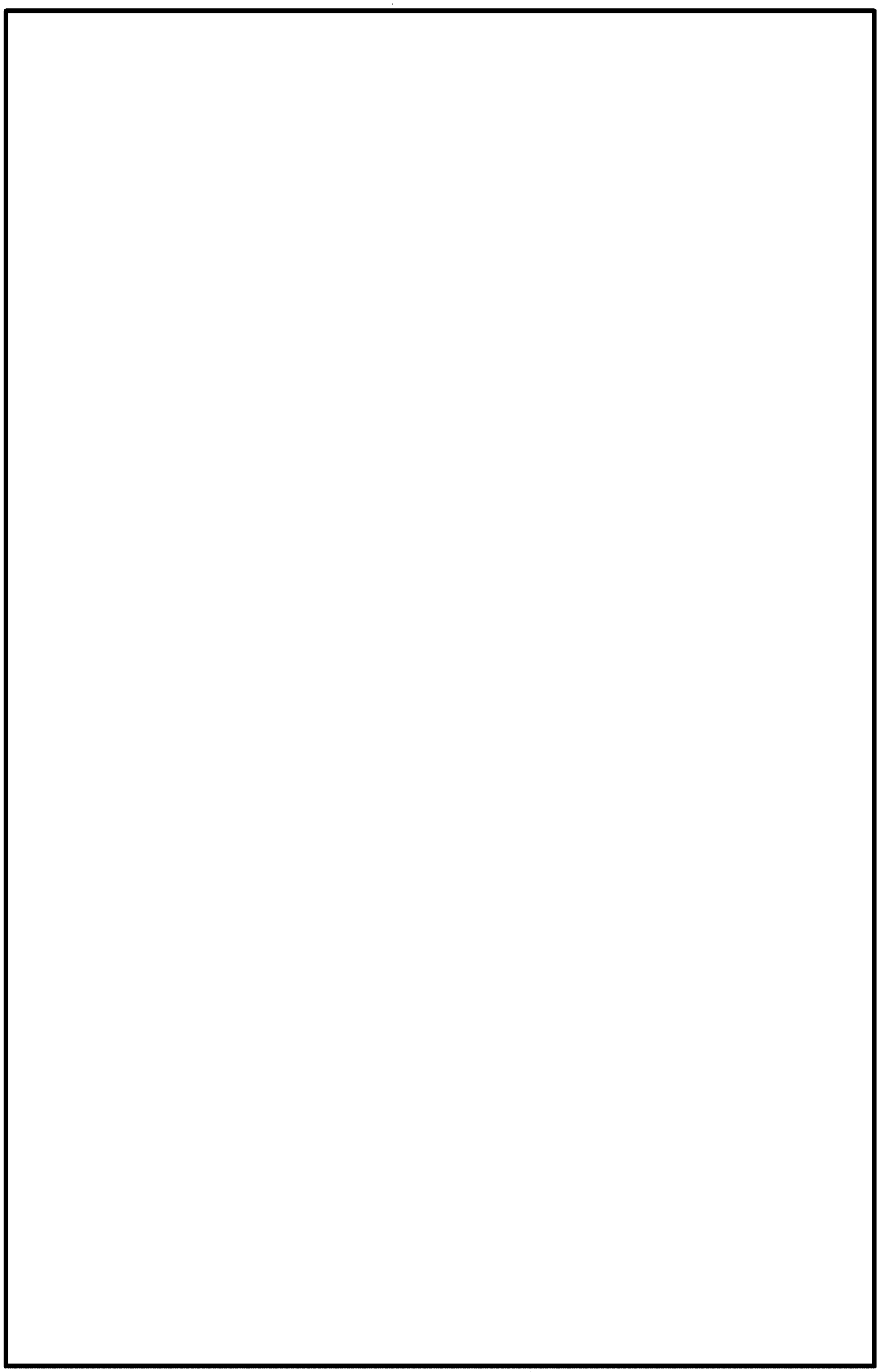
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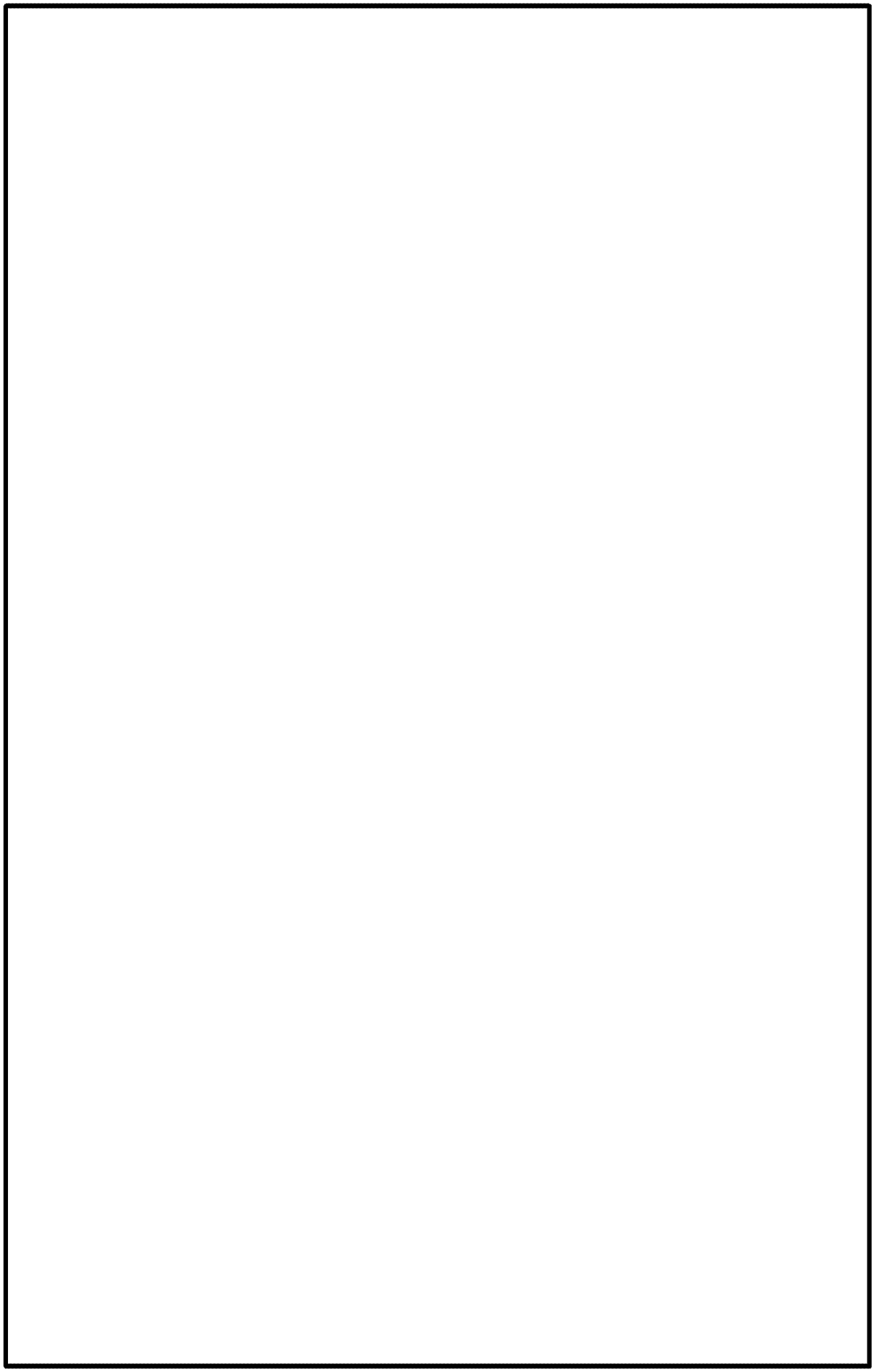
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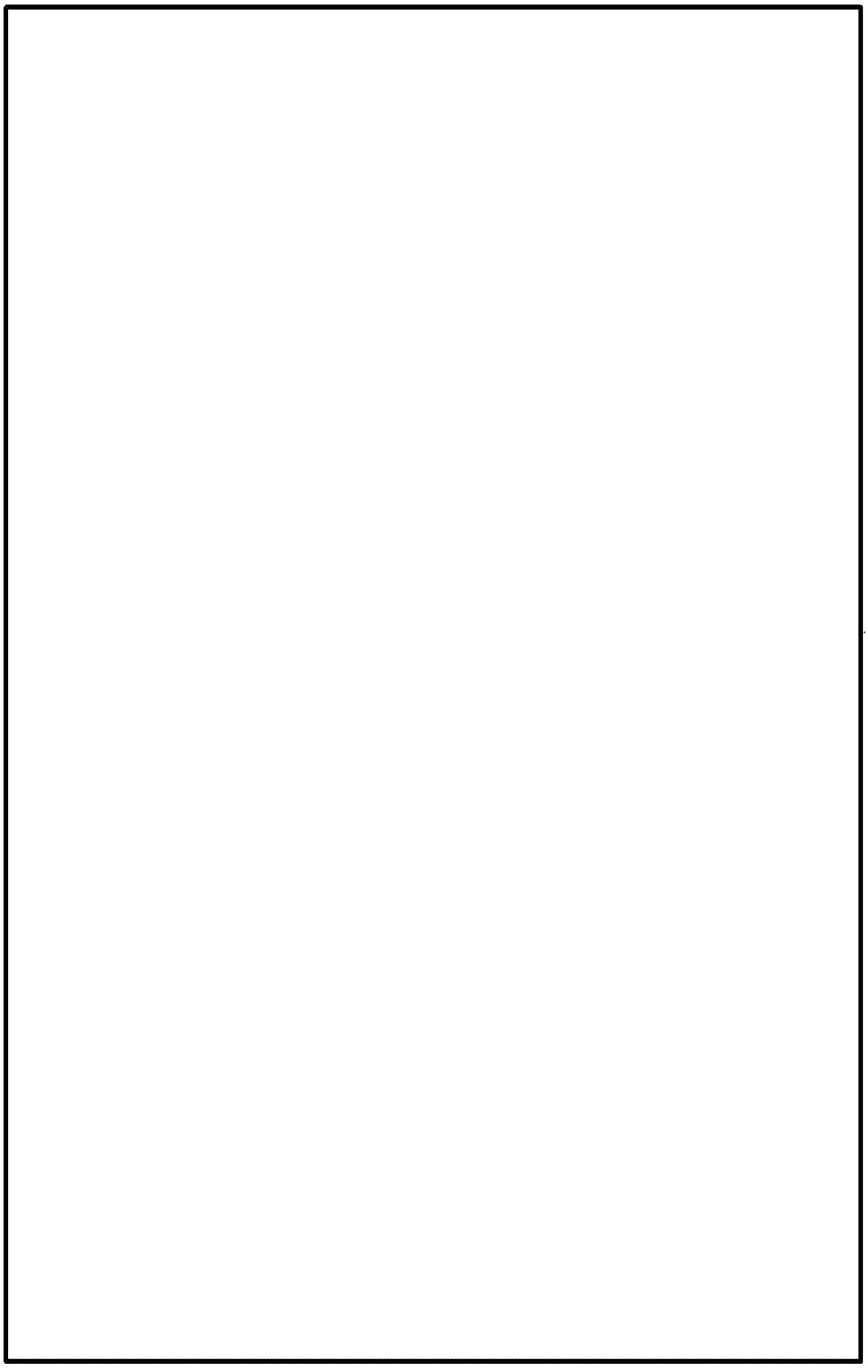
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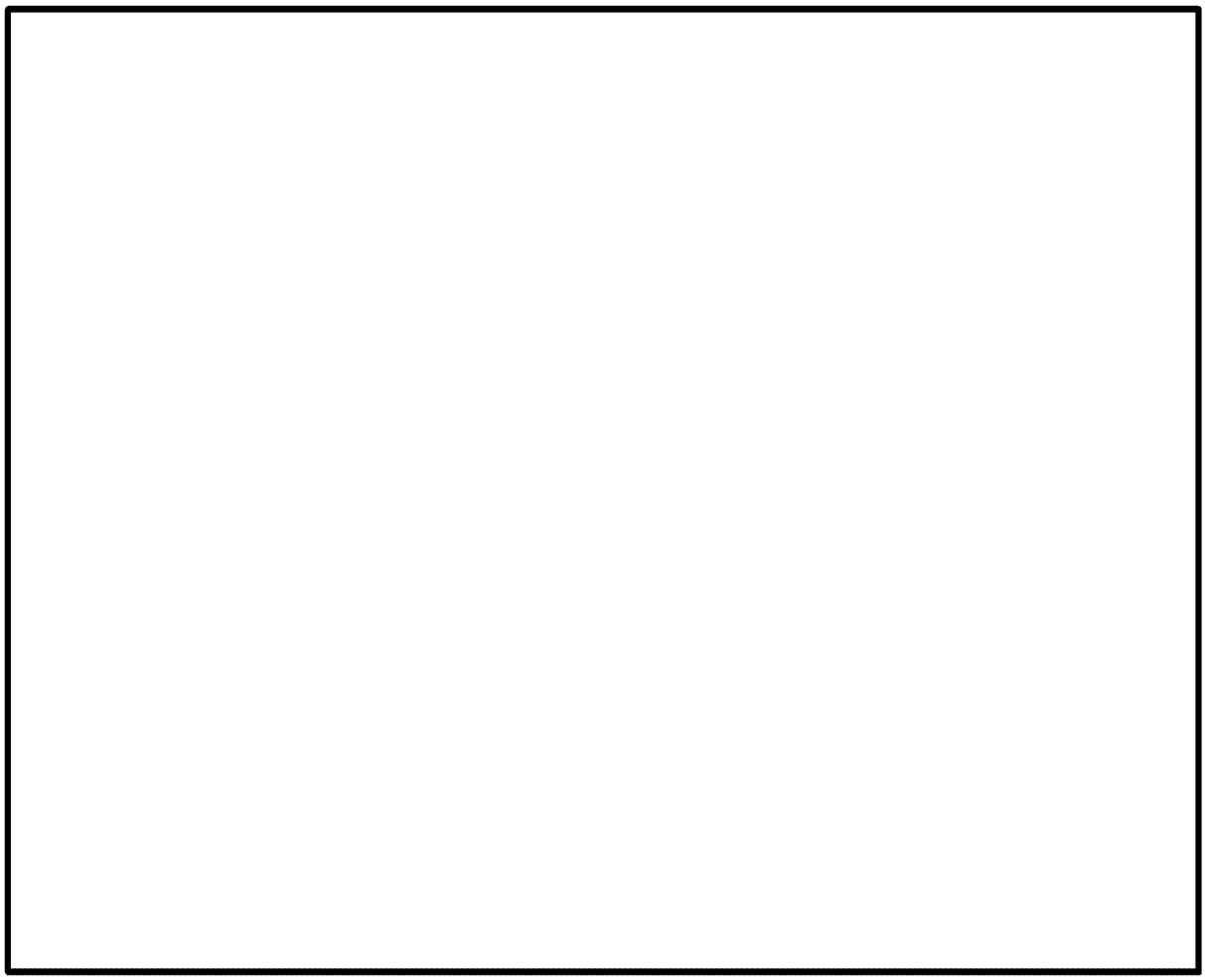
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(b)(4)



(b)(4)



[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

ISSUER:

ERC RALEIGH/DURHAM FUND I, LP,
a Texas limited partnership

By: ERC Raleigh/Durham Fund I GP, LLC,
a Texas limited liability company,
its general partner

By: _____
Name: _____
Title: _____

GENERAL PARTNER:

ERC RALEIGH/DURHAM FUND I GP, LLC,
a Texas limited liability company,

By: _____
Name: _____
Title: _____

ESCROW AGENT:

[BANK]

By: _____
Name: _____
Title: _____

SCHEDULE 1

Telephone Number(s) and authorized signature(s) for
Person(s) Designated to give Funds Transfer Instructions

[To be provided]

Exhibit A

Release Letter

[Insert Date]

VIA FACSIMILE NO. [Insert]

_____
_____
_____
_____
Attention: _____

Ref: ERC Raleigh/Durham Fund I, LP Escrow No. _____

Dear Sir or Madam:

Reference is made to the Escrow Agreement dated [_____], 2012 (the "***Agreement***"), by and among ERC Raleigh/Durham Fund I, LP, a Texas limited partnership ("***Issuer***"), ERC Raleigh/Durham Fund I GP, LLC, a Texas limited liability company ("***General Partner***", and together with Issuer, sometimes referred to individually as "***Party***" or collectively as the "***Parties***"), and [Bank] (the "***Escrow Agent***").

Issuer or General Partner instructs Escrow Agent to return [Name of Investor] Escrow Deposit due to the following reason:

___ Investor's Form I-526 was denied by the U.S. Citizenship and Immigration Service ("***USCIS***")
___ Investor's Form I-526 was not filed with USCIS
___ Investor's Subscription to the Issuer was rejected by the General Partner
___ The balance representing the aggregate amount greater than or equal to the Minimum Target Proceeds prior to the Termination Date was not met

Escrow Deposit in the amount of $ _____ is to be disbursed in the following manner:

[Check:]

Client name /address / attention

[Wire:]

Bank Name
Bank address
Routing number
Account name
Account number

If you have any questions , please contact _____.

Remainder of Page Intentionally Left Blank; Signature Page Follows

ISSUER:

ERC RALEIGH/DURHAM FUND I, LP,
a Texas limited partnership

By: ERC Raleigh/Durham Fund I GP, LLC,
a Texas limited liability company,
its general partner

By: _____
Name: _____
Title: _____

GENERAL PARTNER:

ERC RALEIGH/DURHAM FUND I GP, LLC,
a Texas limited liability company,

By: _____
Name: _____
Title: _____

ESCROW AGENT:

[BANK]

By: _____
Name: _____
Title: _____

SCHEDULE 2
SCHEDULE OF FEES

(b)(4)

MANAGEMENT AGREEMENT

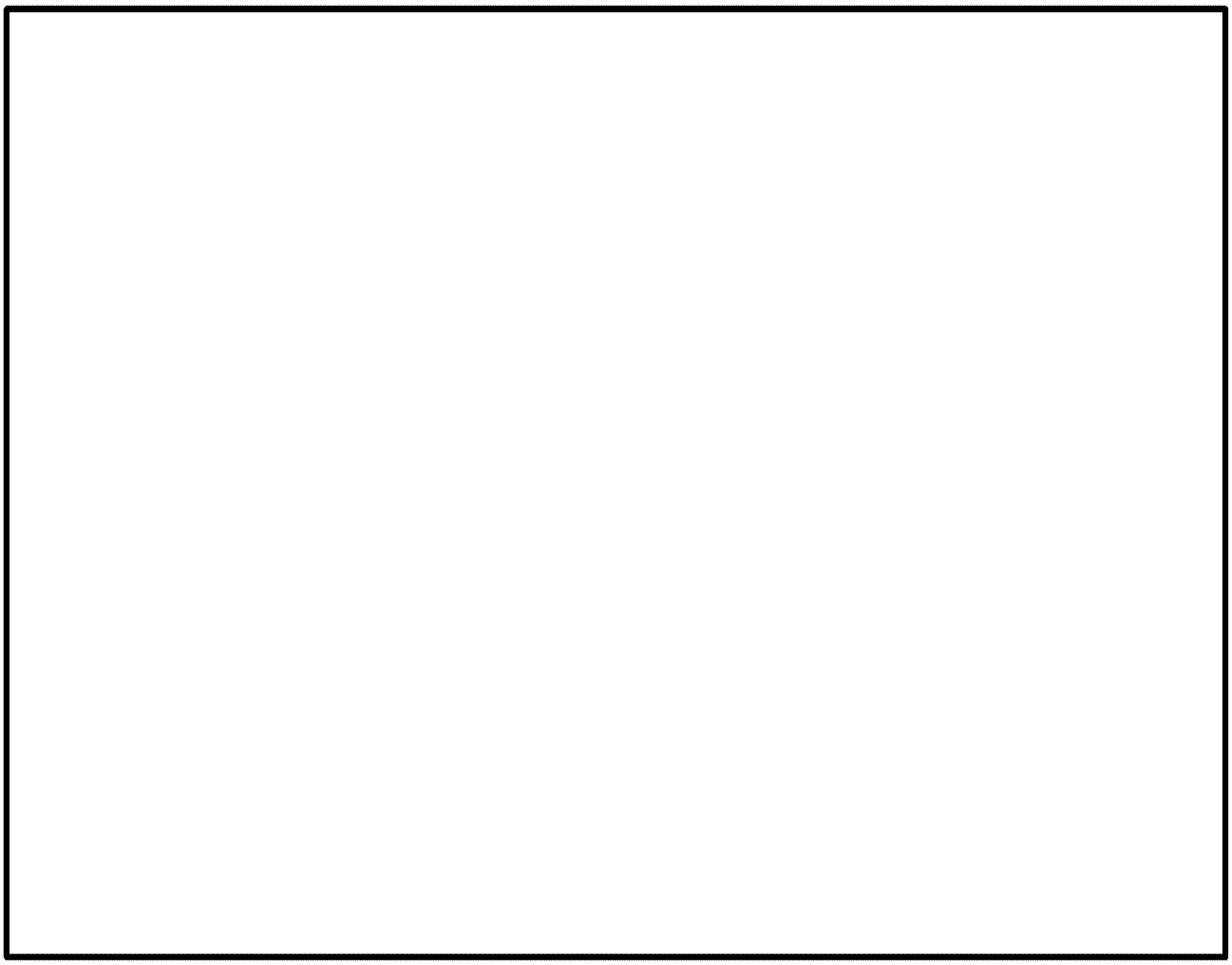
[redacted]

ARTICLE 1

RETENTION; SERVICES AND POWERS OF THE FUND MANAGER

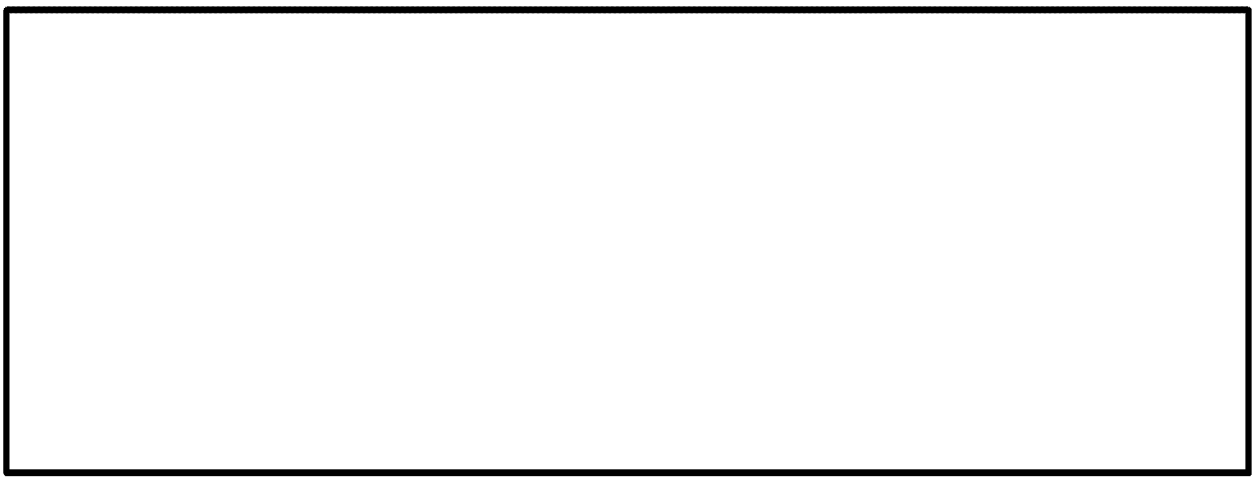
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ARTICLE 2

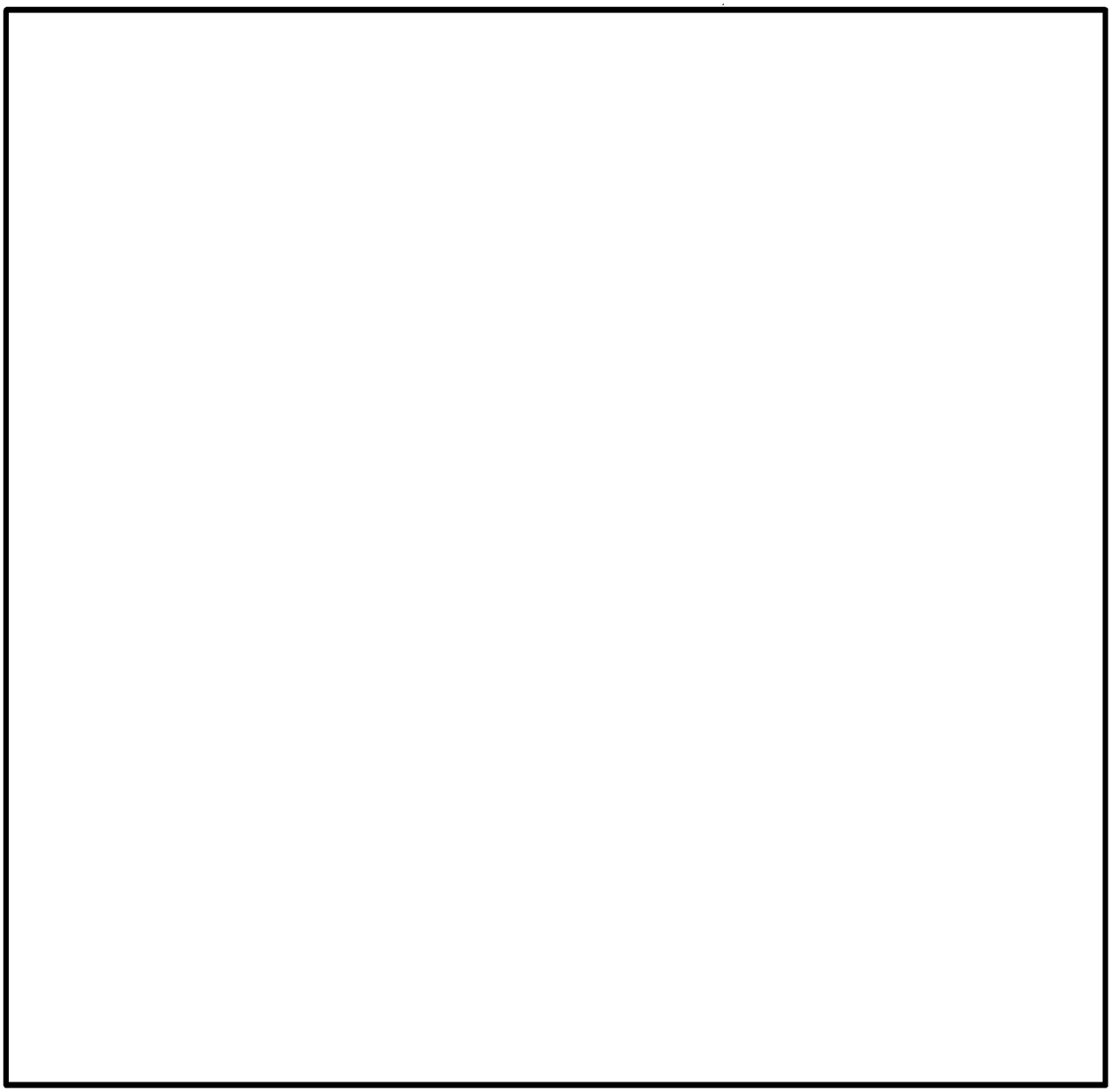
MANAGER FEES AND EXPENSES



ARTICLE 3

INDEMNIFICATION



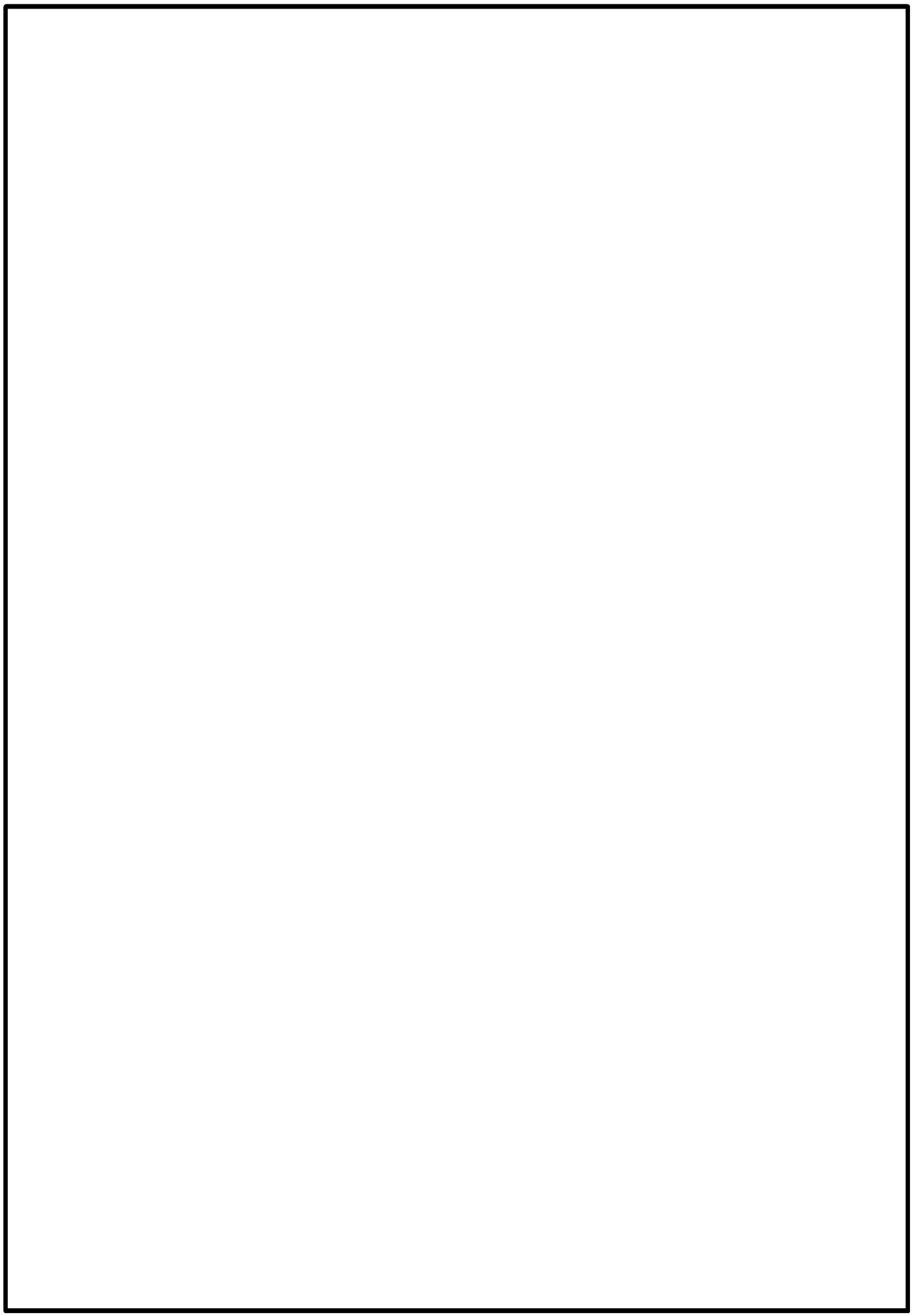


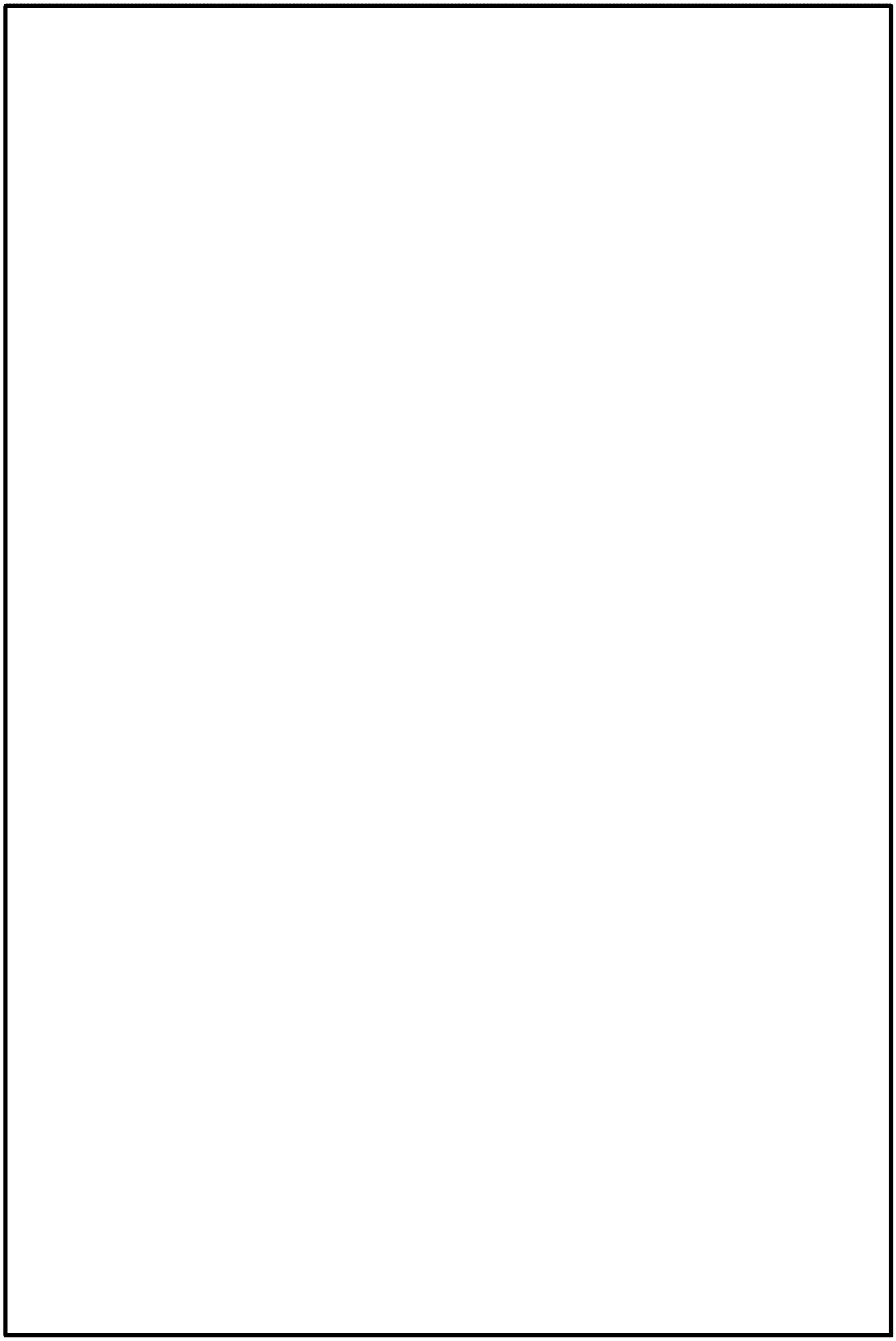
ARTICLE 4

MISCELLANEOUS



(b)(4)





(b)(4)

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is hereby executed as of the date first written above.

COMPANY:

ERC RALEIGH/DURHAM FUND I, LP

By: ERC Raleigh/Durham Fund I GP, LLC

By: _____
Name:
Title:

FUND MANAGER:

ENCORE GLOBAL INVESTMENT MANAGEMENT, LLC

By: _____
Name:
Title:

REGIONAL CENTER STRUCTURE

Encore Enterprises, Inc.

Encore Global Investments Management, LLC

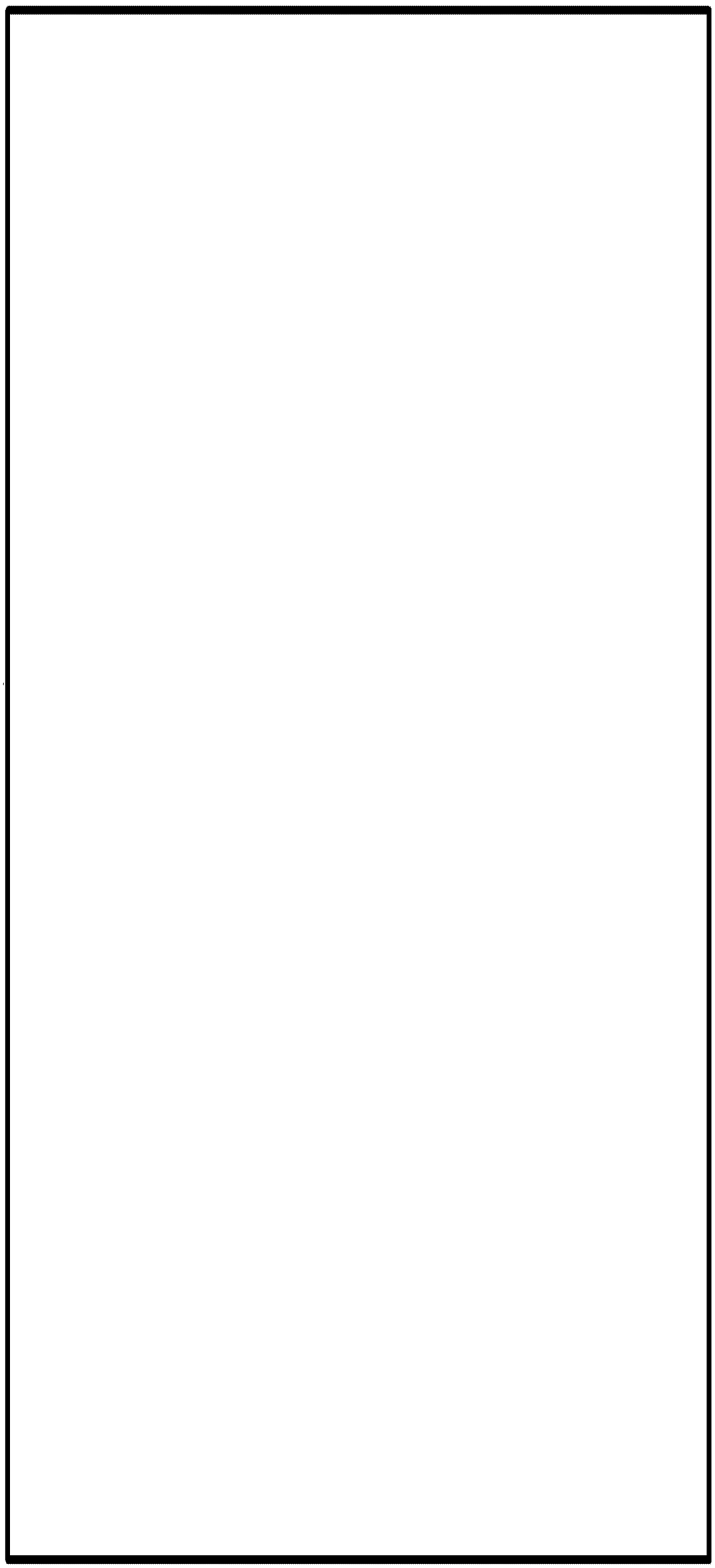
Encore Raleigh/Durham, LLC

January 2012



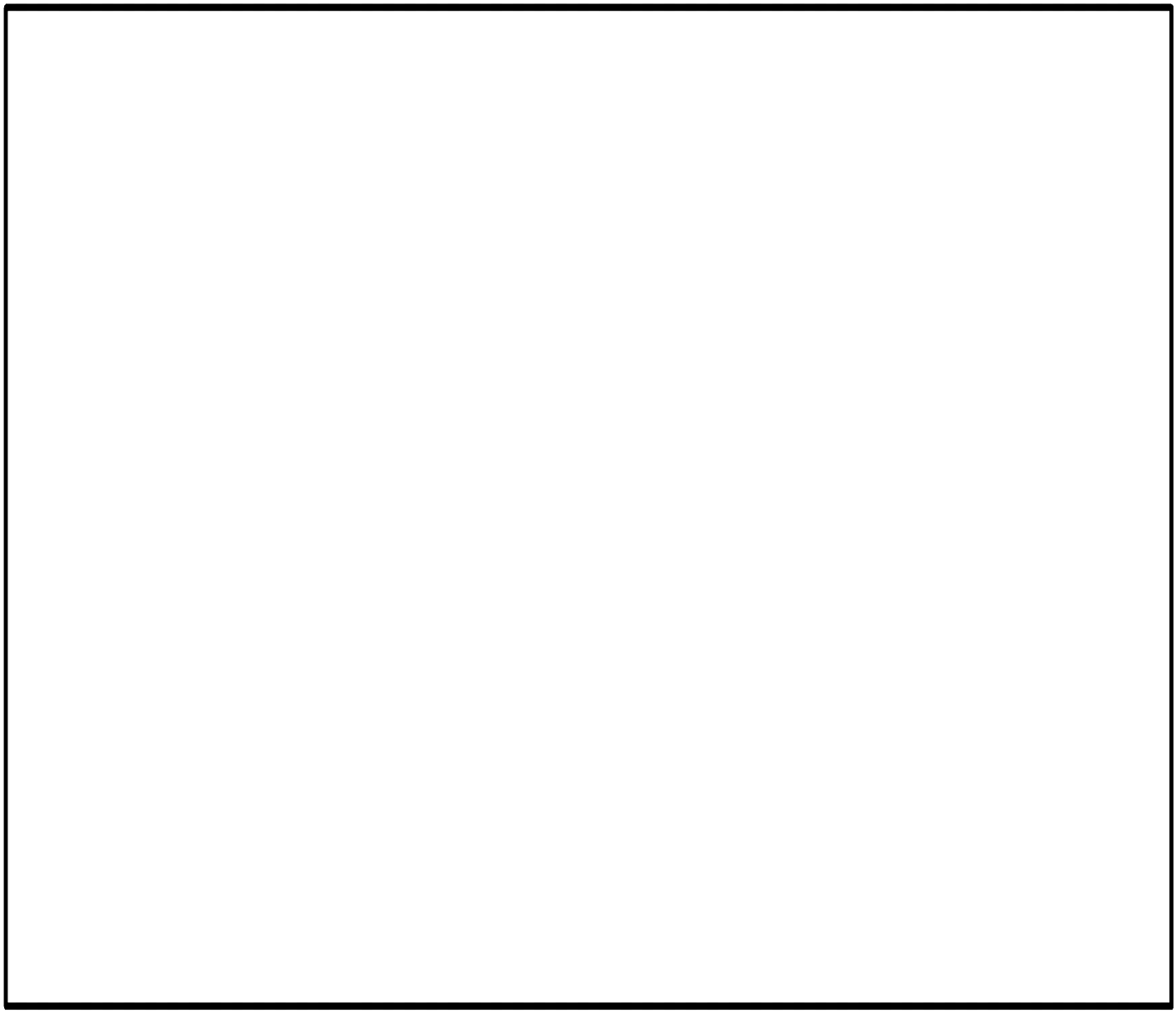
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Corporate Structure



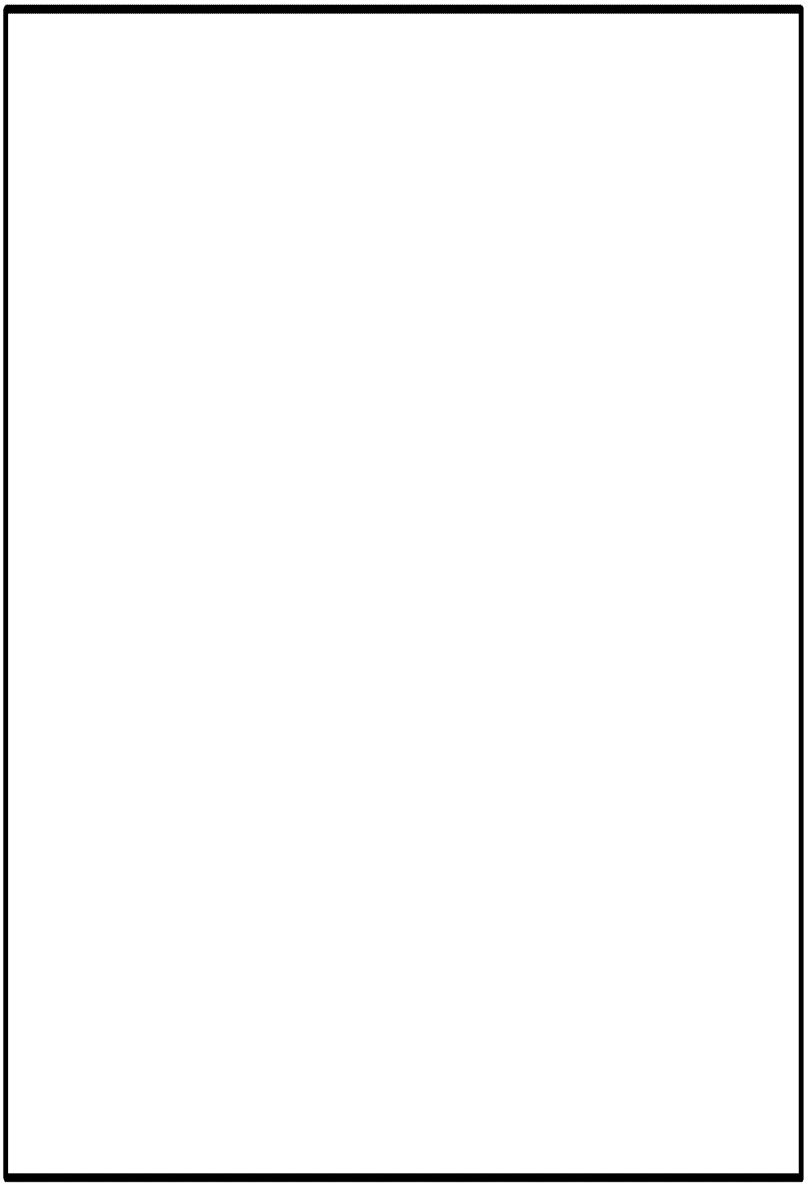
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Initial and Prospective Funds

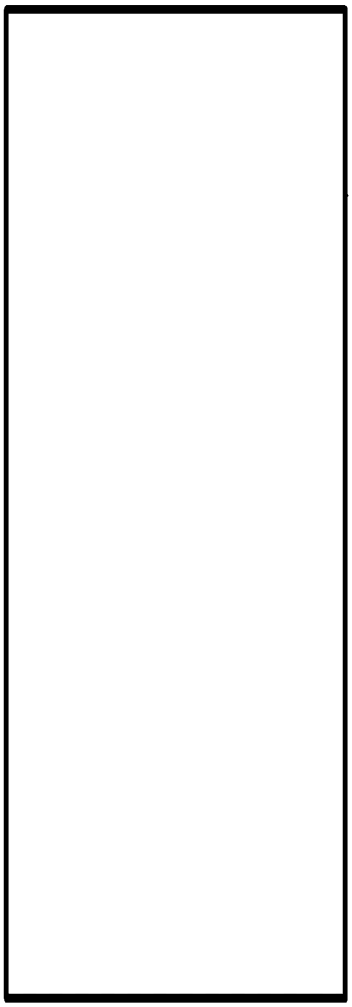


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Job Creation



Process Outline:



Department of Homeland Security
U.S. Citizenship and Immigration Services

I–797E, Notice of Action

A #	Application/Petition I924, Application for Regional Center under Immigrant Investor Pilot Program
Receipt # RCW1201850576	Application/Petitioner Encore Raleigh/Durham Regional Center
Notice Date September 18, 2012 / Page 1 of 24	Beneficiary

M. Ford, Esq.
Law Office M. Ford
RE: Enocore Raleigh/Durham Regional Center
8004 Ashby Court
Plano, TX 75025

Request for Evidence

Notice also sent to:

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

Note: You are given until December 11, 2012 in which to submit the requested information to the address at the bottom of this notice.

Please note the required deadline for providing a response to this Request for Evidence. The deadline reflects the maximum period for responding to this RFE. However, since many immigration benefits are time sensitive, you are encouraged to respond to this request as early as possible but no later than the date provided on the request.

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

For more information, visit our website at www.uscis.gov
Or call us at 1-800-375-5283

Telephone service for the hearing impaired: 1-800-767-1833

CSC3759 WS25086 DIV III AC

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

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

USCIS - CALIFORNIA SERVICE CENTER
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0590
800-375-5283

RCW1201850576

Please see additional information on the reverse side.

COPY

Form I–797E (Rev. 05/05/06)

I. Subject Matter Being Adjudicated

On January 18, 2012, Encore Raleigh/Durham Regional Center ("ERDRC") filed an Application for Regional Center Under the Immigrant Investor Pilot Program (Form I-924). It appears that an initial designation as a Regional Center is being requested.

A request for initial designation as a Regional Center under the Immigrant Investor Pilot Program ("Pilot Program") or an amendment to an existing Regional Center designation is made pursuant to Section 610 of the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. 102-395, as amended. Such request may involve:

1. A request for review of an exemplar Form I-526, Immigrant Petition by Alien Entrepreneur, prior to the filing of Form I-526 petitions by individual alien entrepreneurs with USCIS and/or;
2. In the case of a Regional Center amendment request, a review of a specific capital investment project where a previous regional center designation approval involved a review of an exemplar capital investment project.

II. Procedural History and Background

The proposed Regional Center entity, ERDRC, was established on January 12, 2012 in Delaware, and is structured as a limited liability company. ERDRC is requesting jurisdiction over a geographic area within the State of North Carolina, including Durham, Johnston, Orange, and Wake counties. ERDRC plans to offer EB-5 capital investment opportunities in affiliated new commercial enterprises, organized as limited partnerships, focusing on projects in the following industry categories (Please note: The table below continues onto the next page).

Industry Category		NAICS Code
1	Residential Building Construction	2361
2	Construction of Nonresidential Buildings	2362
3	Hospitals	622
4	General Medical and Surgical Hospitals	6221
5	Offices of Physicians	6211
6	Real Estate	5310
7	Lessors of Real Estate	5311
8	Retail Trade	4A00[1]
9	Grocery Stores	4451
10	Clothing Stores	4481
11	Shoe Stores	4482
12	Sporting Goods Stores	45111
13	Book Stores	451211
14	General Merchandise Stores	452

15	Miscellaneous Store Retailers	453
16	Hotels and Motels, including Casino Hotels	7211[2]
17	Food Services and Drinking Places	7220
18	Other Amusement and Recreation Industries	713B[3]
19	Scenic and Sightseeing Transportation and Support Activities for Transportation	48A0[4]

[1] This is not a valid NAICS according to the U.S. Census Bureau website at http://www.census.gov/cgi-bin/sssd/naics/naicsrch.

[2] The corresponding industry for 7211 is Traveler Accommodation, per the U.S. Census Bureau website.

[3] This is not a valid NAICS according to the U.S. Census Bureau.

[4] This is not a valid NAICS according to the U.S. Census Bureau.

The capital investment projects may involve a combination of equity investments and loans to job creating enterprises located within the proposed bounds of the Regional Center. ERDRC presented four projects in its business plan: 1) Surgery Center and Medical Office Building, 2) Grocery-Anchored Shopping Center, 3) Limited Service Hotel, and 4) Multifamily Residential Community.

Evidentiary Requirements for Regional Center Proposals

Title 8 Code of Federal Regulations ("8 C.F.R.") § 204.6 (m)(3) describes the evidence that must be submitted in support of a Regional Center proposal. After review of the applicant's proposal, the following documentary evidence is required. Please note that in response to this notice, it is helpful to provide a cover letter that acts as an executive summary, followed by a table of contents with sections that are tabbed at the bottom of the page.

III. Analysis

Issue #1: Establishing that the Regional Center Creates a Sufficient Number of Indirect Jobs, Based Upon a Reasonable Methodology; Title 8 C.F.R. Section 204.6(m)(3).

Section 610(c) of the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, as amended, allows aliens admitted under the pilot program described in this section to establish *reasonable methodologies* for determining the number of jobs created by the pilot program, including jobs which are estimated to have been created indirectly through revenues, improved regional productivity, job creation, or increased domestic capital investment resulting from the pilot program.

Title 8 C.F.R. § 204.6(m)(3)(ii) requires that a Regional Center proposal must provide in verifiable detail how jobs will be created indirectly, while 8 CFR § 204.6(m)(3)(v) describes the analytical tools that the Regional Center must employ when making economic and job creation predictions.

USCIS observes that the quality of the prospective job creation estimates provided by an economic analysis are only as probative in the adjudication of a regional center application or amendment, as the quality and reasonableness of the information and assumptions that are used as the basis for the analysis. Therefore, any business plan, hypothetical or actual, provided in support of a regional center proposal or amendment must contain sufficient specificity to provide valid and reasoned inputs into the economic model, if such a model is used to demonstrate job creation for EB-5 purposes. Otherwise, USCIS may face difficulty in evaluating whether a particular regional center application or amendment remains compliant with the requirements of the statute and regulations. Specifically, USCIS may be unable to determine whether sufficient job creation will result such that an application establishes eligibility for approval.

Each immigrant investor must demonstrate at the time of the filing of the Form I-526 that the job-creating capital investment project is feasible and that it will create the requisite ten jobs within a reasonable time. The immigrant investor must subsequently demonstrate at the filing of the Form I-829, Petition to Remove Conditions, that the capital investment project approved in the Form I-526 has been realized in accordance with the business plan that formed the basis for the I-526 approval, and that as a result the requisite ten jobs either have or will be created within a reasonable time. Therefore, the ability of ERDRC to address the issues regarding the feasibility of each capital investment project, the validity of the economic analysis, and the timing of the EB-5 job creation is critical to the successful completion of the immigrant investor's immigration process.



(b)(4)

(b)(4)

A. Business Plan Analysis

Project 1: Surgery Center and Medical Office Building

The applicant presents the following proposed project:

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[redacted]

Project 2: Grocery-Anchored Shopping Center

The applicant presents the following proposed project:

[redacted]

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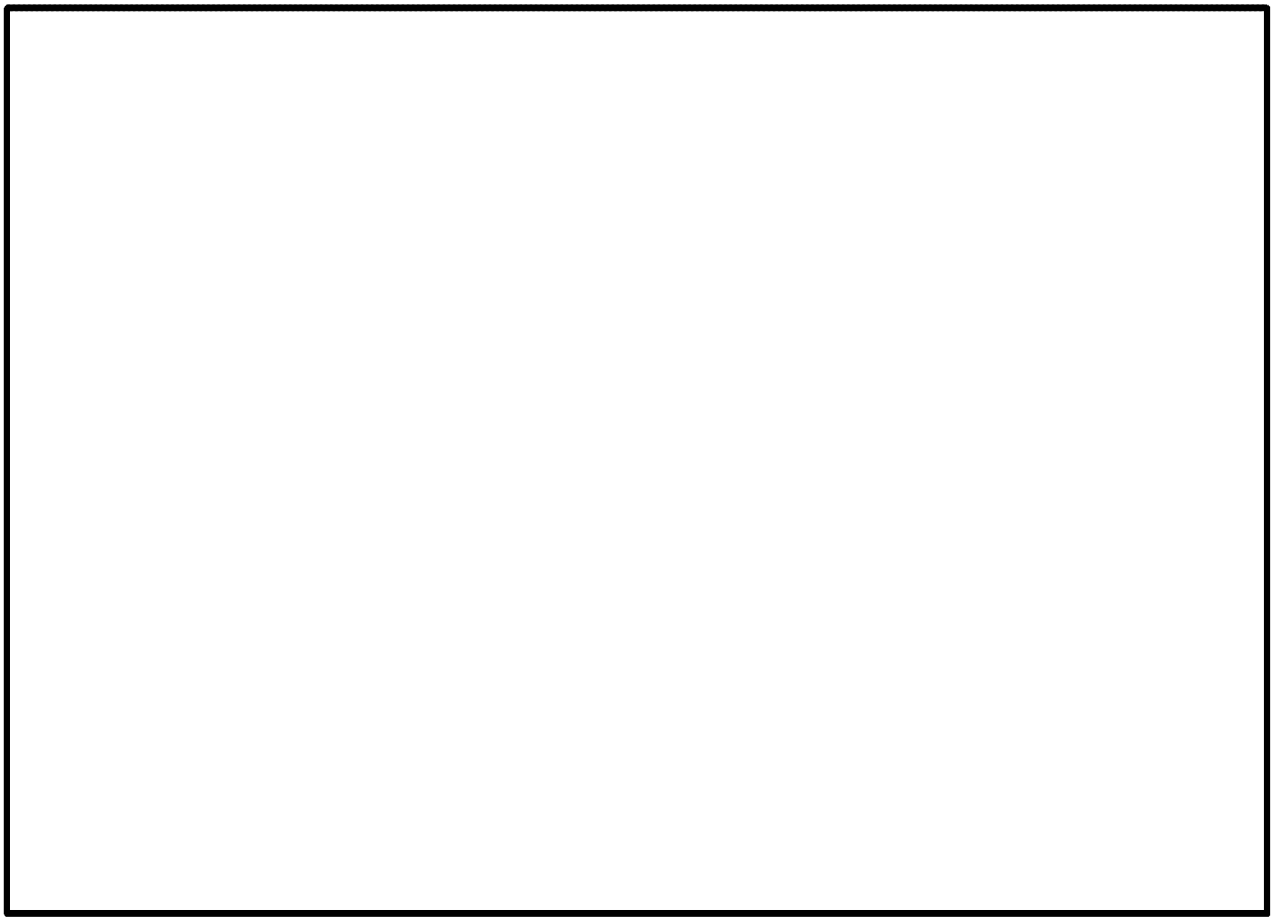
Project 3: Limited Service Hotel

The applicant presents the following proposed project:



Project 4: Multifamily Residential Community

The applicant presents the following proposed project:



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[redacted]

B. Economic Impact Analysis (dated 3/26/12)

The applicant submitted an updated economic impact analysis (dated 03/26/12) conducted by Evans, Carroll, & Associates (Evans-Carroll). We address the entire updated analysis in the following sections.

Requested NAICS:

The following table presents the industries used in the analysis and their applicability to the proposed projects.

NAICS	Industry	Applicable?
[redacted]		

Project 1: Surgery Center and Medical Office Building

The analysis calculates the potential effect of constructing and operating a hospital and medical center within the EB-5 regional center's proposed geographic scope of the counties of Durham, Johnston, Orange, and Wake.

Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II calibrated for the counties of Durham, Johnston, Orange, and Wake.

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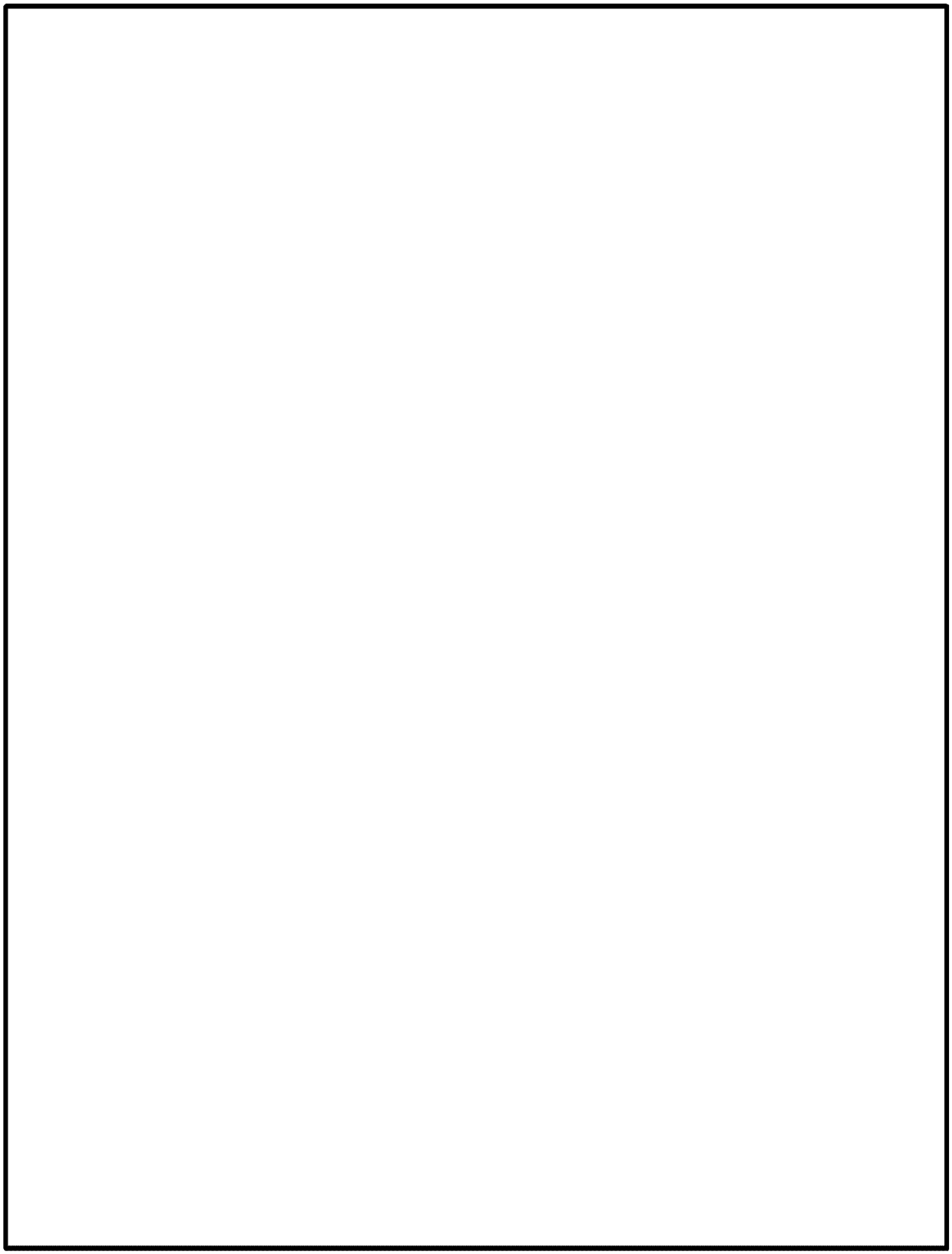
Project 2: Grocery-Anchored Shopping Center

The analysis calculates the potential effect of constructing a grocery-anchored shopping center within the EB-5 regional center's proposed geographic scope of Durham, Johnston, Orange, and Wake Counties.

Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II calibrated for the counties of Durham, Johnston, Orange, and Wake.



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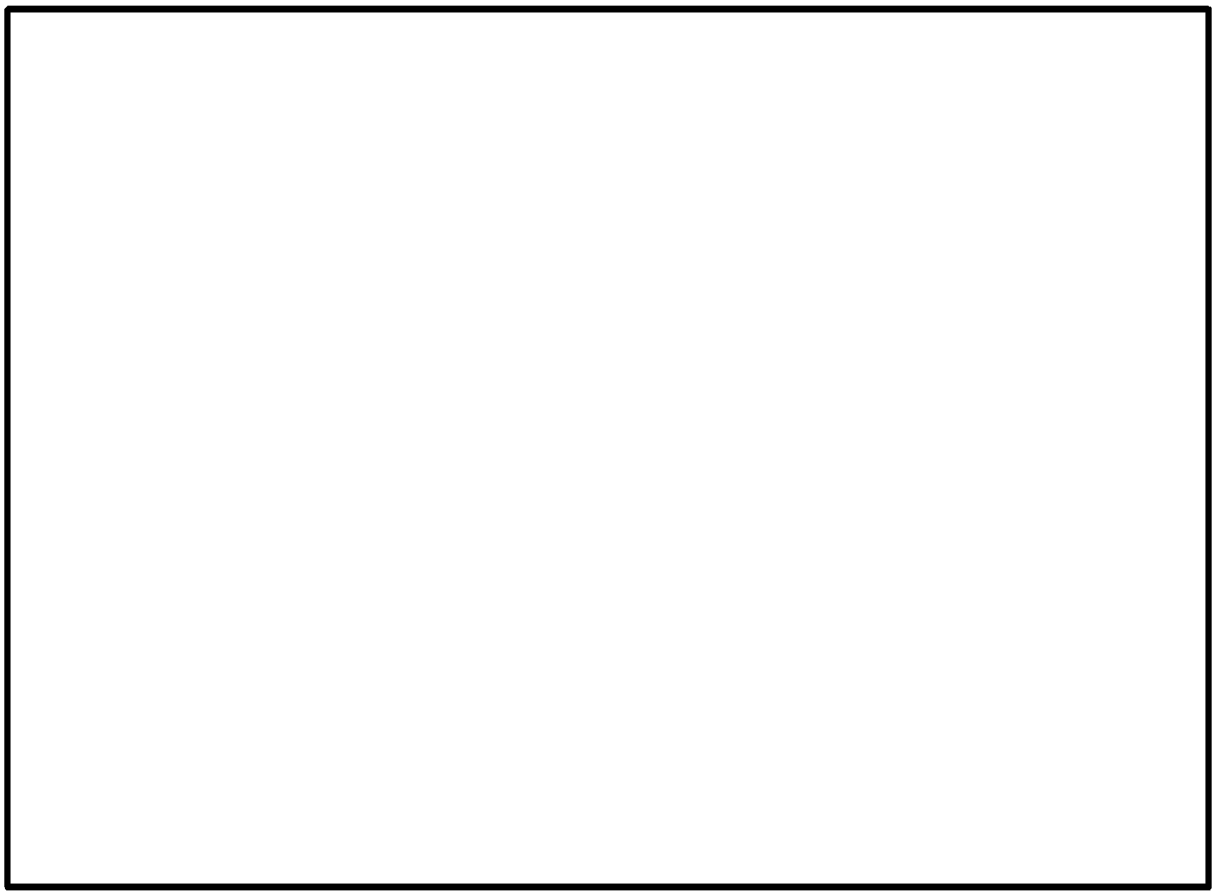




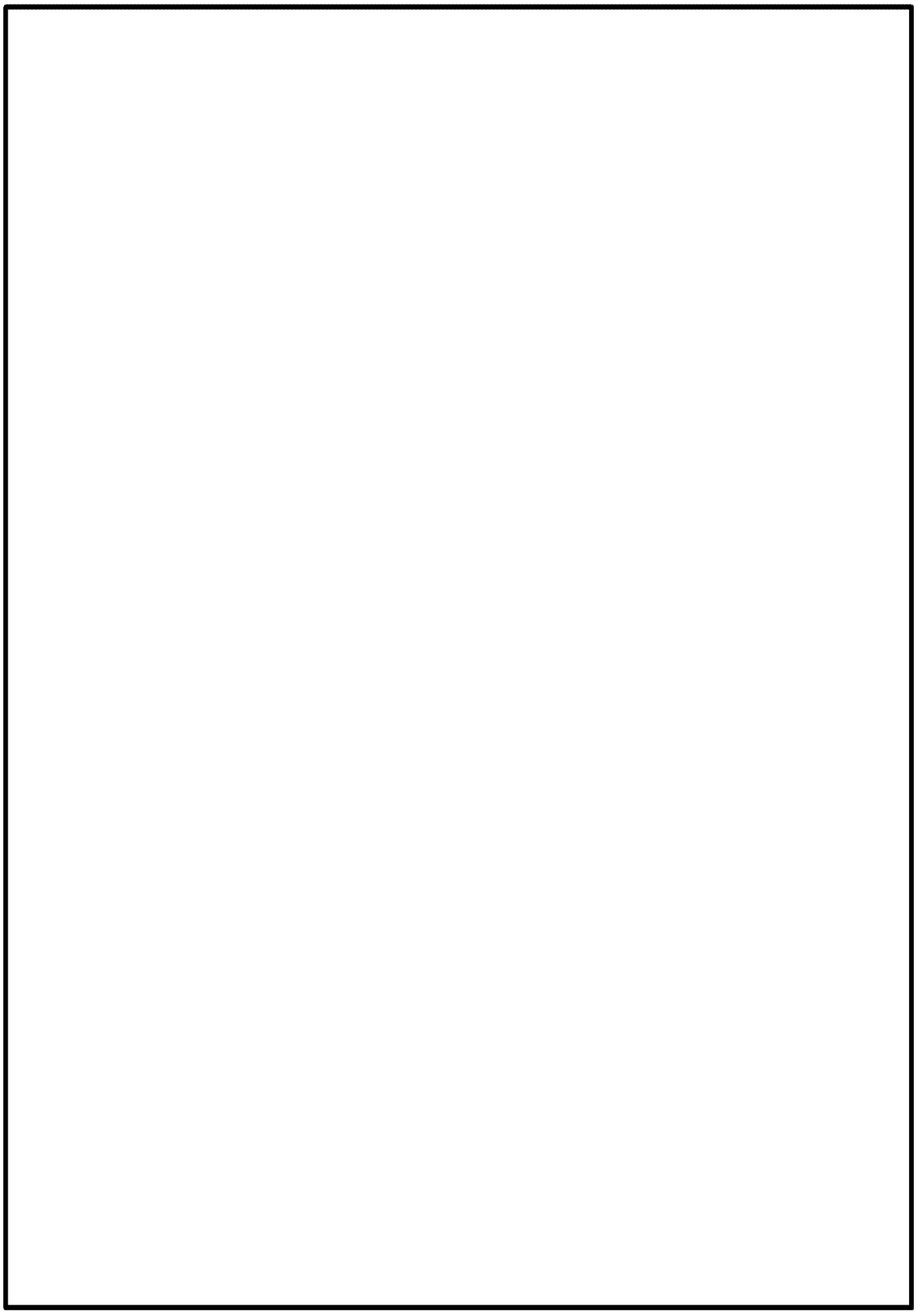
Project 3: Limited Service Hotel

The analysis calculates the effect of constructing and operating a limited service hotel within the EB-5 regional center's geographic scope.

Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II in the economic analysis. The applicant does not clearly explain for which region(s) the model is calibrated.



(b)(4)

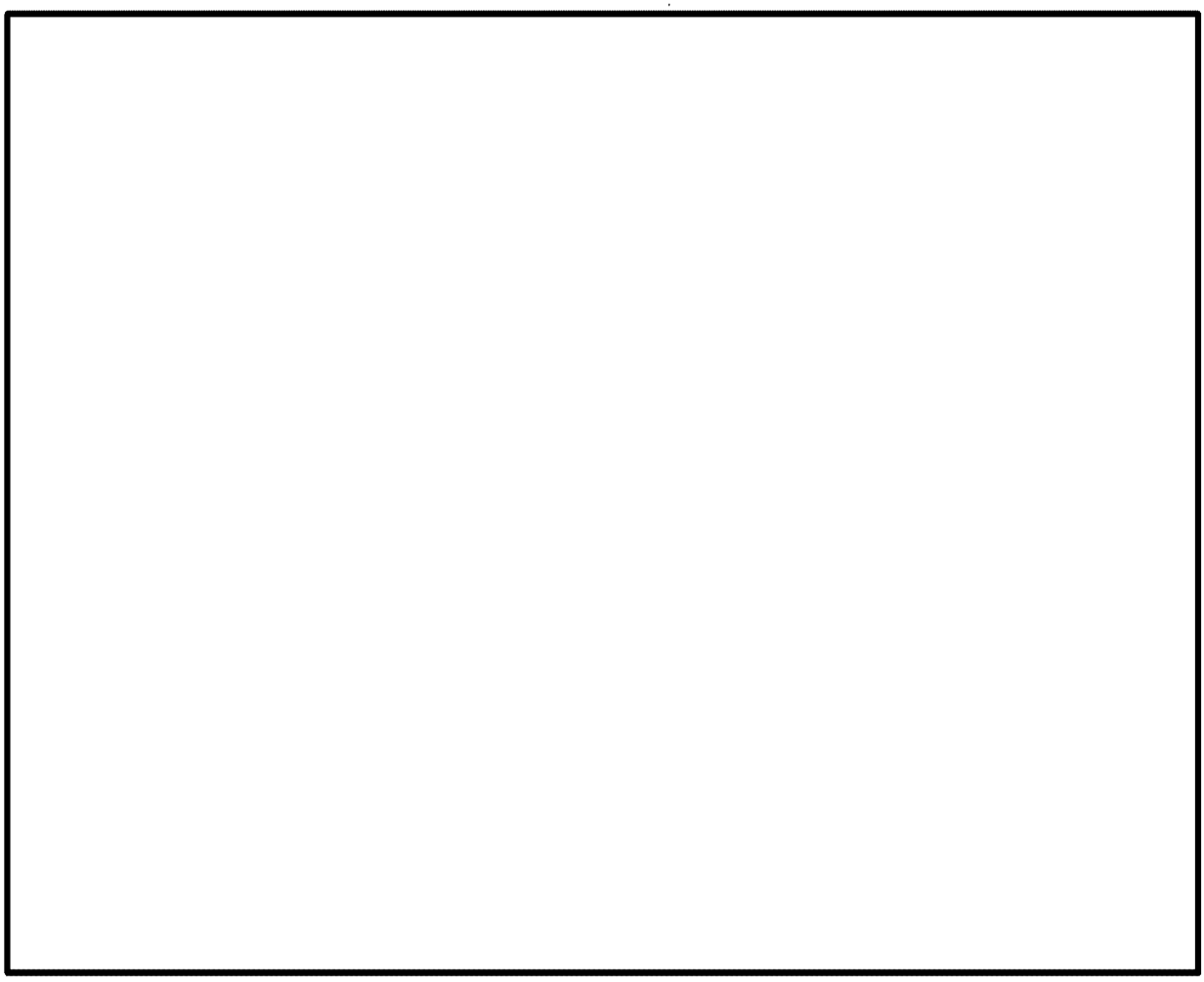




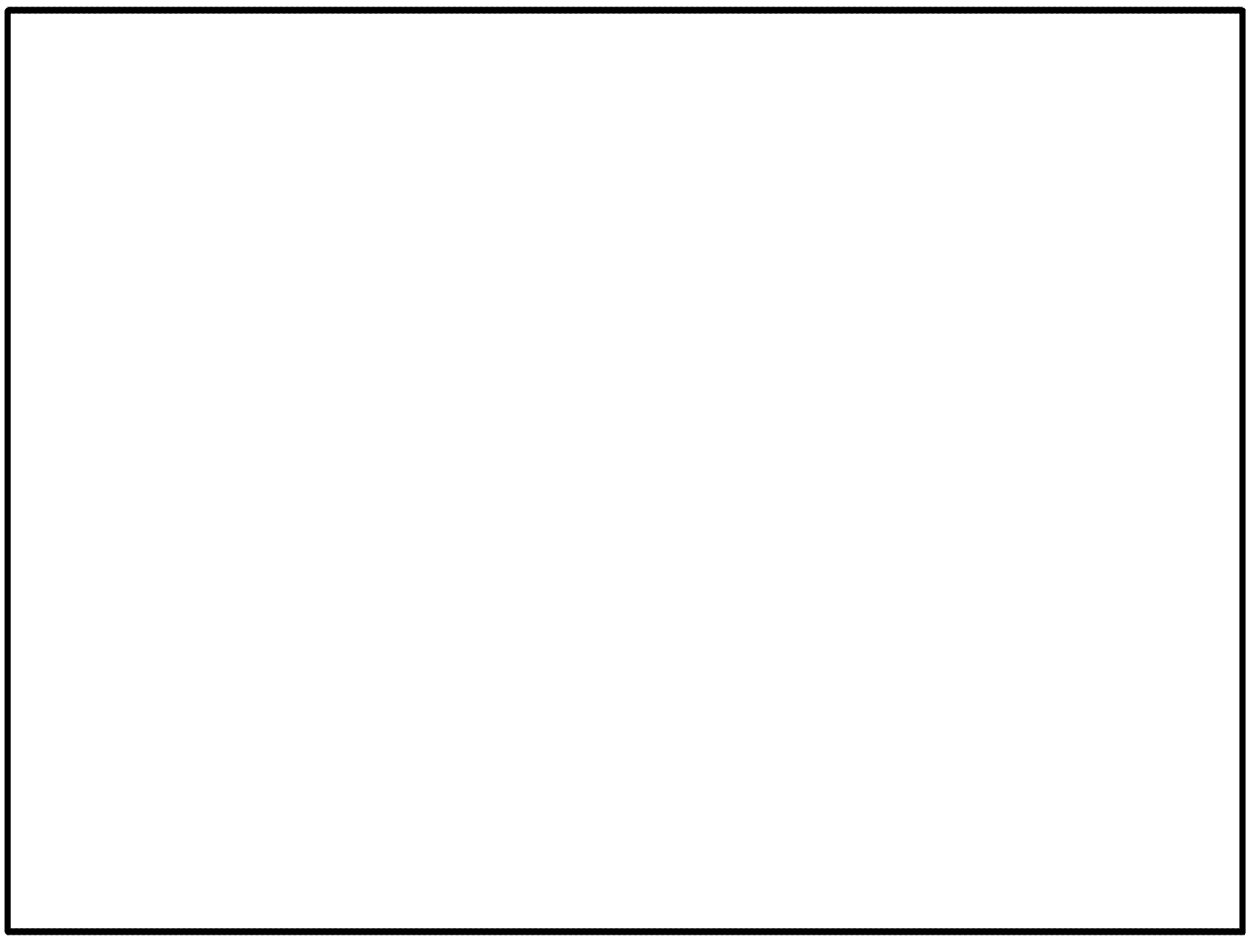
Project 4: Multifamily Residential Community

The analysis calculates the effect of constructing and operating a multifamily residential community within the EB-5 regional center's geographic scope.

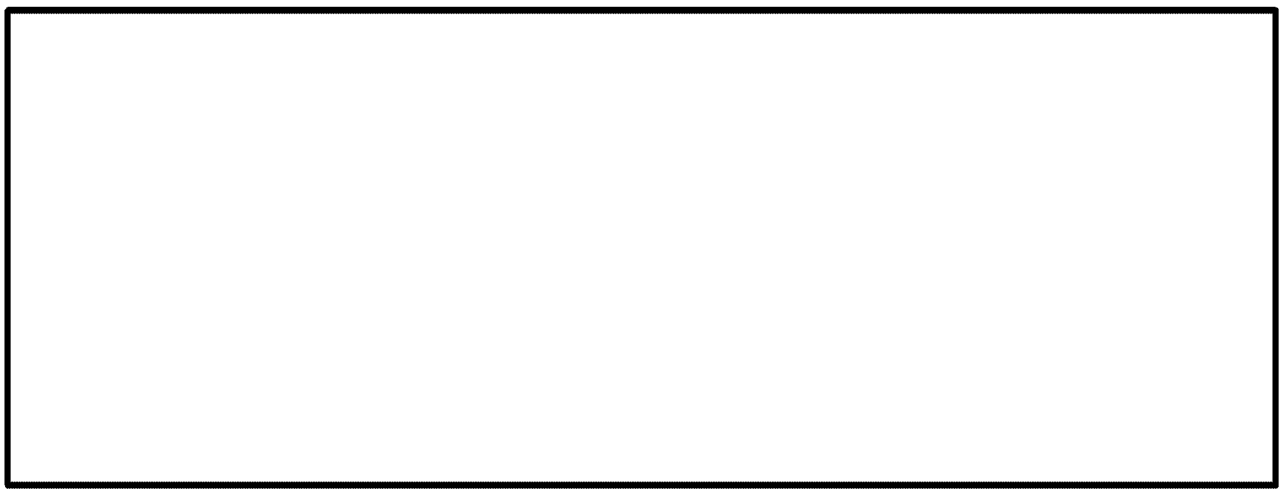
Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II in the economic analysis. The applicant does not clearly explain for which region(s) the model is calibrated.



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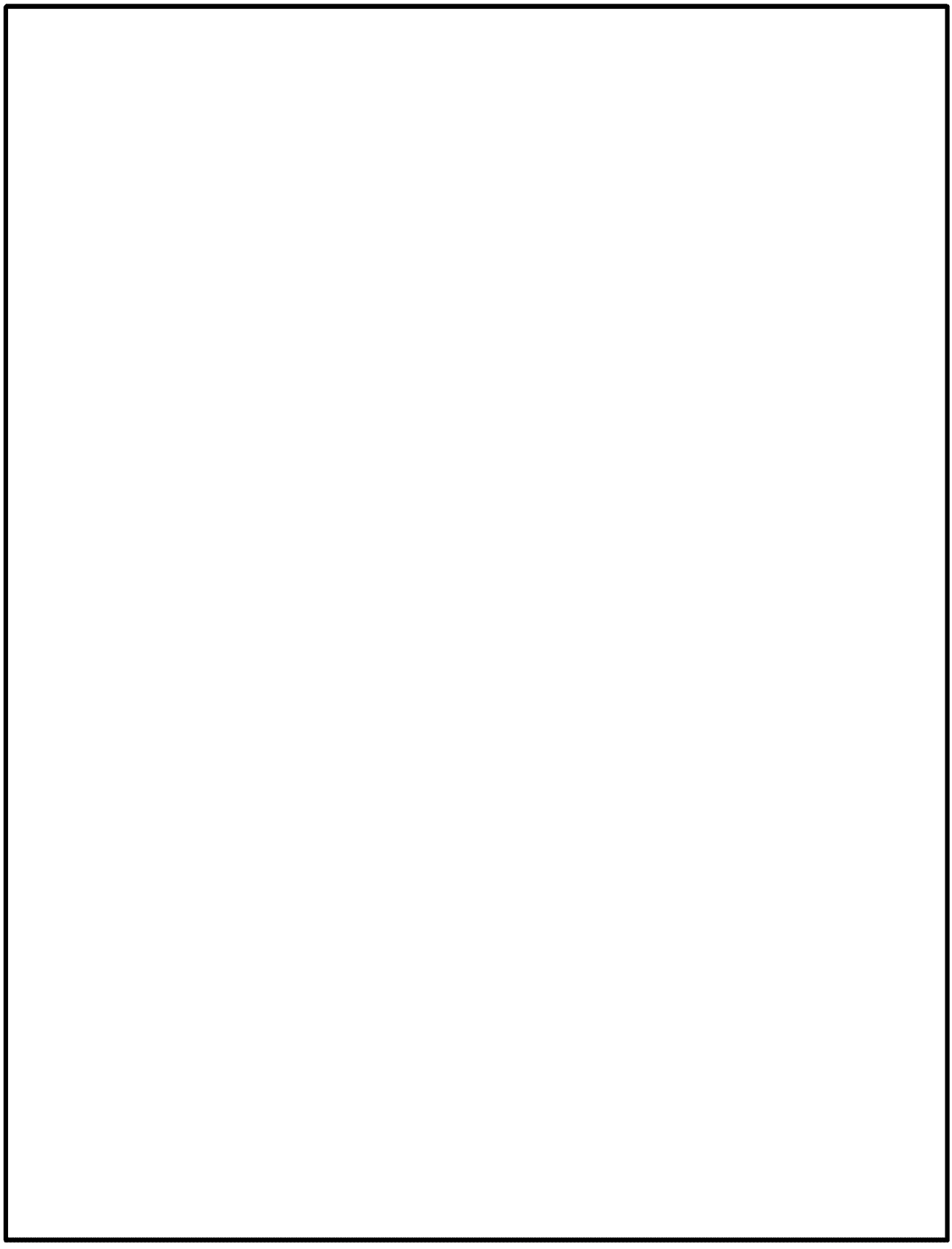
Issue #2: Evidence and Analysis Requested to Establish Eligibility; Reasonable Methodology: Evidence of Demand or Other Economic Factors that Demonstrate an Economically Acceptable Relationship Between the Investment and the Jobs Created by the Investment.



(b)(4)

(b)(4)

Encore Raleigh/Durham Regional Center/RCW1201850576/ID1201850576
Page 17



ATTACHMENT TO I-797

(b)(4)

[redacted]

Issue #3: Regional Center's Operational Plan [8 CFR 204.6(m)(3)(iii) and 8 CFR 204.6(m)(6)]

A Regional Center proposal should have at least two business plans. One for the Regional Center's Operational Plan and an actual or exemplar business plan for a project in each of the defined target industries in the proposal.

[redacted]

Issue#4: Administrative Oversight [8 CFR 204.6(m)(6)]

[redacted]

(b)(4)

Note: 8 CFR 204.6(m)(6) requires that an approved Regional Center must continue to meet the statutory requirements of the Pilot Program. Please note that commencing with fiscal year 2011 (October 1, 2010 – September 30, 2011), each approved Regional Center must comply with the Form I-924A Supplement reporting requirements.

Issue#5: Review of the Commercial Enterprise's Organizational Documents

A Regional Center may provide documentation for USCIS to review for EB-5 compliance within a Regional Center proposal, to include:

- Operating Agreements
- Partnership Agreements
- Subscription Agreements
- Escrow Agreements and Instructions (one for capital and one for any service fees)
- An Offering Memorandum, Private Placement Memorandum, or similar investment offering
- Memorandum of Understanding, Interagency Agreement, Contract, Letter of Intent, Advisory Agreement, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center
- Organizational Documents, such as Articles of Incorporation, state registration documents, etc.

[redacted]

(b)(4)

Issue #6: Regional Center Request for Approval of an Exemplar I-526 Project

[redacted]

A. Business Plans

All regional center proposals should include a business plan to demonstrate job creation for EB-5 purposes.

In Matter of Ho, 22 I. & N. Dec. 206, Assoc. Comm'r 1998, the Administrative Appeals Office held that a "comprehensive business plan as contemplated by the regulations should contain, at a minimum, a description of the business, its products and/or services, and its objectives." Elaborating on the contents of an acceptable business plan, the decision states the following:

> "The plan should contain a market analysis, including the names of competing businesses and their relative strengths and weaknesses, a comparison of the competition's products and pricing structures, and a description of the target market/prospective customers of the

> new commercial enterprise. The plan should list the required permits and licenses obtained. If applicable, it should describe the manufacturing or production process, the materials required, and the supply sources. The plan should detail any contracts executed for the supply of materials and/or the distribution of products. It should discuss the marketing strategy of the business, including pricing, advertising, and servicing. The plan should set forth the business's organizational structure and its personnel's experience. It should explain the business's staffing requirements and contain a timetable for hiring, as well as job descriptions for all positions. It should contain sales, cost, and income projections and detail the bases therefor. Most importantly, the business plan must be credible."

Further, a "comprehensive business plan" will demonstrate that "due to the nature and projected size of the new commercial enterprise, the need for not fewer than ten (10) qualifying employees will result, including approximate dates, within the two years subsequent to the filing of the I-526, and when such employees will be hired." To be considered "comprehensive," a business plan must be sufficiently detailed to permit the Service to reasonably conclude that the enterprise has the potential to meet the job-creation requirements.

B. Examples of Projects

Business plans may generally be reviewed in conjunction with a Form I-924 application as one of the following three types of projects:

1. **Hypothetical Project:** A hypothetical project is a project used to demonstrate how an actual investment project will be capitalized and operated in a manner that will create at least 10 direct or indirect jobs per alien investor for a particular industry segment. Although only proposals, hypothetical projects must still show credible job creation and economic impact projections in order to meet the requirements of a regional center, i.e. how the regional center will create jobs in verifiable details utilizing reasonable economic methodologies.

2. **Actual Project:** An actual project describes genuine projects that will be the focus of EB-5 capital investments throughout the regional center in each of the NAICS industry categories in order to meet job creation requirements. Although real and intended, an "actual" project may meet the requirements of a regional center, but may still not be ready to meet established EB-5 eligibility requirements.

3. **Actual Project supported by an Exemplar Form I-526:** This type of project is an actual project that the applicant feels certain will meet established EB-5 eligibility requirements and is Matter of Ho compliant as seen above. Generally, this would be a project that has advanced to the stage where work may begin immediately upon approval of the project. It requires the filing of a Form I-526, Immigrant Petition by Alien Entrepreneur, with all supporting documentation to determine

if it is in compliance with established EB-5 eligibility requirements. If approved, an exemplar I-526 project will be included in the I-924 Regional Center approval notice by name.

If the business plan submitted with any subsequently filed individual immigrant investors' Form I-526's is the same as what was submitted with this Form I-924, USCIS will give deference to the business plan and the economic analysis that derived the job creation estimates. However, it should be noted that if the business plan and/or the economic analysis is changed at the time of filing an I-526, USCIS will review the new business plan and/or economic analysis to determine if it qualifies, as this would be a change to what is being approved within this Form I-924.

C. Clarification of the Applicant's Proposed Project

Please clarify at this time, if the applicant wishes the project described in the application to be considered as a "hypothetical" project, an "actual" project, or as an "an actual project supported by an exemplar Form I-526.".

If the applicant wishes to have their project(s) considered as a "hypothetical" or "actual" project, individual I-526 petitions may be filed at a later date with more details required at that time concerning the project if the I-924 is approved. Or, the applicant may file an I-924 Amendment after receiving regional center designation, requesting USCIS review and approval of an exemplar I-526 project that is Matter of Ho compliant.

If, however, the applicant is seeking USCIS review and approval of the current project as an "an actual project supported by an exemplar Form I-526", a completed Form I-526, is required. Also, the applicant must provide additional evidence of a comprehensive business plan in order to be Matter of Ho compliant.

If USCIS determines that the "actual project supported by an exemplar Form I-526" is not Matter of Ho compliant, but complies with the lesser standard similar to a "hypothetical" or "actual" project, the I-924 may be approved without including the project by name in the I-924 approval letter.

Please include one of the following two options in response to this request for evidence in order to clarify the type of project being requested for each business project presented in the I-924 proposal:

1. Please review the project as a "hypothetical" or "actual" project as it is not Matter of Ho compliant at this time. It is understood that the project will not be specifically named in the I-924 approval notice. It is also understood that either individual I-526 petitions or an I-924 Amendment with an exemplar I-526 will be filed at a later date with more details required at that time to comply with the Matter of Ho standards.

2. Please review the project as an "actual project supported by an exemplar Form I-526" that is Matter of Ho compliant. If approved, it is understood that the project will be mentioned by name in the I-924 approval notice. If USCIS determines that the project is not Matter of Ho compliant, but

complies with the lesser standard similar to a "hypothetical" or "actual" project, it is understood that the I-924 may be approved without mentioning the project by name in the I-924 approval letter.

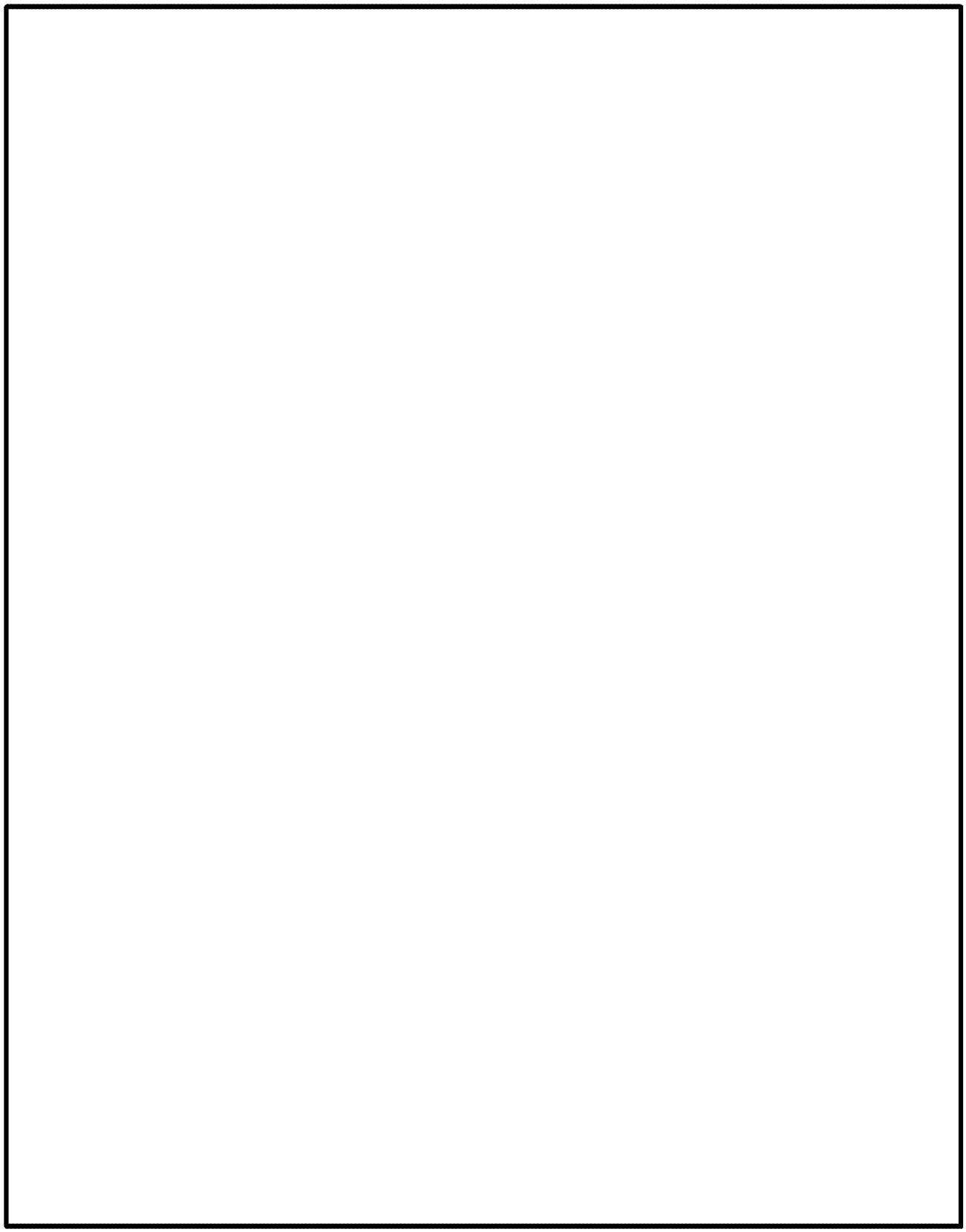
D. Review of the Actual Project Supported by an Exemplar Form I-526 for Matter of Ho Compliance.

If the project(s) is to be reviewed as an "actual project supported by an exemplar Form I-526" please provide a Form I-526, Immigrant Petition by Alien Entrepreneur, with all supporting documentation in order to determine if the project is in compliance with EB-5 eligibility requirements; and a comprehensive business plan that establishes EB-5 compliance pursuant to Matter of Ho.

(b)(4)

3. **Marketing and Strategy of the Business**

(b)(4)



(b)(4)

IV. Conclusion

NOTES:

Any document submitted to the USCIS containing a foreign language, must be accompanied by a full English language translation that has been certified by the translator as complete and accurate, and that the translator is competent to translate from the foreign language into English. Submit clear and legible copies of all requested evidence. If clear and legible copies are not possible, submit the original documents. These originals will be returned, if requested.

Please provide an index of any submitted evidence and include corresponding tabs for each section of evidence.

(b)(4)

Law Office M. Ford
8004 Ashby Court
Plano, TX 75025
Tel: (972)712-5524
Markmford@aol.com

Via Federal Express (899364804037)

April 20, 2012

USCIS/California Service Center
Attn: District Director Rosemary Levine
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

RE: **Receipt Number: RCW1201850576**
Regional Center Name: Encore Raleigh/Durham Regional Center

Addendum and Change of Attorney

Dear District Director Levine:

Encore Raleigh/Durham Regional Center ("ERDRC") hereby submits the enclosed addendum to Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program. This application was received by USCIS on January 18, 2012 (RCW1201850576). Please see attached copy of receipt.

Encore is submitting this addendum addressing the fact that the proposed Regional Center now covers only four (4) counties rather than seven (7) in North Carolina as originally filed. The support letter from the Regional Center addresses this fact.

Furthermore, please note that Brian Graham, Esq. of Strasburger & Price, LLP no longer represents the Regional Center. At this time, the Regional Center has retained the legal services of M. Ford, Esq. of Law Office of M. Ford. To wit, an executed G-28 as Notice of Appearance of Record is included herein and accordingly all communications regarding this matter should be directed to my attention.

Please contact me if you have any questions.

Thank you,

M. Ford, Esq.

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797, Notice of Action

THE UNITED STATES OF AMERICA

RECEIPT NUMBER		CASE TYPE 1924
RCW1201850576		Application for Regional Center Under the Immigrant Investor Pilot Program
RECEIVED DATE January 18, 2012	APPLICATION TYPE: A (INITIAL)	REGIONAL CENTER NAME ENCORE RALEIGH/DURHAM REGIONAL CENTER
NOTICE DATE January 18, 2012	PAGE 1 of 1	REGIONAL CENTER ID ID1201850576
BRIAN GRAHAM STRASBURGER & PRICE LLP RE: ENCORE RALEIGH/DURHAM REGIONAL CENTER 600 CONGRESS AVE STE 1600 AUSTIN TX 78701		NOTICE TYPE: Receipt Notice

Receipt Notice - This notice confirms that USCIS has accepted your "Application for Regional Center Under the Immigrant Investor Pilot Program" (Form I-924) for processing. This notice does not grant any immigration status or benefit. This notice does not grant any immigration status or benefit.

Processing Time – The current processing time for this type of case is estimated at 120 days. Unlike many other USCIS case types, verification or tracking of this case is not available on our website. We will notify you by mail when we make a decision on this case or if we need further evidence to establish your eligibility for the regional center designation.

Unique Identifier – In the top portion of this Notice, you will find a unique identifier that has been assigned to your Form I-924. Unlike a receipt number which changes with every filing, this unique identifier is *permanently* assigned to your approved or prospective regional center, and will be associated with any future request to amend the regional center. Please refer to your regional center's unique identifier as well as to the Form I-924 receipt number in all subsequent correspondence with USCIS regarding this application.

E-Mail Communication Regarding Your Pending Form I-924 Application – USCIS has established a direct e-mail communication tool to facilitate communication between USCIS and those applicants with pending Form I-924s. Form I-924 applicants may use the e-mail communication process to correspond with USCIS regarding pending Form I-924 applications, to include questions that may arise if USCIS issues a Request for Evidence (RFE) or a Notice of Intent to Deny (NOID). USCIS may also reach out to Form I-924 applicants via e-mail to informally ask for clarification on certain issues in order to facilitate USCIS' review, understanding, and adjudication of the Form I-924 application. USCIS may also e-mail a courtesy copy of the RFE or NOID to the e-mail address listed on the I-924 and, if applicable, to the e-mail address listed on the Form G-28 associated with the application.

Please use the following table to determine which email address has been assigned to your Form I-924.

If your unique identifier ends in the number:	Then please utilize this email address:
0, 1, or a 2	CSC-EB5-RCID0-2@dhs.gov
3, 4, or 5	CSC-EB5-RCID3-5@dhs.gov
6 or 7	CSC-EB5-RCID6-7@dhs.gov
8 or 9	CSC-EB5-RCID8-9@dhs.gov

Example: If a regional center's unique identifier is IDxxxxxxxxx0, then the regional center's Form I-924 has been assigned to email account CSC-EB5-RCID0-2@dhs.gov, as the unique identifier ends in "0".

E-Mail "Subject Line" Advisory - Please ensure that the subject line in your email correspondence contains the following information in this order: (1) Regional Center Unique Identifier; (2) Receipt Number; (3). Regional Center Name. Doing so will facilitate USCIS' timely handling of and response to your email correspondence.

E-mail Scope - This e-mail communication tool is to be used solely to facilitate communication between applicants with a pending Form I-924 and USCIS. The scope of the communication must relate to matters concerning the pending Form I-924. The direct e-mail communication initiative it is not a forum for general policy and legal questions about adjudicative procedures or decisions, or for questions relating to either "Immigrant Petition by Alien Entrepreneur" (Form I-526), "Petition by Entrepreneur to Remove Conditions" (Form I-829), or any "Appeal or Motion" (Form I-290B). USCIS will not respond to e-mails received concerning issues unrelated to the currently pending Form I-924. For more information about how to make other EB-5 inquiries, visit the EB-5 Inquiries page on the USCIS website (www.uscis.gov). USCIS will not respond to e-mails received concerning issues unrelated to the currently pending Form I-924 via this email communication process.

General Questions - USCIS has a page entitled EB-5 Inquiries at www.uscis.gov that outlines how the public may make other inquiries on EB-5 related matters, to include inquiries that you may have after the Form I-924 has been adjudicated. This page clarifies the EB-5 inquiries that are appropriate to send to the general EB-5 mailbox (at uscis.immigrantinvestorprogram@dhs.gov), and other avenues that can be used to send questions or inquires to USCIS that are not suitable for the general EB-5 mailbox.

Attorney Or Accredited Representative - If a valid Form G-28 is associated with the Form I-924, USCIS will need to have a viable Form G-28 e-mail address for the legal representative in order to use the e-mail process to correspond with the Form I-924 applicant. If a valid Form G-28 is associated with the Form I-924 applicant, but USCIS does not have a viable Form G-28 e-mail address, then one will need to be obtained prior to USCIS sending any out-going e-mail correspondence to the applicant which discuss issues related to the Form I-924. In such circumstance, the legal representative should provide an updated Form G-28 with a valid e-mail address by sending a pdf of a fully executed Form G-28 to the EB-5 mailbox at uscis.immigrantinvestorprogram@dhs.gov.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
P.O. BOX 30111
LAGUNA NIGUEL CA 92607-0111
Customer Service Telephone: (800) 375-5283



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ENCORE RALEIGH/DURHAM REGIONAL CENTER
5005 LBJ FREEWAY, SUITE 1200 * DALLAS, TX 75244
PHONE: 214-259-7000 * FAX: 214-259-7001
WEBSITE: www.encore.bz

April 26, 2012

USCIS/California Service Center
Attn: EB-5 Processing Unit
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

RE: **Receipt Number: RCW1201850576**
Regional Center Name: Encore Raleigh/Durham Regional Center

Addendum

Dear Officer:

We hereby submit this addendum to our earlier filed I-924 application which was received by USCIS on January 18, 2012 (RCW1201850576). Please see attached copy of receipt. The original application was submitted to designate the Encore Raleigh/Durham Regional Center ("ERDRC") as an approved Regional Center under the Immigrant Investor Pilot Program and in accordance with your regulations at 8 C.F.R. §204.6 and 8 CFR §216.6 (the "EB-5 Regulations").

Change in geographic areas:

The purpose of this addendum is to address a change in geographic county areas. Our proposed Regional Center now only covers four (4) counties rather than seven (7) in North Carolina as originally filed with the Service.

Change in Economic Analysis:

EGIM has retained Dr. Michael Evans of Evans, Carroll & Associates Inc. who prepared the accompanying economic study. The economic analysis used in the economic study relies on RIMS II, a statistically valid forecasting tool that describes how jobs will be created for each industrial category of economic activity.

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The specific industry category titles and the North American Industry Classification System (NAICS) codes for ERDRC's job creation targets are as follows:

List of NAICS Codes Used in Model	
2361	Residential Building Construction
2362	Construction of Nonresidential Buildings
6228	Hospitals
6221	General Medical and Surgical Hospitals
6211	Offices of Physicians
5310	Real estate
5311	Lessors of Real Estate
4A00	Retail trade
4451	Grocery Stores
4481	Clothing Stores
4482	Shoe Stores
45111	Sporting Goods Stores
451211	Book Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
7211	Hotels and motels, including casino hotels - Traveler Accommodation
7220	Food services and drinking places
713B	Other amusement and recreation industries
48A0	Scenic and sightseeing transportation and support activities for transportation

In accordance with USCIS regulations, EGIM will raise and deploy EB-5 capital into multiple, new commercial enterprises ("NCEs") and job creating entities ("JCEs") located within the territory of the ERDRC Regional Center.

Our initial evidence submitted with this application addresses each of the following requirements:

I. The Regional Center is focused on a specific, contiguous geographic area

Appendix A of the Operational Business Plan describes the geographic boundaries of the proposed Regional Center. The geographic area of the proposed Regional Center is a contiguous area consisting of the following four (4) counties in North Carolina:

1. Durham
2. Johnston
3. Orange
4. Wake

A detailed map of the proposed geographic area of the Regional Center can be found in the Operational Business Plan ("Business Plan") at Appendix A as well as the Executive Summary.

(b)(4)

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II. Regional Center representative projects

[redacted]

III. **A minimum of 10 new, full-time jobs will be created by each individual alien investor within the Regional Center**

Project 1: [redacted]

Project 2: [redacted]

Project 3: [redacted]

(b)(4)

(b)(4)

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Project 4:

Economic Analysis and Operational Business Plan

(b)(4)

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IV. The Regional Center Operational Business Plan addresses promotional activities, budgeting, recruitment and due diligence.

V. The Regional Center Operational Business Plan predicts the prospective impact of investment projects with respect to increases in household earnings, greater demand for services & utilities, and construction.

The economic impact of ERDRC's investment projects is expected to increase household earnings, demand for services and utilities, and construction within the Regional Center geographic area as described in the economic analysis submitted as Appendix B to the Operational Business Plan.

VI. The Regional Center Operational Business Plan fully describes the organizational structure of the proposed Regional Center.

A description of the organizational structure, including charts and diagrams, may be found in the Operational Business Plan in the EXECUTIVE SUMMARY section, with more detailed information in the BUSINESS MODEL and MANAGEMENT TEAM sections. We show that the capital investment offering instruments, business structure, and operating agreements of the proposed commercial enterprises that will be affiliated with the Regional Center are compliant with the EB-5 statutory and regulatory requirements, as well as the binding EB-5 precedent decisions.

As documentation of the above we include:

A. A description and documentation of the business structure of both the Regional Center entity and the commercial enterprises that are or will be affiliated with the Regional Center, such as articles of incorporation, certificate of incorporation, or legal creation as a partnership or limited liability company (LLC), partnership or LLC agreements, etc.

B. Draft subscription agreement for investment into the commercial enterprise
C. Draft escrow agreement and instructions, if any

D. List of proposed financial institutions that will serve as the Escrow Agent, if any

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E. Draft of an offering letter, memorandum, private placement memorandum, or similar offering to be made in writing to an immigrant investor offering capital investments through the Regional Center

F. Draft memorandum of understanding, interagency agreement, contract, letter of intent, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center

VII. Posting of Regional Center information on USCIS website.

Please use the following contact information for our Regional Center on your website:

Name of the Regional Center: Encore Raleigh/Durham Regional Center

Public address:	5005 LBJ Freeway, Suite 1200
Public point of contact:	Patrick J. Barber
Phone/fax:	214-259-7000 / 214-259-7001
Email:	encoreeb5@encore.bz
Website:	www.encoreeb5.com

VIII. List of Enclosures

We hereby submit the following items as part of our addendum to the pending I-924 Regional Center application and request for exemplar approval:

1. Form G-28, Notice of Entry of Appearance as Attorney
2. I-797, Regional Center Receipt Notice
3. Attachment to Form I-924 Continuation Explanation Sheet
4. Index of Exhibits and key documents;
   - **Appendix A:** ERDRC Regional Coverage and Map
   - **Appendix B:** ERDRC Economic Analysis
   - **Appendix C:** ERDRC Pro Forma Financial Statement
   - **Appendix D:** Organizational Documents
   - **Appendix E:** Encore Enterprises History and Background

We look forward to the approval of this application for Regional Center designation for ERDRC. Please contact the undersigned with any questions or concerns.

Respectfully,

Patrick J. Barber
President & CEO

Enclosures

ENCORE ENTERPRISES, INC.
5005 LBJ FREEWAY, SUITE 1200 * DALLAS, TX 75244
PHONE: 214-259-7000 * FAX: 214-259-7001
WEBSITE: www.encore.bz

Continuation/Explanation Sheet
BCIS Form I-924, Application for Regional Center

(b)(4)

Part 3. Information About the Regional Center (continued)

Question #7. Identify each industry that has or will be the focus of EB-5 capital investments sponsored through the Regional Center:

The following is a complete list of Industry Category Titles. For each such title, the Form I-924 application is supported by an economic analysis and underlying Business Plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category.

List of NAICS Codes Used in Model

Part 3 (8d.):

Regional Center

Principals

Agents

(b)(4)

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Continuation/Explanation Sheet
BCIS Form I-924, Application for Regional Center (b)(4)

Part 3 (8e.) Explanation

Principals –

Agents –

Economic Impact of Four Projects in the Raleigh-Durham Area of North Carolina, Including a Hospital, Medical Office Building, Retail Shopping Center, Hotel, and Apartment Community

Prepared for:

Encore Enterprises, Inc. & Encore Global Investments Management, LLC
Dallas, Texas

Prepared by:

Michael K. Evans
Evans, Carroll & Associates, Inc.
2785 NW 26th St.
Boca Raton, FL 33434
561-470-9035

mevans@evanscarrollecon.com

March 26, 2012

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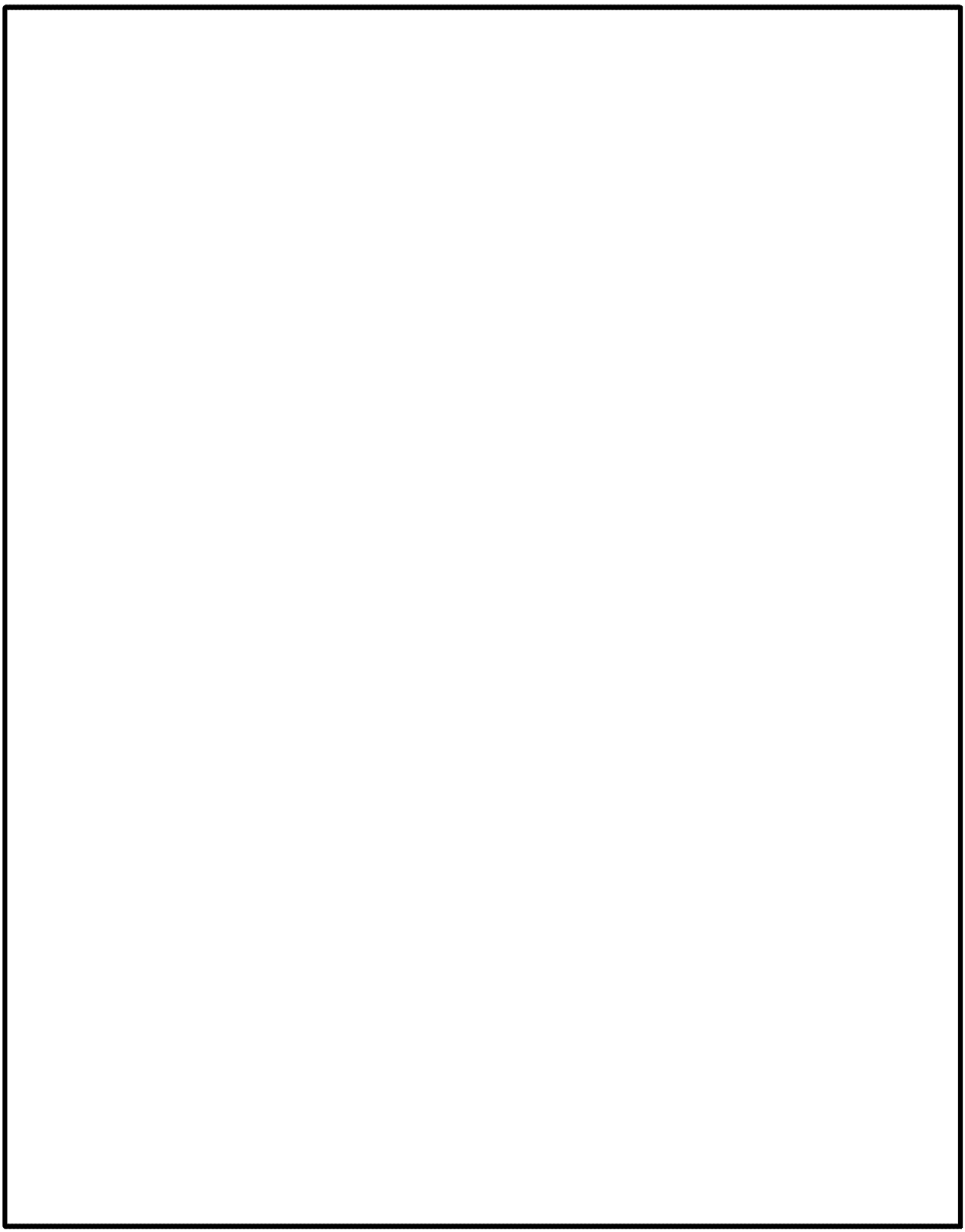
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(b)(4)

1. Executive Summary

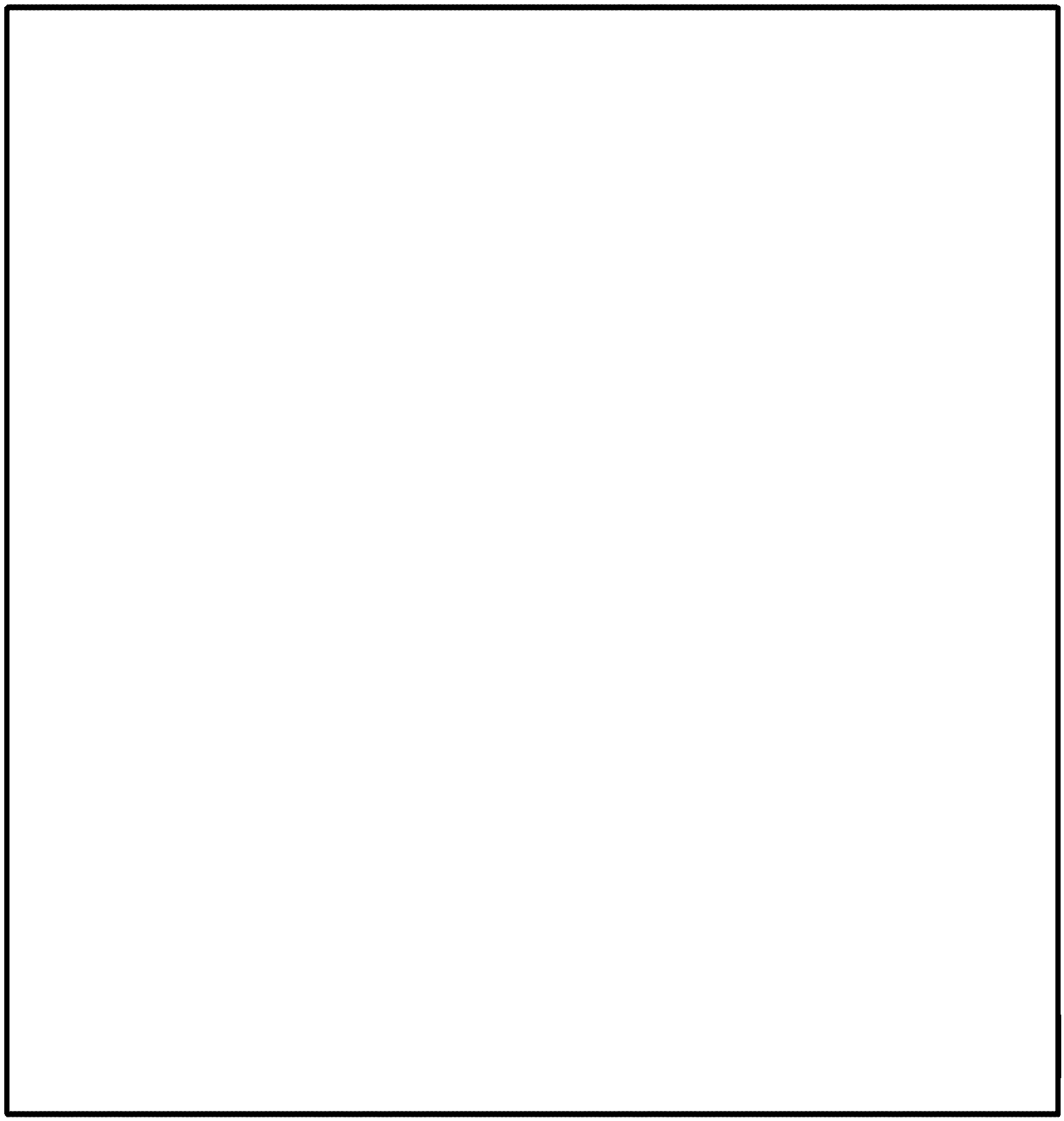




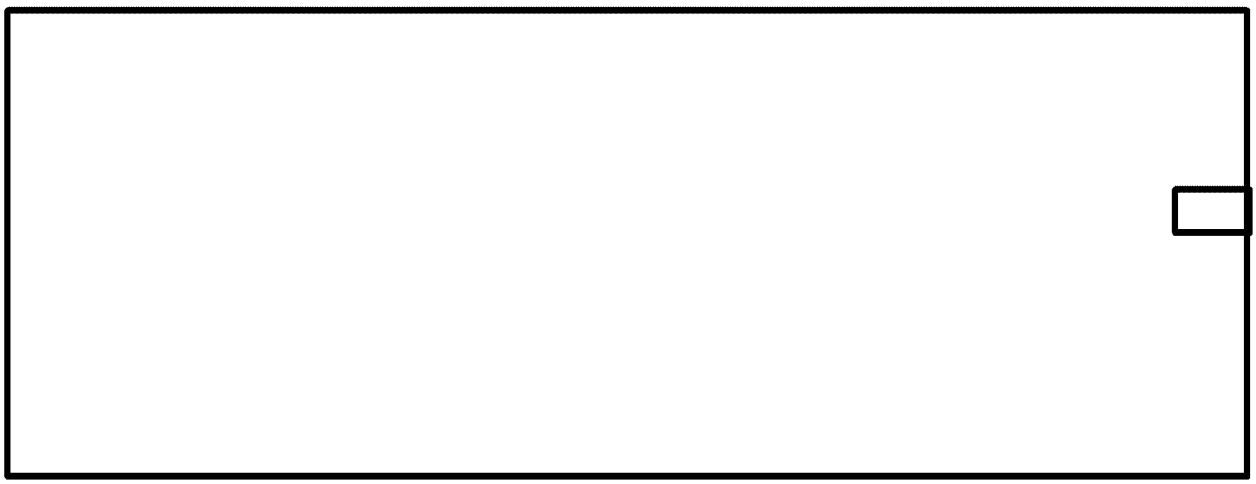
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2. Tabulation of Principal Results

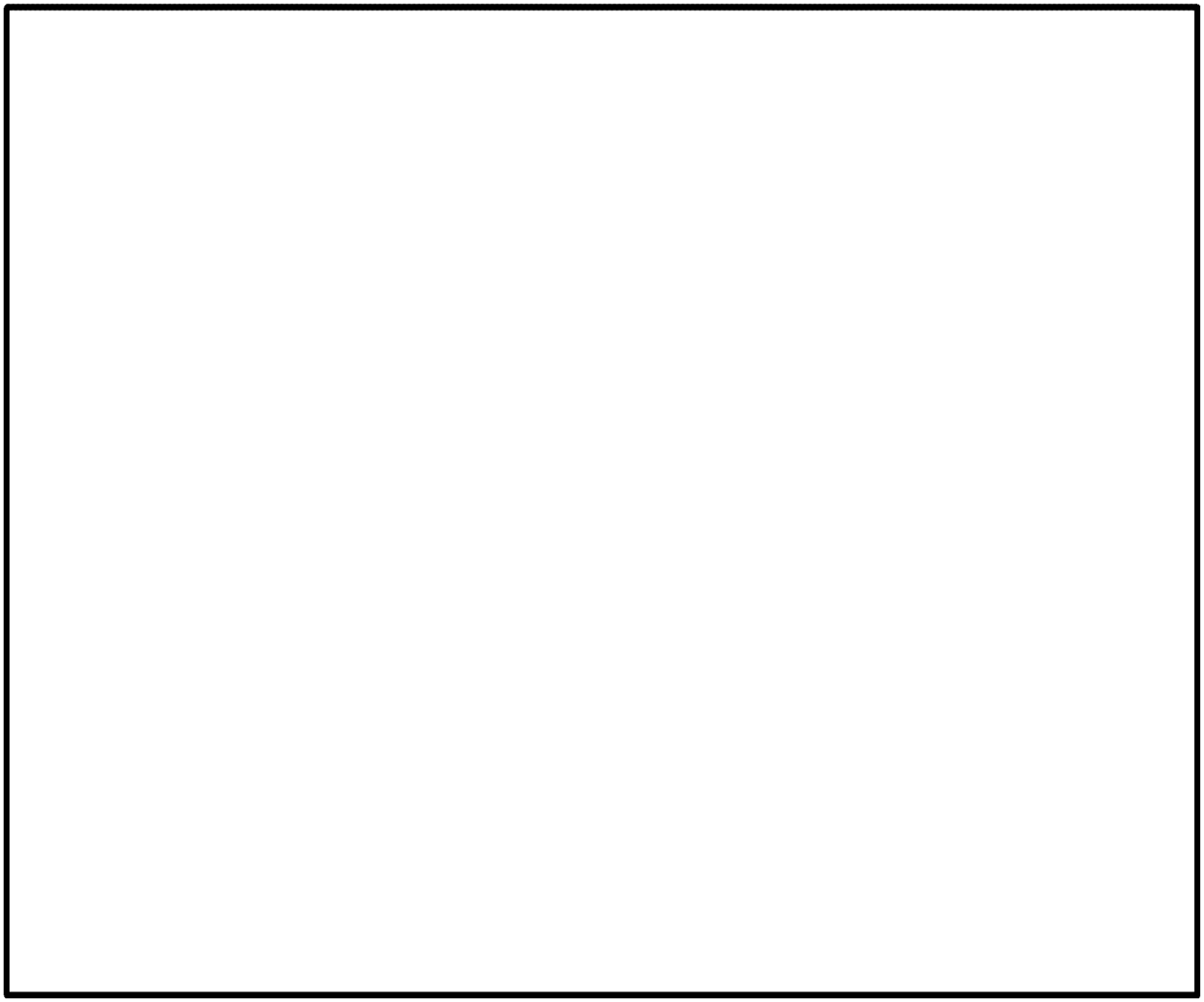
The results for the employment, revenues, household income, and output for key sectors for the first project, which is the hospital and medical office building, are summarized in Table 2-1. For construction, only the indirect and induced jobs are counted; all other sectors include direct jobs. All figures in this table represent permanent new jobs created.

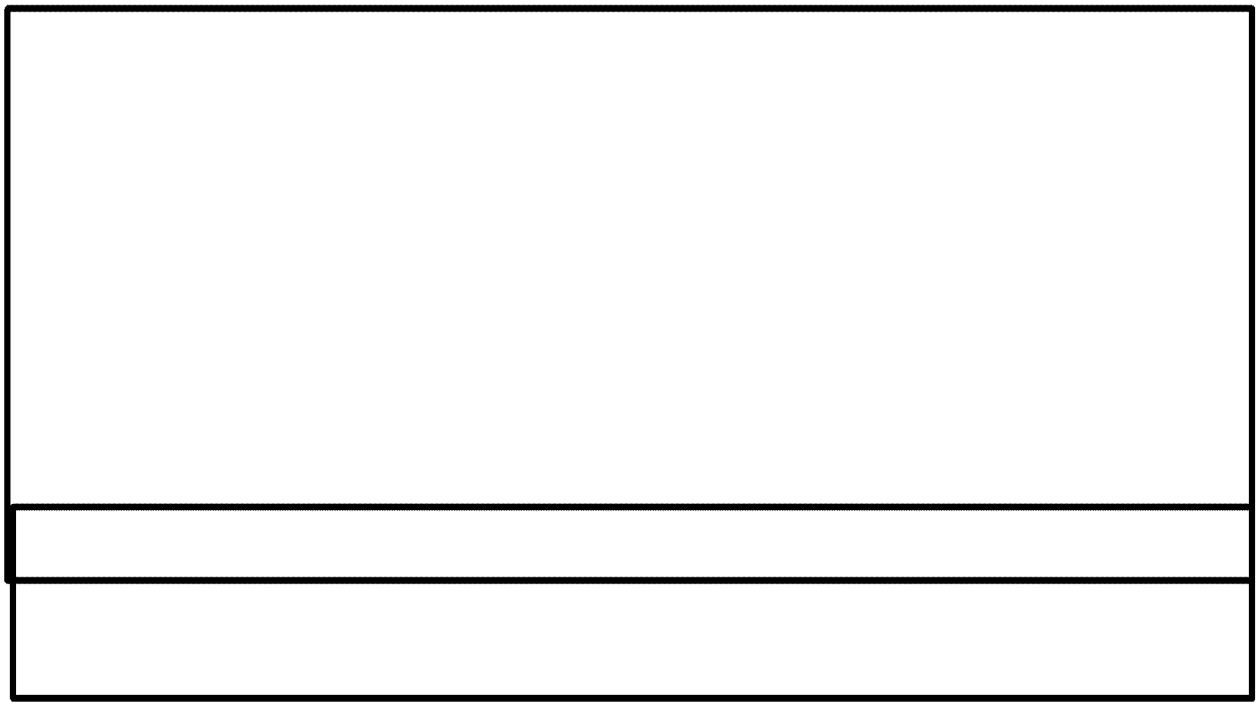


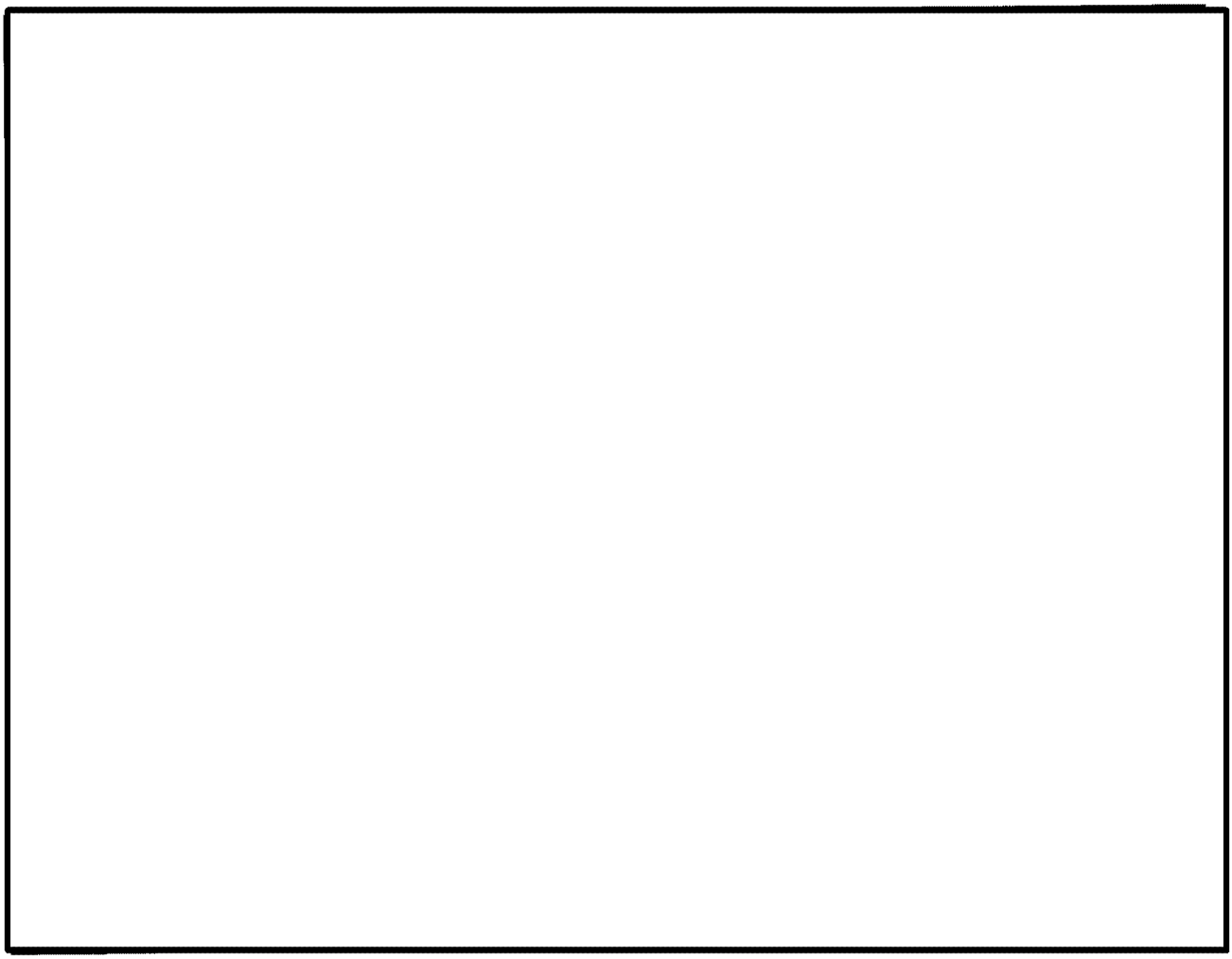
Household Earnings (Labor Income)



Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers

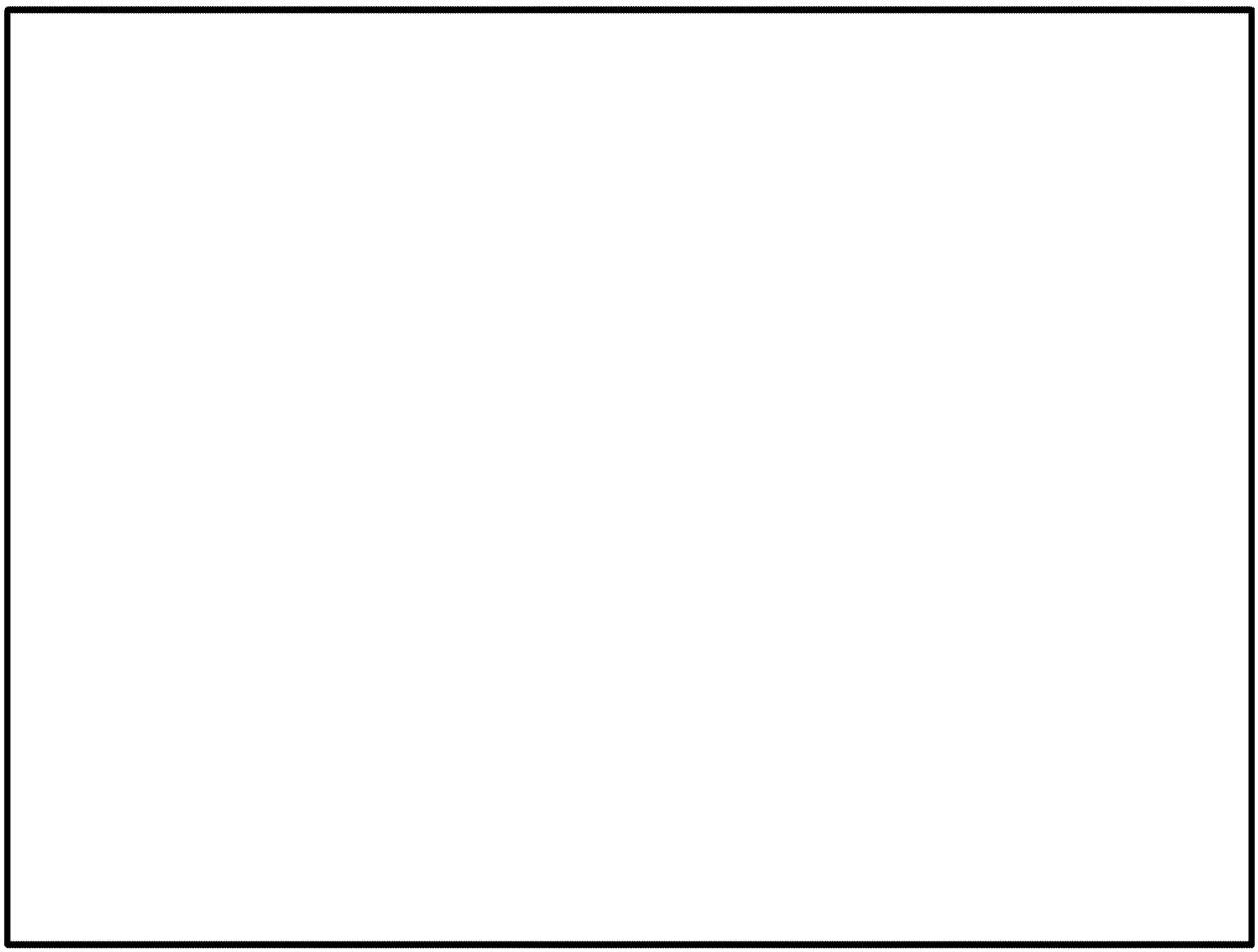






Household Earnings (Labor Income)

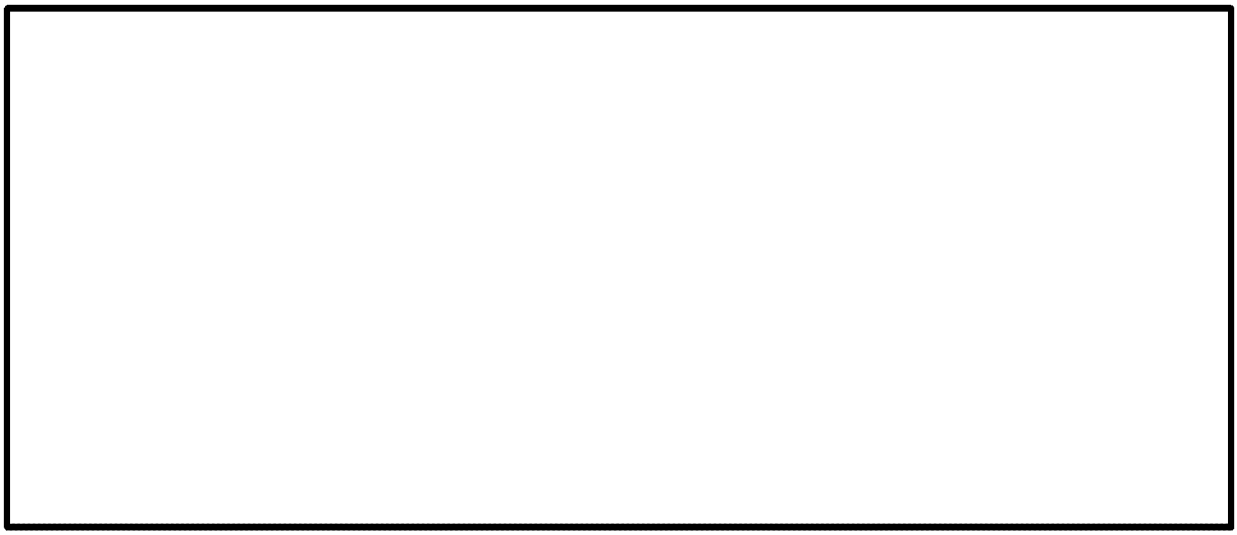
Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers



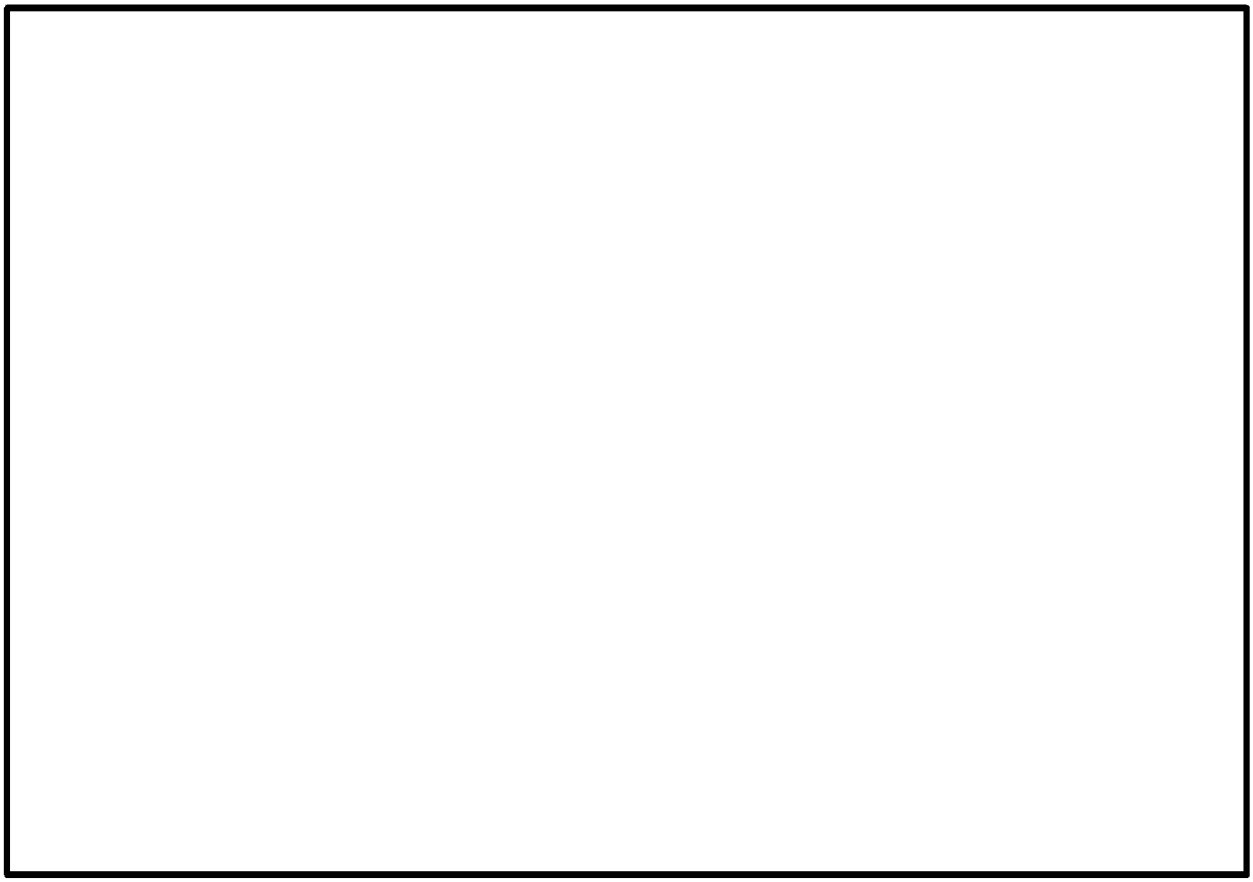
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Table 2-3. Hotel Project Including Guest Expenditures

Household Earnings (Labor Income)



Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers



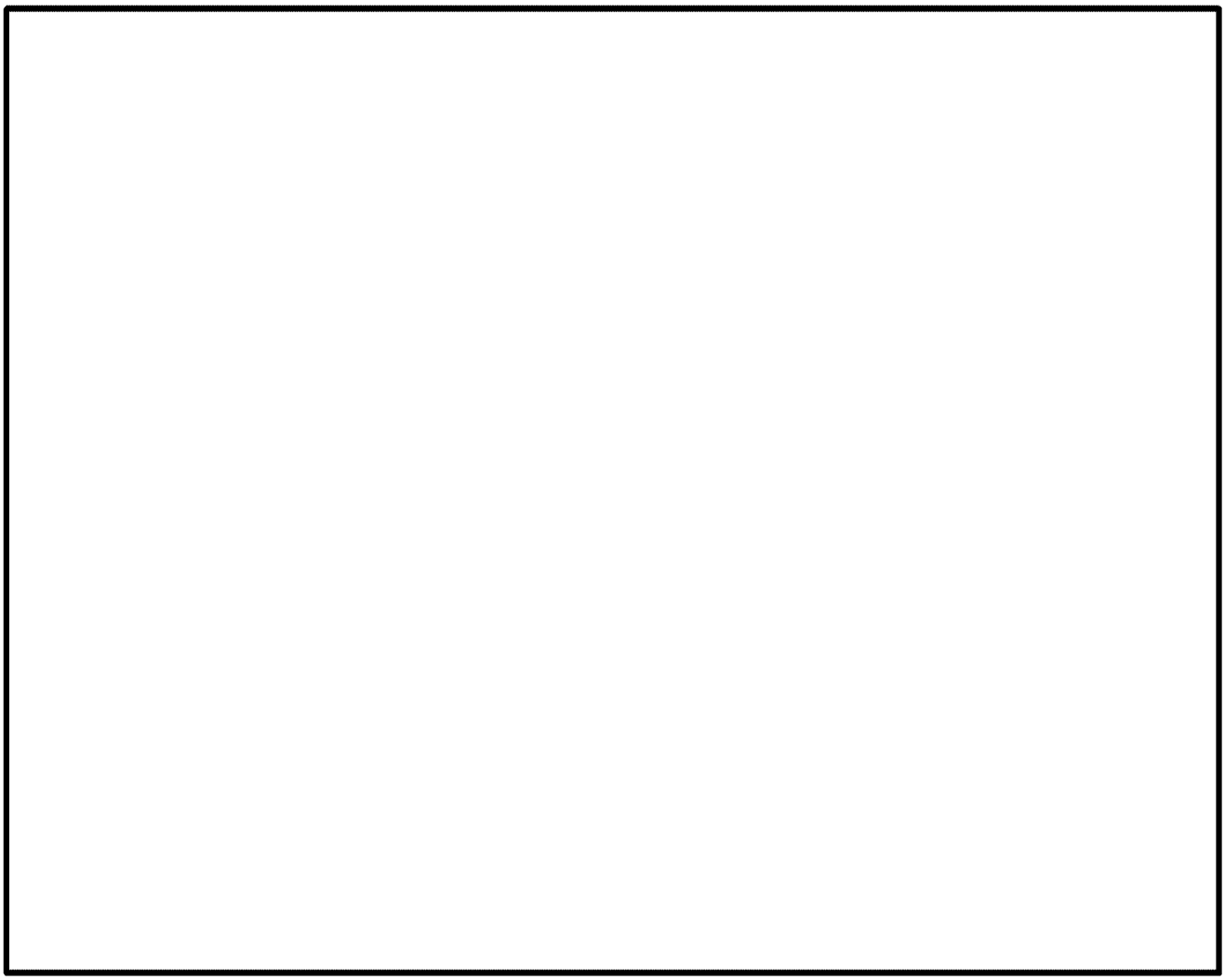


Table 2-4. Apartment Building Project





Household Earnings (Labor Income)



Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers



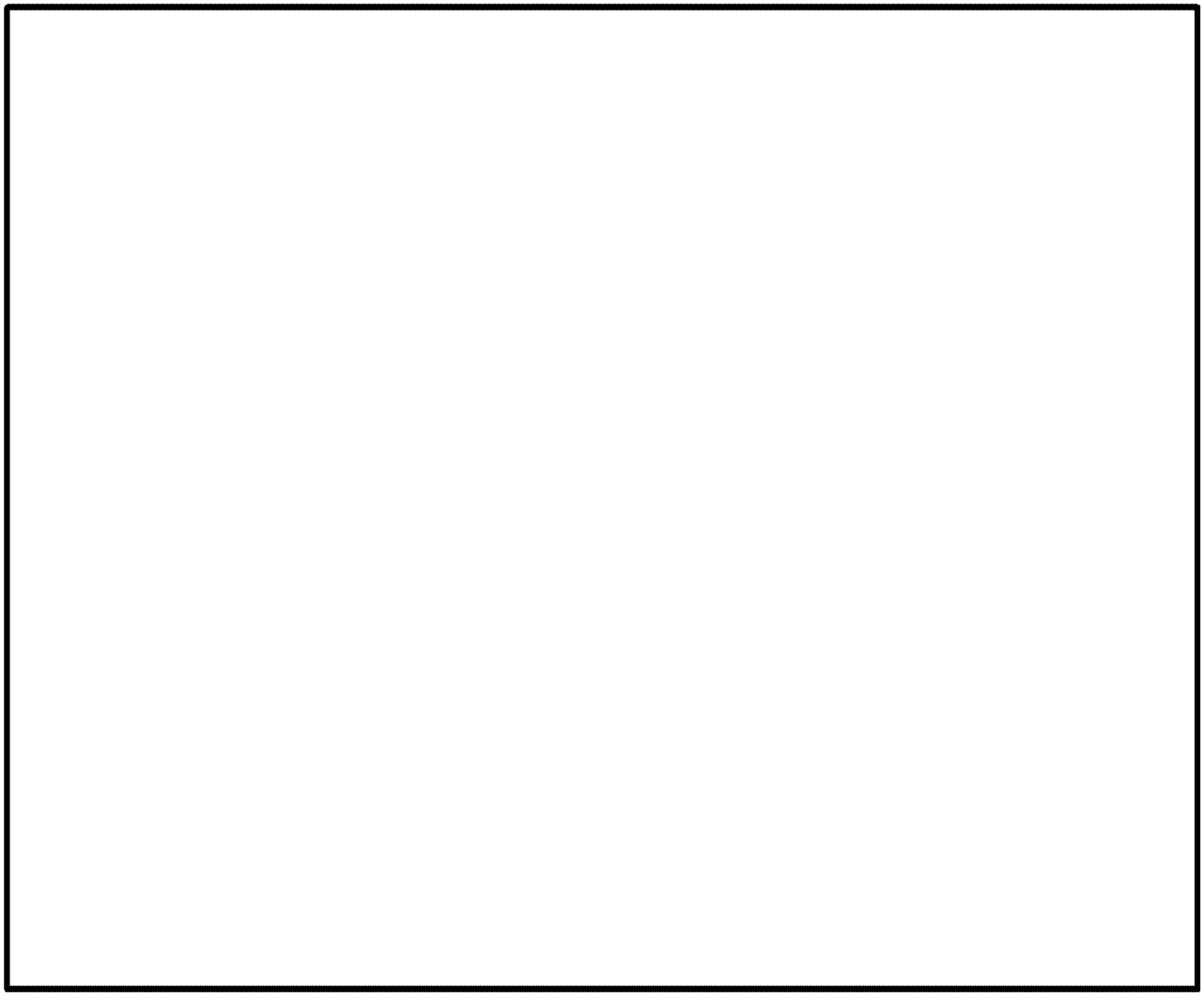


Table 2-5 shows the NAICS codes used for the construction and operation of all projects in this Regional Center.

Table 2-5. List of NAICS Codes Used in Model

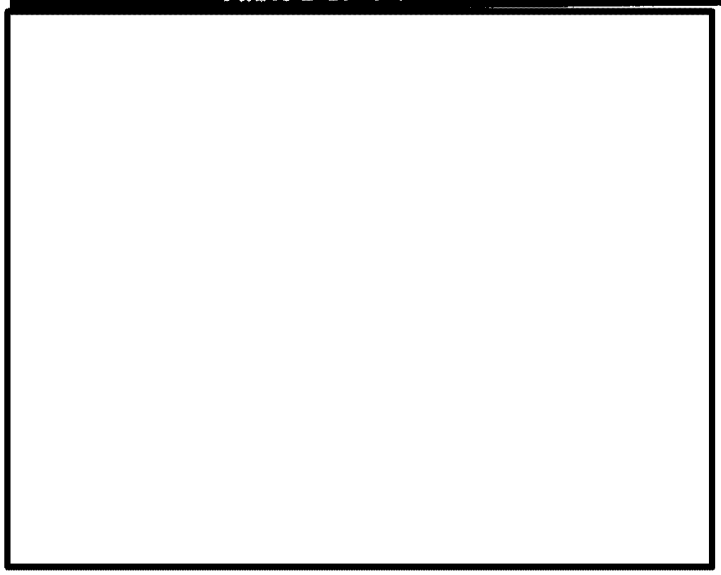
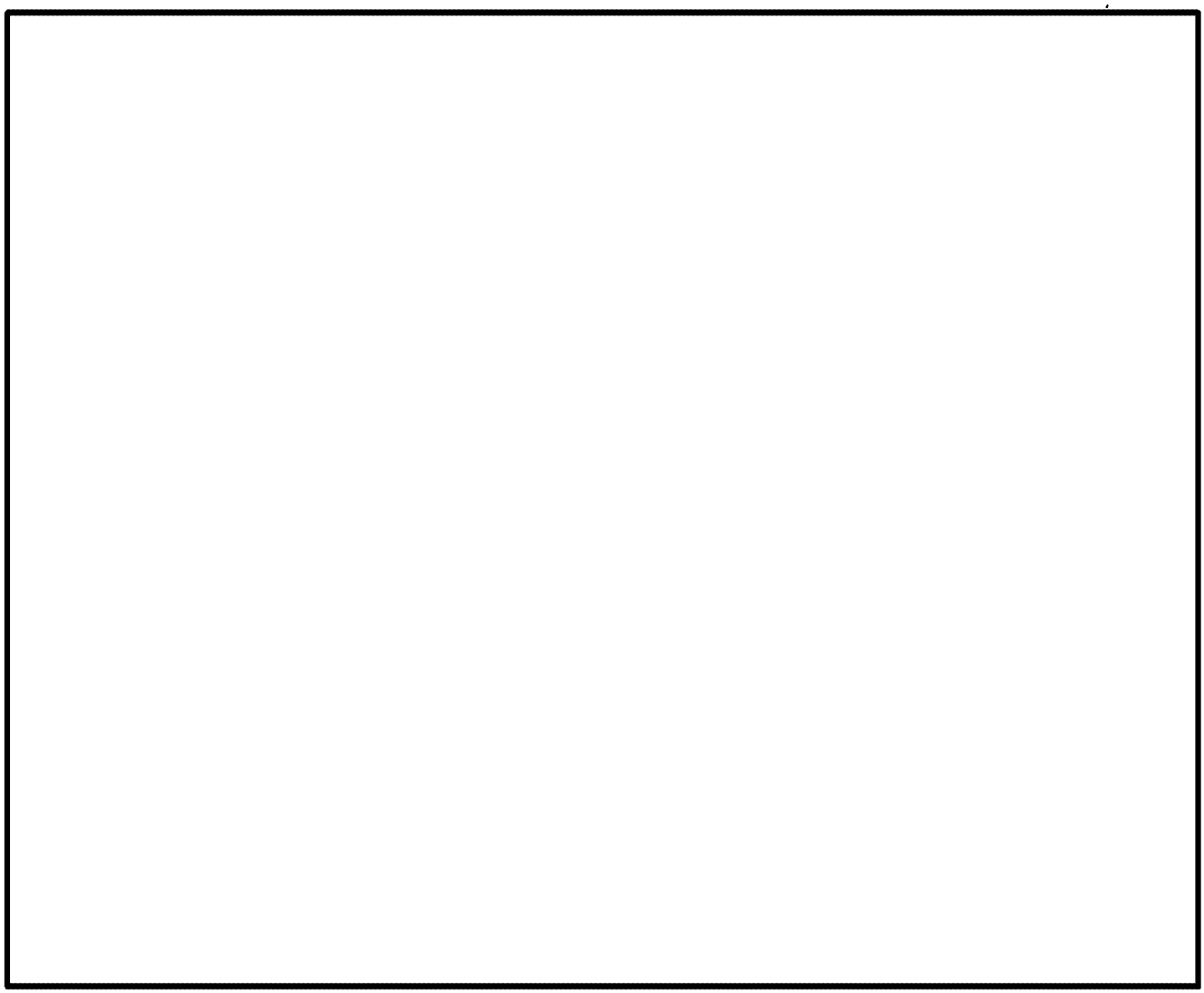




Table 2-6 shows the actual multipliers from Table 1-5 of the RIMS II model for Wake, Durham, Johnston, and Orange counties that are used in the calculations in this report.

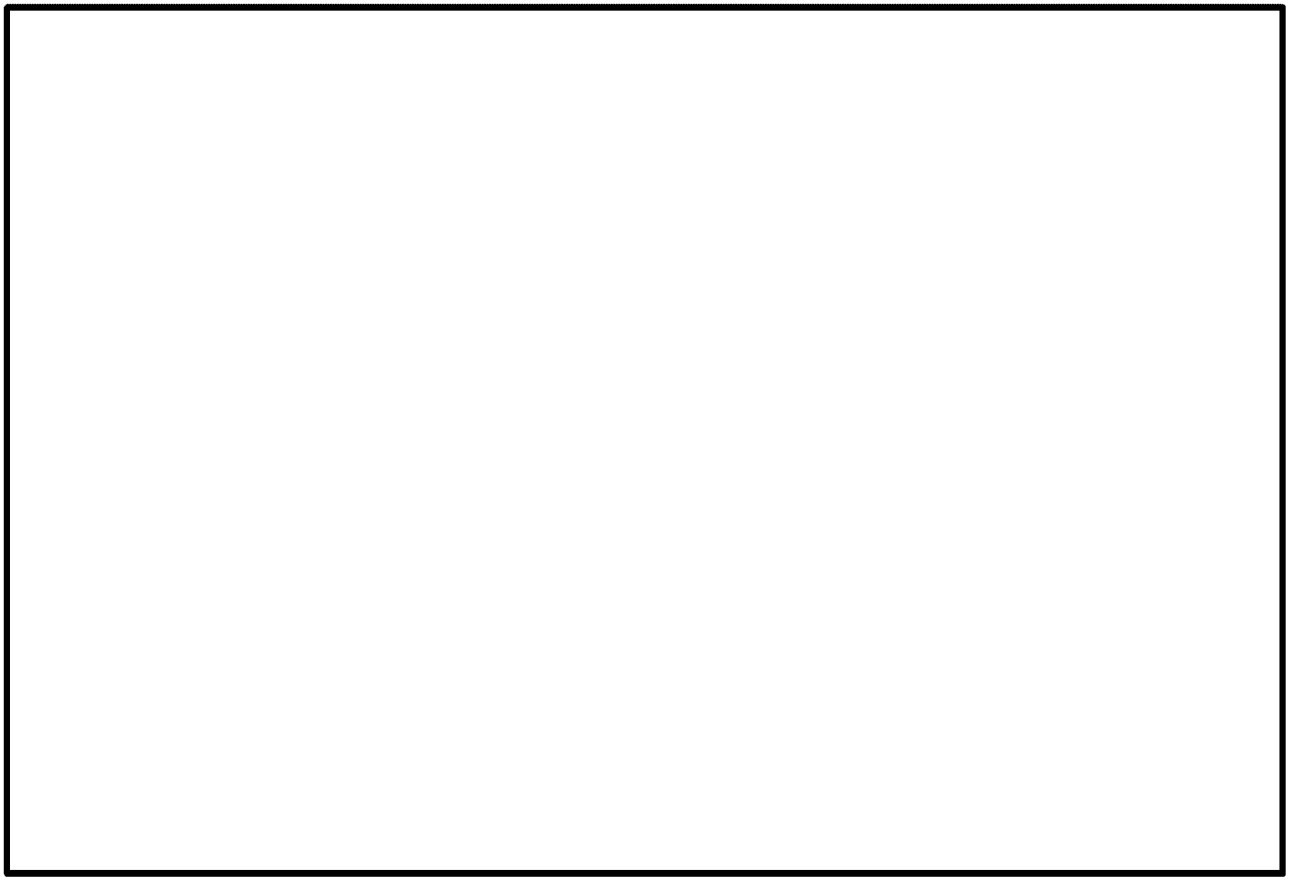
Table 2-6. Print Screen Reproduction of Actual Multipliers Used





3. Introduction and Scope of Work

(b)(4)



4. Discussion of RIMS II Final Demand Methodology

The following material has been condensed from the RIMS II User Handbook.

Introduction and General Comments

Effective planning for public- and private-sector projects and programs at the State and local levels requires a systematic analysis of the economic impacts of these projects and programs on affected regions. In turn, systematic analysis of economic impacts must account for the inter-industry relationships within regions because these relationships largely determine how regional economies are likely to respond to project and program changes. Thus, regional input-output (I-O) multipliers, which account for inter-industry relationships within regions, are useful tools for conducting regional economic impact analysis.

In the 1970s, the Bureau of Economic Analysis (BEA) developed a method for estimating regional I-O multipliers known as RIMS (Regional Industrial Multiplier System), which was based on the work of Garnick and Drake. In the 1980s, BEA completed an enhancement of RIMS, known as RIMS II (Regional Input-Output Modeling System), and published a handbook for RIMS II users. In 1992, BEA published a second edition of the handbook in which the multipliers were based on more recent data and improved methodology. In 1997, BEA published a third edition of the handbook that provides more detail on the use of the multipliers and the data sources and methods for estimating them. Source: https://www.bea.gov/regional/rims/rimsii/home.aspx

RIMS II is based on an accounting framework called an I-O table. For each industry, an I-O table shows the industrial distribution of inputs purchased and outputs sold. A typical I-O table in RIMS II is derived mainly from two data sources: BEA's national I-O table, which shows the input and output structure of nearly 500 U.S. industries, and BEA's regional economic accounts, which are used to adjust the national I-O table to show a region's industrial structure and trading patterns.

Using RIMS II for impact analysis has several advantages. RIMS II multipliers can be estimated for any region composed of one or more counties and for any industry, or group of industries, in the national I-O table. The accessibility of the main data sources for RIMS II keeps the cost of estimating regional multipliers relatively low. Empirical tests show that estimates based on relatively expensive surveys and RIMS II-based estimates are similar in magnitude.

BEA's RIMS multipliers can be a cost-effective way for analysts to estimate the economic impacts of changes in a regional economy. However, it is important to keep in mind that, like all economic impact models, RIMS provides approximate order-of-magnitude estimates of impacts. RIMS multipliers are best suited for estimating the impacts of small changes on a regional economy. For some applications, users may want to supplement RIMS estimates with information they gather from the region undergoing the potential change. To use the multipliers for impact analysis effectively, users must provide geographically and industrially detailed information on the initial changes in output, earnings, or employment that are associated with the project or program under study. The multipliers can then be used to estimate the total impact of the project or program on regional output, earnings, and employment.

RIMS II is widely used in both the public and private sector. In the public sector, for example, the Department of Defense uses RIMS II to estimate the regional impacts of military base closings. State transportation departments use RIMS II to estimate the regional impacts of airport construction and

expansion. In the private-sector, analysts and consultants use RIMS II to estimate the regional impacts of a variety of projects, such as the development of shopping malls and sports stadiums.

RIMS II Methodology

RIMS II uses BEA's benchmark and annual I-O tables for the nation. Since a particular region may not contain all the industries found at the national level, some direct input requirements cannot be supplied by that region's industries. Input requirements that are not produced in a study region are identified using BEA's regional economic accounts.

The RIMS II method for estimating regional I-O multipliers can be viewed as a three-step process. In the first step, the producer portion of the national I-O table is made region-specific by using six-digit NAICS location quotients (LQs). The LQs estimate the extent to which input requirements are supplied by firms within the region. RIMS II uses LQs based on two types of data: BEA's personal income data (by place of residence) are used to calculate LQs in the service industries; and BEA's wage-and-salary data (by place of work) are used to calculate LQs in the non-service industries.

In the second step, the household row and the household column from the national I-O table are made region-specific. The household row coefficients, which are derived from the value-added row of the national I-O table, are adjusted to reflect regional earnings leakages resulting from individuals working in the region but residing outside the region. The household column coefficients, which are based on the personal consumption expenditure column of the national I-O table, are adjusted to account for regional consumption leakages stemming from personal taxes and savings. In the last step, the Leontief inversion approach is used to estimate multipliers. This inversion approach produces output, earnings, and employment multipliers, which can be used to trace the impacts of changes in final demand on and indirectly affected industries.

Advantages of RIMS II

There are numerous advantages to using RIMS II. First, the accessibility of the main data sources makes it possible to estimate regional multipliers without conducting relatively expensive surveys. Second, the level of industrial detail used in RIMS II helps avoid aggregation errors, which often occur when industries are combined. Third, RIMS II multipliers can be compared across areas because they are based on a consistent set of estimating procedures nationwide. Fourth, RIMS II multipliers are updated to reflect the most recent local-area wage-and-salary and personal income data.

Overview of Different Multipliers

RIMS II provides users with five types of multipliers: final demand multipliers for output, for earnings, and for employment; and direct-effect multipliers for earnings and for employment. These multipliers measure the economic impact of a change in final demand, in earnings, or in employment on a region's economy.

The final demand multipliers for output are the basic multipliers from which all other RIMS II multipliers are derived. In this table, each column entry indicates the change in output in each row industry that results from a $1 change in final demand in the column industry. The impact on each row industry is calculated by multiplying the final demand change in the column industry by the multiplier for each row. The total impact on regional output is calculated by multiplying the final demand change in the column industry by the sum of all the multipliers for each row except the household row.

RIMS II provides two types of multipliers for estimating the impacts of changes on earnings: final demand multipliers and direct effect multipliers. These multipliers are derived from the table of final demand output multipliers.

The final demand multipliers for earnings can be used if data on final demand changes are available. In the final demand earnings multiplier table, each column entry indicates the change in earnings in each row industry that results from a $1 change in final demand in the column industry. The impact on each row industry is calculated by multiplying the final demand change in the column industry by the multipliers for each row. The total impact on regional earnings is calculated by multiplying the final demand change in the column industry by the sum of the multipliers for each row.

Employment Multipliers

RIMS II provides two types of multipliers for estimating the impacts of changes on employment: final demand multipliers and direct effect multipliers. These multipliers are derived from the table of final demand output multipliers.

The final demand multipliers for employment can be used if the data on final demand changes are available. In the final demand employment multiplier table, each column entry indicates the change in employment in each row industry that results from a $1 million change in final demand in the column industry. The impact on each row industry is calculated by multiplying the final demand change in the column industry by the multiplier for each row. The total impact on regional employment is calculated by multiplying the final demand change in the column industry by the sum of the multipliers for each row.

The direct effect multipliers for employment can be used if the data on the initial changes in employment by industry are available. In the direct effect employment multiplier table, each entry indicates the total change in employment in the region that results from a change of one job in the row industry. The total impact on regional employment is calculated by multiplying the initial change in employment in the row industry by the multiplier for the row.

Choosing a Multiplier

The choice of multiplier for estimating the impact of a project on output, earnings, and employment depends on the availability of estimates of the initial changes in final demand, earnings, and employment. If the estimates of the initial changes in all three measures are available, the RIMS II user can select any of the RIMS II multipliers. In theory, all the impact estimates should be consistent. If the available estimates are limited to initial changes in final demand, the user can select a final demand multiplier for impact estimation. If the available estimates are limited to initial changes in earnings or employment, the user can select a direct effect multiplier.

5. Explanation of How Indirect Jobs are Calculated in a Regional Input/Output Model

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

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

Basically the process has two steps, each of which is described next in greater detail. The first is to determine the amount of output, and hence the number of jobs, required to produce a given amount (say $1 million) of the final product or service. These are national coefficients. The second is to determine what proportion of those goods and services are purchased within the local region (the regional purchase coefficients, or RPCs).

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

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

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

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

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

The RIMS II model – and other regional input/output models – assigns regional purchase coefficients (RPCs) in all cases where the local industry purchases goods and services from local firms. This matrix could have as many as 406 * 406 = 164,836 elements, although in practice many of them are zero. Large counties with a wide variety of businesses have more non-zero elements than small counties with relatively few businesses.

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

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

These figures can be compared with the proportions of architects and engineers in the specific regional area, based on the RIMS II data that are used to determine the economic multipliers in the specific county group. Using San Diego county as an example, the input/output model shows proportions of 8.4% for commercial and 4.3% for industrial construction, indicating that 91% of the architects and engineers for commercial jobs and 95% for industrial jobs are hired locally. These figures are fairly typical of other locations and regions; except for "signature" buildings designed by famous names, most architects and engineers live in the same region as the buildings that are being constructed.

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

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

Real estate: Additional real estate employees are based on two factors. One is the leasing activity of the new building, and the other is the increase in residential real estate activity as people get new jobs, either within the area or by moving into the area. On a lease basis, a $10 million investment is likely to result in a building of 80,000 square feet. If it leases for $40/square-foot, that would be $3.2 million in annual lease payments, and with a 6% commission would generate $192,000 in revenues, which would account for about 2 new real estate employees (the figure would be less for industrial buildings). The increase in employment would also result in some real estate activity as workers moved into better housing in the same location, or moved in from other areas. In a normal year, there are about 7 million sales of new and existing homes for a labor force of about 140 million, or 5%. Hence if the total increase in employment were 200, that would imply 10 real estate transactions; if they average $200,000 at a 6% commission, that would be $12,000 per home or a total of $120,000, which would support approximately 3 new real estate jobs.

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

Architects & Engineers: almost all of these jobs stem from the new construction activity. This category has already been discussed above; for a $10 million construction project, which would create about 80 new construction jobs, we would expect about 7 new jobs in architects and engineers for a commercial project and 3 to 4 new jobs for an industrial project.

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

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

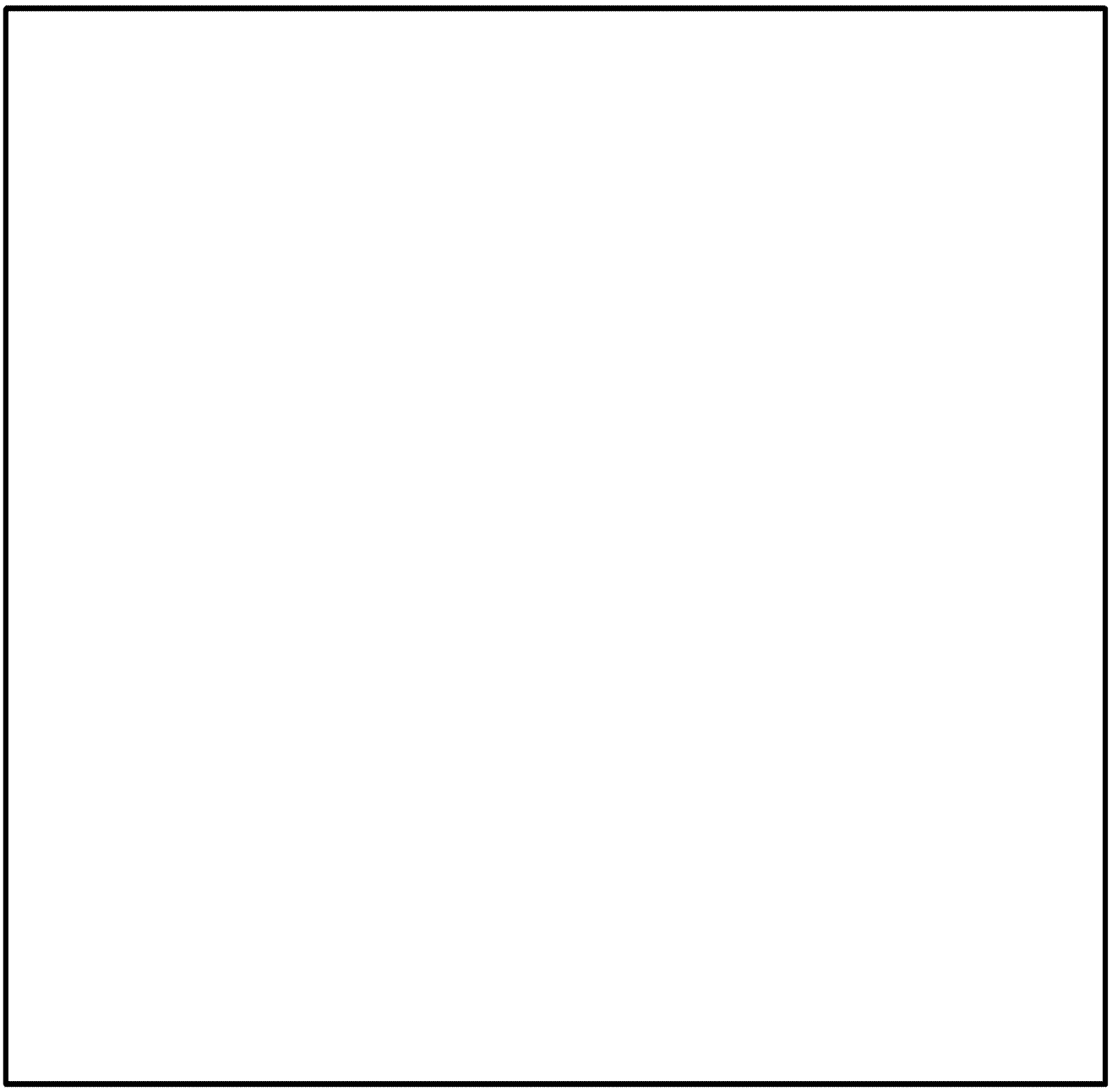
Business support services include office management, travel arrangement, security, credit bureaus, telemarketing, and back-office jobs that are outsourced, such as direct mail, copying, and duplicating services. The back-office services would vary widely depending on the type of new business; retail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

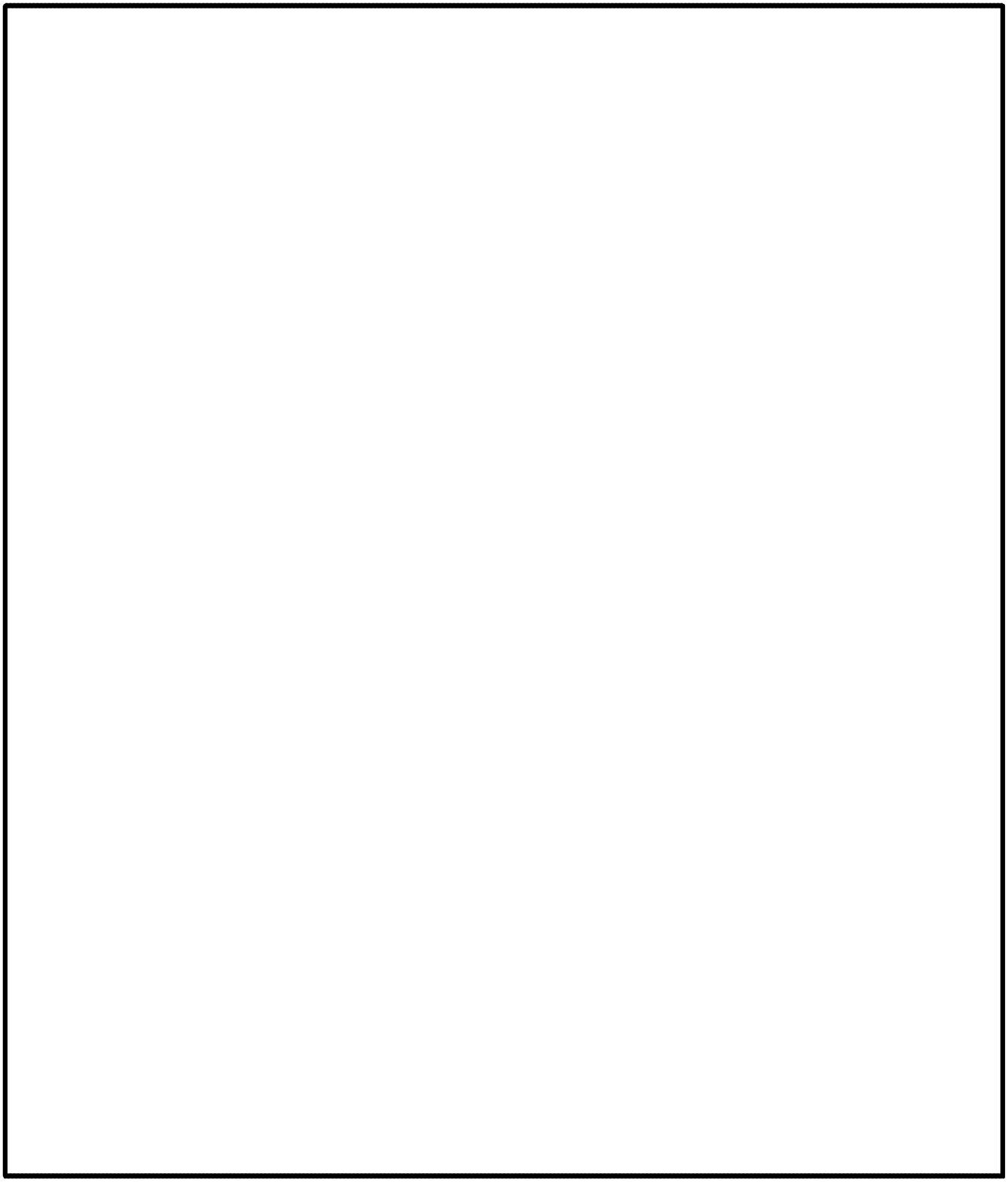
Building support services, which includes janitorial services, lawn maintenance, and waste management. For an office building of 80,000 square feet, the cost would be approximately $2/sq ft per year for maintenance, or $160,000, which would support about 4 new jobs; here again, the figure would be lower for industrial buildings.

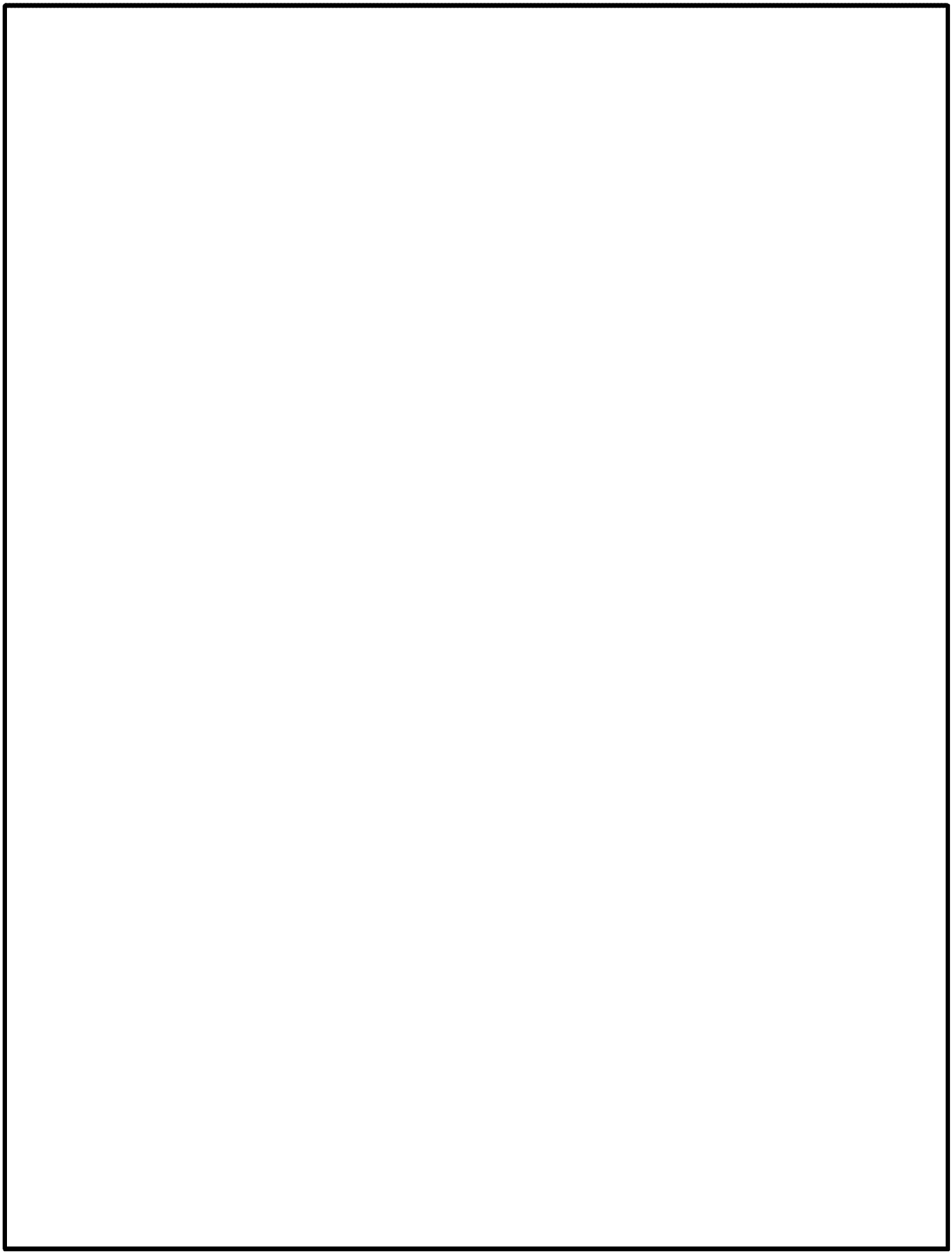
Restaurants: This category reflects business meals. Of course the number of business meals depends greatly on the type of business; lawyers, accountants, and consultants will have more business meals than manufacturing plants or water treatment facilities. On a national average basis, Commerce Department figures show that total restaurant sales in 2007 were $580 billion, while consumer expenditures at restaurants were $500 billion. However, that figure also includes tips, which are not included in restaurant sales. After subtracting 15% for tips, that indicates about $425 billion in food and beverage purchases by consumers, indicating about $155 billion for business expenses. With a labor force of approximately 140 million, that is equivalent to about $1,100 per employee. Hence if 200 new jobs were created, business meal expenses would rise an average of $221,000, which would imply about 4.5 new indirect jobs in the restaurant industry. These figures are likely to be somewhat higher when direct jobs are created for office buildings and hotels.

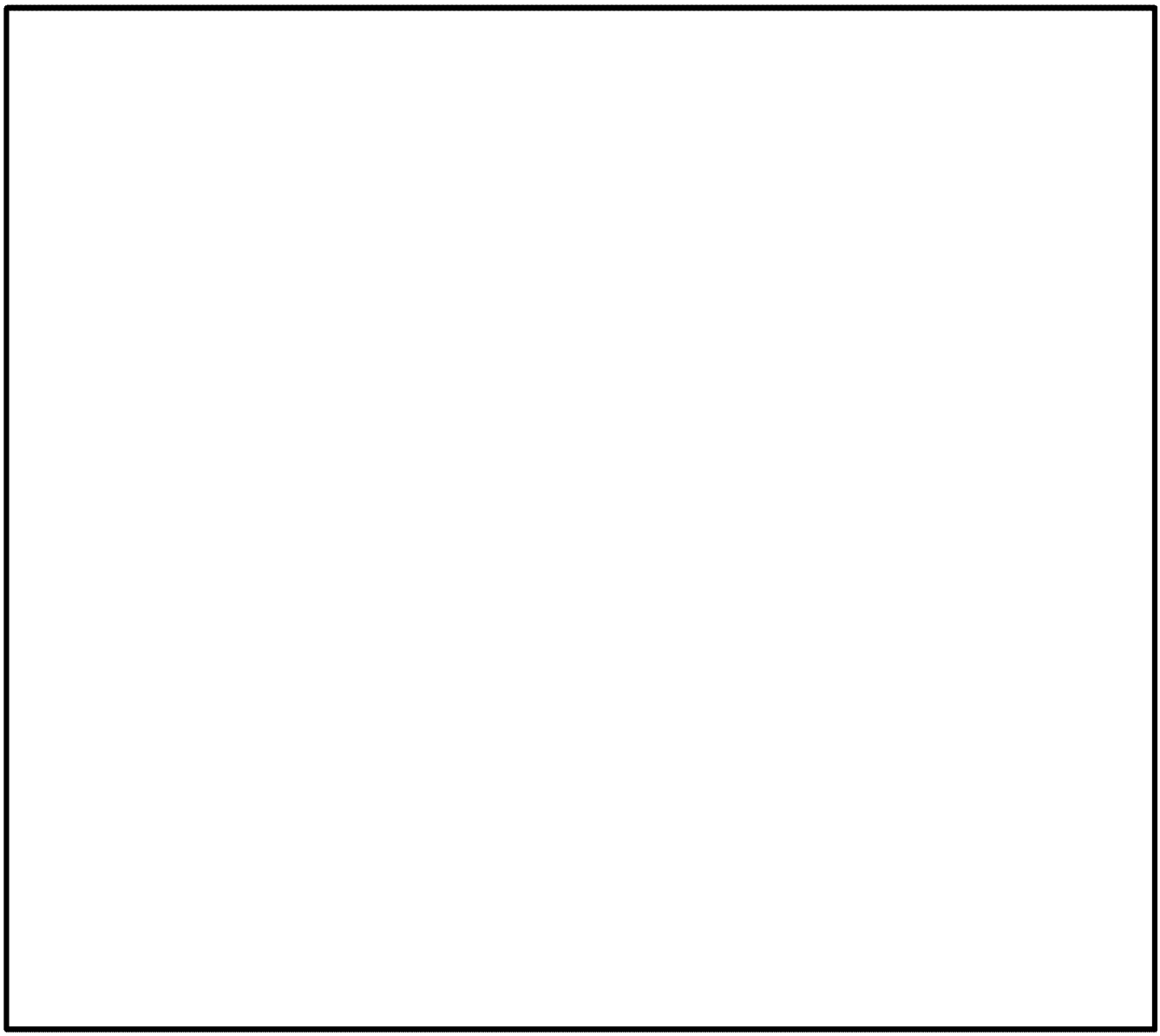
Government: The increase in public sector employees represents the amount funded by increased real estate taxes. For a construction project with $10 million in hard costs, the total value is likely to be between $15 and $20 million when one includes furniture, fixtures, equipment, and land values. Using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

6. Economic Parameters for Wake, Durham, Johnston, and Orange Counties









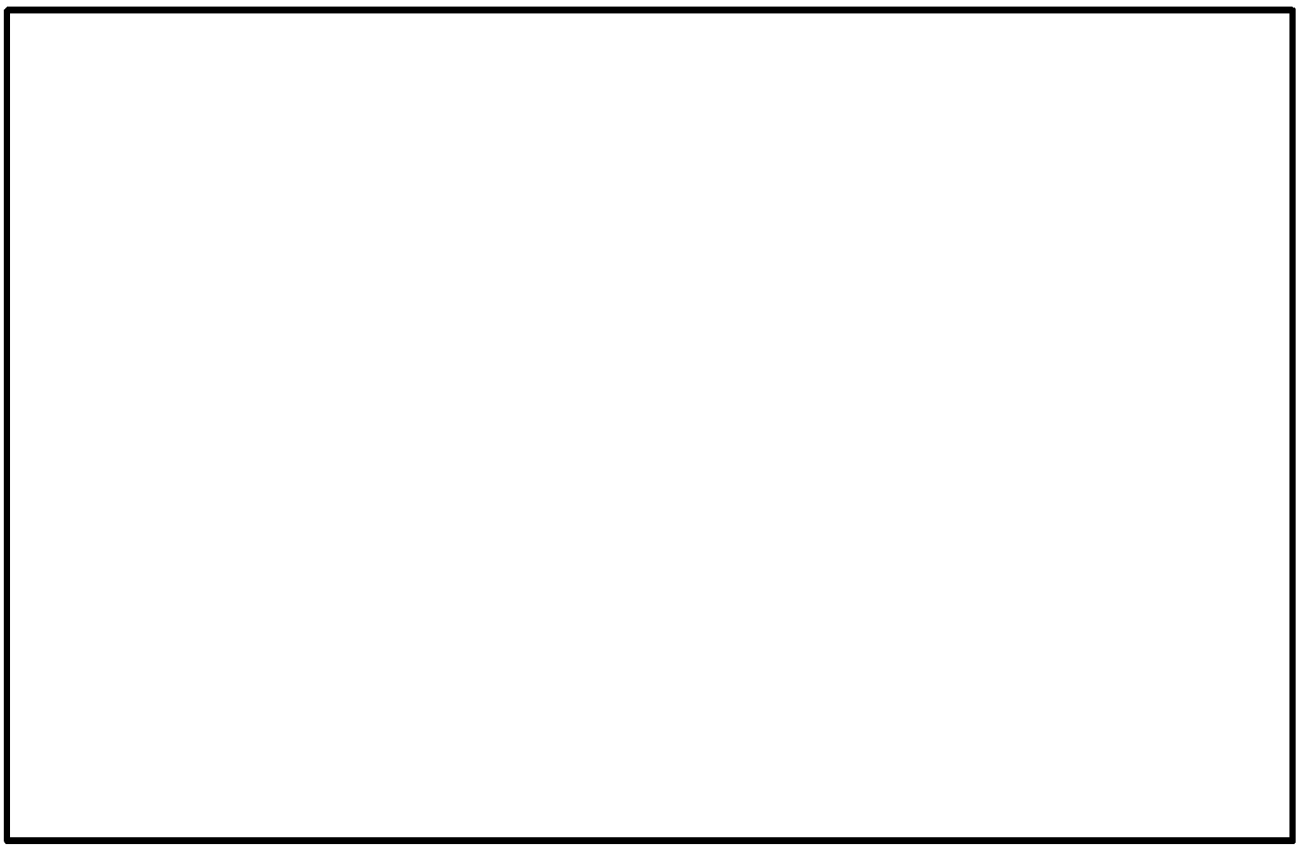
7. Economic Impact of Hospital and Medical Offices

A. Construction

The economic impact of construction expenditures are considered first. This project is expected

Table 7-1 shows the line-item construction and development budget.

Table 7-1. Hospital and Medical Office Building Construction and Development Line-Item Budget



The next two tables show the economic impact of the [redacted] construction cost budget. Since the project will take [redacted] to build, only indirect and induced effects are included in these tables.

Table 7-2. Increase in Employment, Output, and Earnings, Construction Costs for Hospital and Medical Office, Indirect and Induced Jobs Only

[redacted]

(b)(4)

Summary: Table 7-3 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 7-3. Output and Earning Per New Worker, Construction Costs for Hospital and Medical Office, Indirect and Induced Jobs Only

[redacted]

Summary:

Table 7-4. Estimates of Square Feet per Worker by Type of Building

Summary:

Table 7-5. Increase in Employment, Output, and Earnings for 69,000 Square-Foot Surgical Hospital

Summary:

(b)(4)

Table 7-5.1. Medical Expenditures for Durham County, NC with Four County Geography

Summary:

Summary: Table 7-6 shows that output per new worker would be about [redacted] with average annual earnings of about [redacted]

Table 7-6. Output and Earnings Per New Worker for 69,000 Square-Foot Surgical Hospital

[redacted]

C. Medical Office Building (MOB)

Table 7-7. Increase in Employment, Output, and Earnings for 40,000 Square-Foot Medical Office Building

Summary:

Summary: Table 7-8 shows that output per new worker would be about [redacted] with average annual earnings of about [redacted]

Table 7-8. Output and Earnings Per New Worker for 40,000 Square-Foot Medical Office Building

[redacted]

(b)(4)

D. Summary Statistics for Surgical Hospital and Medical Office Building

The final two tables in this section show the combined economic impact of the construction and operation of the hospital and medical office building.

Table 7-9. Increase in Employment, Output, and Earnings for Construction and Operation of Hospital and Medical Office Building

Summary:

(b)(4)

Summary: Table 7-10 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 7-10. Output and Earnings Per New Worker for Construction and Operation of Hospital and Medical Office Building

[redacted]

8. Economic Impact of Retail Shopping Center

A. Construction Expenditures

The detailed construction and development budgets are shown in Table 8-1.

Table 8-1. Detailed Construction and Development Budget for Retail Shopping Center

(b)(4)

Tables 8-2 and 8-3 show the detailed industry results of these construction expenditures.

Table 8-2. Increase in Employment, Output, and Earnings, Construction Costs for Retail Shopping Center, Indirect and Induced Jobs Only

Summary:

(b)(4)

Summary: Table 8-3 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 8-3. Output and Earning Per New Worker, Construction Costs for Retail Shopping Center, Indirect and Induced Jobs Only

[redacted]

(b)(4)

B. Operations and Maintenance of Building

Table 8-4. Increase in Employment, Output, and Earnings, Operations and Maintenance Activities for the Retail Shopping Center

Summary:

(b)(4)

Summary: Table 8-5 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 8-5. Output and Earning Per New Worker, Operations and Maintenance Activities for Retail Shopping Center

[redacted]

(b)(4)

C. Retail Store Activity

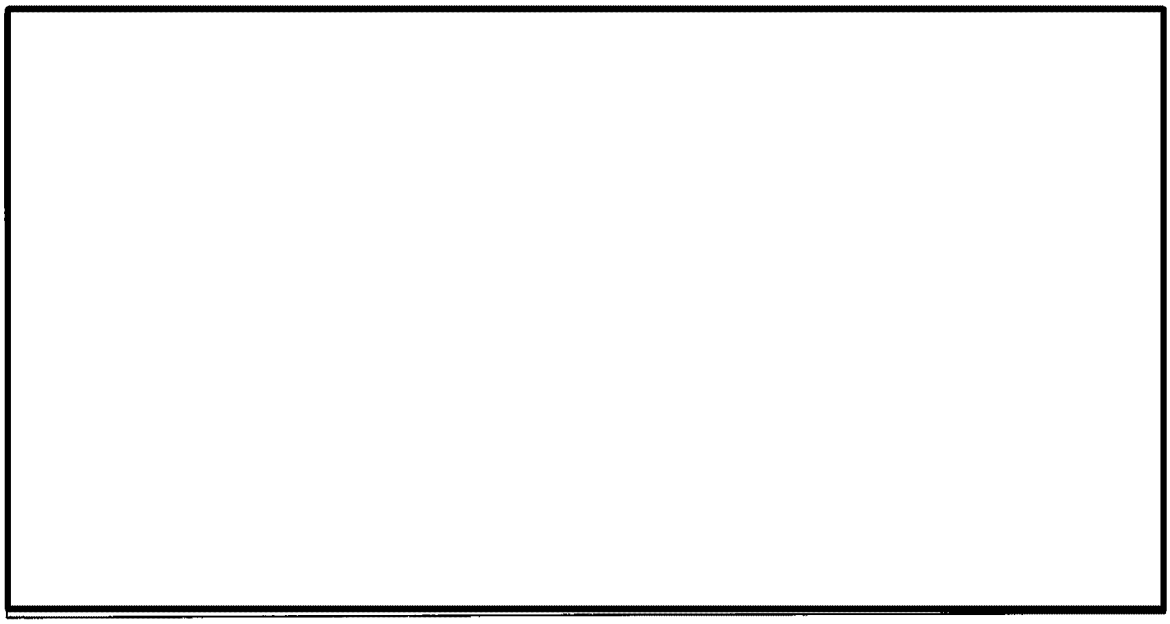
[redacted]

Table 8-6A. Retail Sales Per Square Foot, Durham County

[redacted]

(b)(4)

Table 8-6B. Retail Sales and Employment by Category



Summary:

(b)(4)

Table 8-7. Retail Supply and Demand Estimates for Raleigh-Durham Four County Area

Sources: Esri and Infogroup.

Summary:

The detailed industry results are shown in the next two tables.

Table 8-8. Increase in Employment, Output, and Earnings for Retail Sales Operations

Summary:

(b)(4)

Summary: Table 8-9 shows that the average output per new worker (value added for retail sales) would be about [redacted] with average annual earnings of about [redacted]

Table 8-9. Output and Earnings Per New Worker, Retail Sales Operations

[redacted]

(b)(4)

D. Summary Statistics for Retail Shopping Center

The final two tables in this section show the combined effects of the construction and operations of the retail shopping center, including the jobs from retail sales operations.

Table 8-10. Increase in Employment, Output, and Earnings, Construction and Operation of Retail Shopping Center

Summary:

(b)(4)

Summary: Table 8-11 shows that the average output per new worker (value added for retail) would be about [redacted] with average annual earnings of about [redacted]

Table 8-11. Output and Earnings Per New Worker, Construction and Operation of Retail Shopping Center

[redacted]

(b)(4)

9. Economic Impact of Hotel, Including Guest Expenditure Module

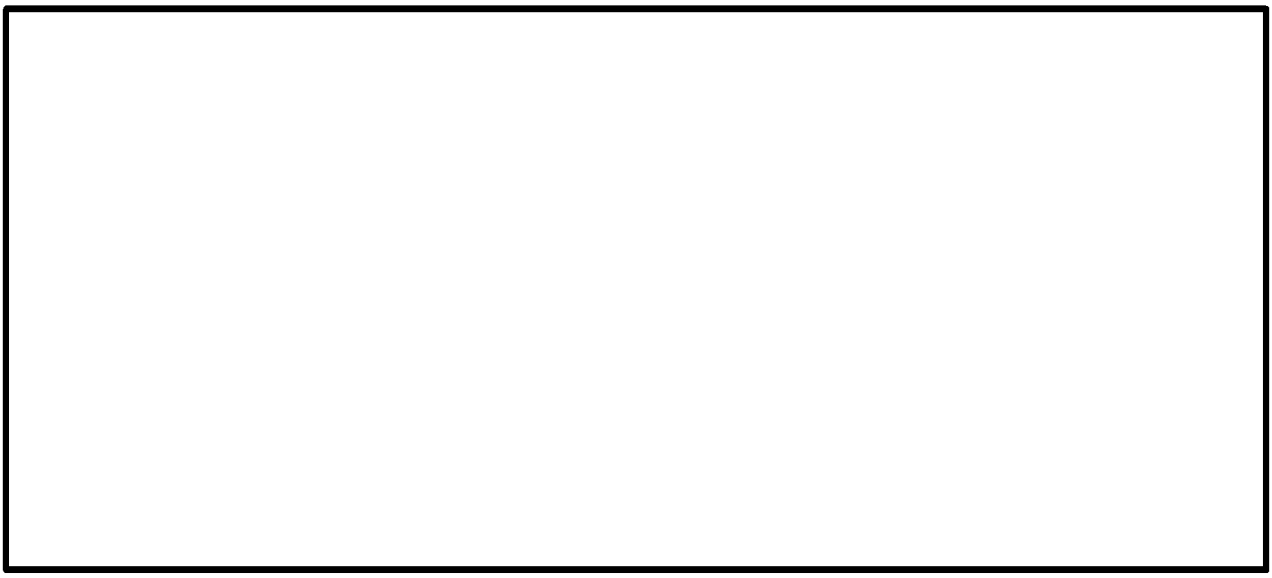
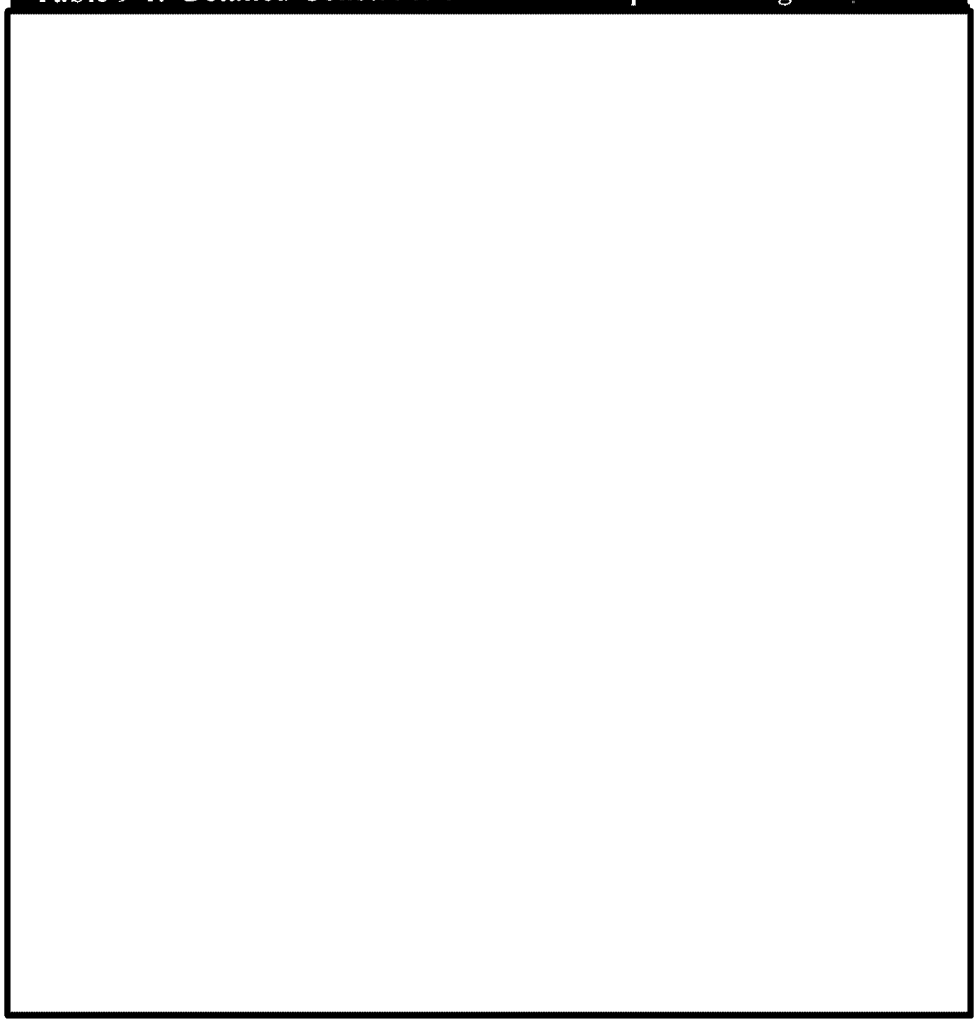


Table 9-1. Detailed Construction and Development Budget for Hotel



The detailed industry results for the economic impact are given in Tables 9-2 and 9-3.

Table 9-2. Increase in Employment, Output, and Earnings, Construction of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

Summary: Table 9-2 shows there would be abou indirect and induced jobs created from the construction of the hotel. Output would rise about with household earnings up by about

(b)(4)

Summary: Table 9-3 indicates that output per new worker would be about [redacted] while average annual earnings would be about [redacted]

Table 9-3. Output and Earnings Per New Worker, Construction of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

[redacted]

(b)(4)

B. Hotel Operations

[redacted]

Table 9-4 Hotel Costs per Room by Type of Hotel, 2010 Survey

[redacted]

Summary: [redacted]

[redacted]

Table 9-5. Hotel Employees Per 100 Rooms

[redacted]

Summary: [redacted]

(b)(4)

Table 9-6. Increase in Employment, Output, and Earnings, Hotel and Ancillary Revenues for Raleigh Hotel

Summary:

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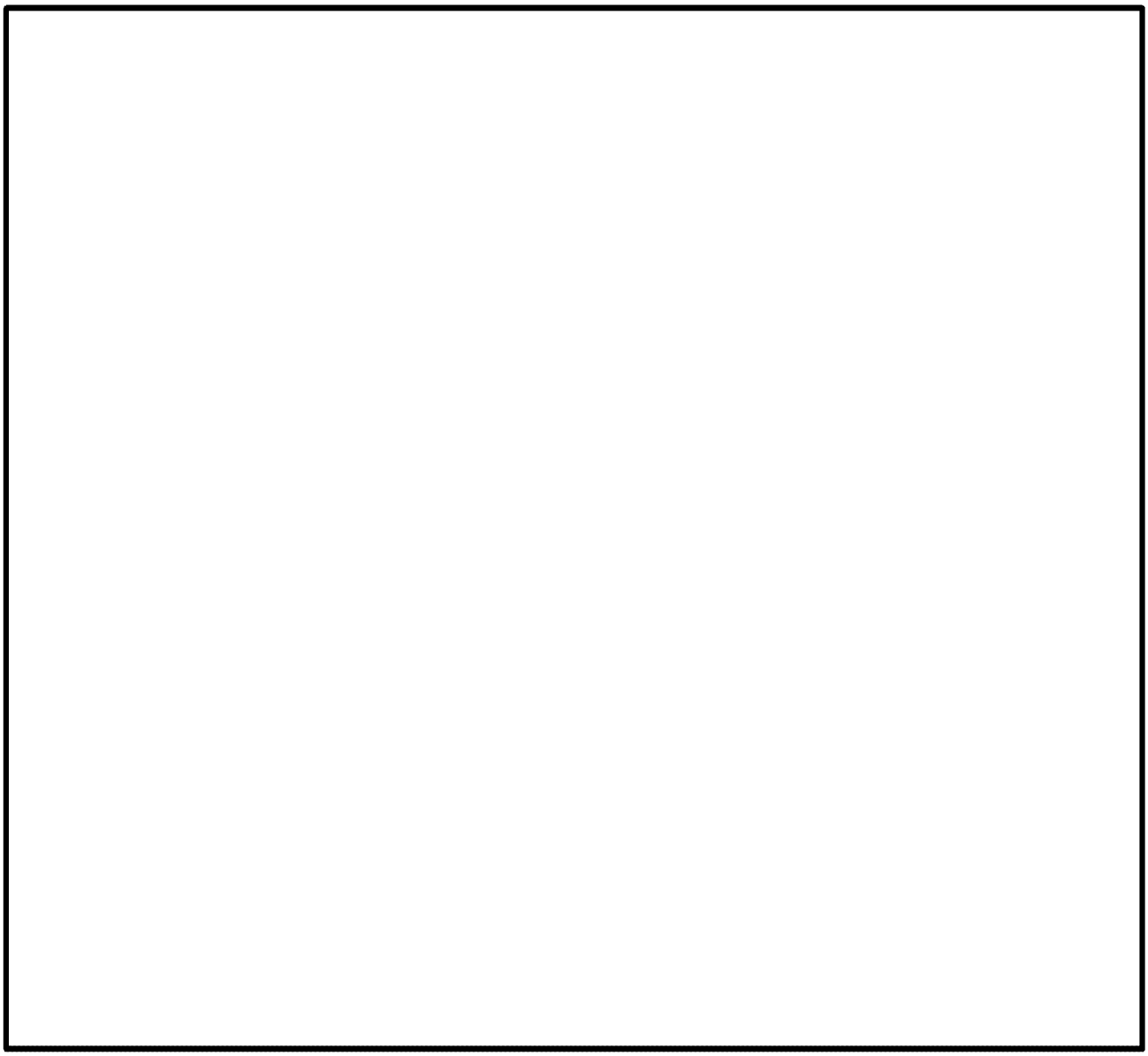
Summary: Table 9-7 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 9-7. Output and Earnings Per New Worker, Hotel and Ancillary Revenues for Raleigh Hotel

[redacted]

(b)(4)

C. Economic Impact of Guest Expenditures



Summary:

(b)(4)

Table 9-9. Visitor Spending by Category - Raleigh Durham MSA

Visitor Spending by Category - Raleigh Durham MSA[1] Average Daily Expenditure per Visitor by Category

Table 9-10. Increase in Employment, Output, and Earnings, Guest Expenditures for Raleigh NC Hotel Patrons

Summary: Table 9-10 shows the guest expenditures would create about [redacted] new jobs. Total output would increase by about [redacted] and household earnings would increase about [redacted]

(b)(4)

Summary: Table 9-11 shows that output per new worker would be about [redacted] while average annual earnings would be about [redacted]

Table 9-11. Output and Earnings Per New Worker, Guest Expenditures for Raleigh NC Hotel Patrons

[redacted]

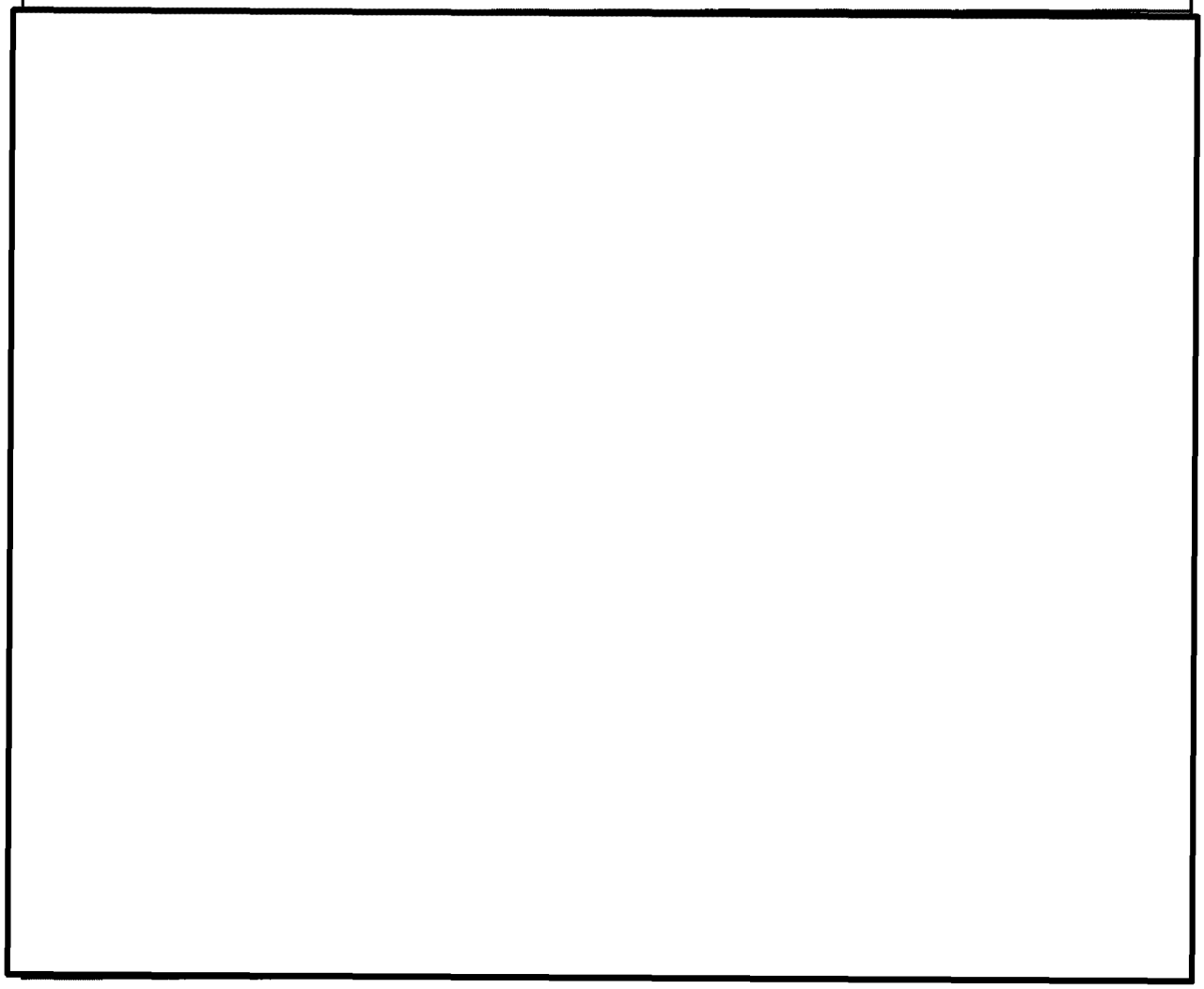
(b)(4)

(b)(4)

D. Summary Statistics for Hotel

The final two tables in this section show the combined economic impact of the construction of the hotel, net new guests, and guest expenditures from these new patrons.

Table 9-12. Increase in Employment, Output, and Earnings for Construction and Operation of Hotel, Net New Patrons Only, Including Guest Expenditures



Summary: Table 9-12 shows that there would be about [redacted] new jobs created from the construction of the hotel, the incremental expense of the new hotel patrons, and their guest expenditures. Total output would increase by about $[redacted] with household earnings up by [redacted]

(b)(4)

Summary: Table 9-13 shows the average output per new worker would be about [redacted] with average household earnings of about [redacted]

Table 9-13. Output and Earnings Per New Worker for Construction and Operation of Hotel, Net New Patrons Only, Including Guest Expenditures

[redacted]

(b)(4)

10. Economic Impact of Residential Apartment Community

A. Construction Expenditures

Table 10-1. Detailed Construction and Development Budget for Apartment Community

(b)(4)

Table 10-2. Increase in Employment, Output, and Earnings, [redacted] in Construction Costs for Apartment Community, Indirect and Induced Effects Only

[redacted]

Summary: Table 10-2 shows there are about [redacted] jobs indirect and induced jobs created from the construction of this residential apartment community. Output would rise about [redacted] with household income up about [redacted]

(b)(4)

Summary: Table 10-3 shows that average output per new worker would be about [redacted] while average annual household earnings would be abou[redacted]

Table 10-3. Output, and Earnings Per New Worker, [redacted] in Construction Costs for Apartment Community, Indirect and Induced Effects Only

[redacted]

(b)(4)

B. Apartment Community Operations and Maintenance

[redacted]

Table 10-4. Increase in Employment, Output, and Earnings, Maintenance Operations for Apartment Community

[redacted]

Summary: Table 10-4 shows there will be about [redacted] new jobs created from the operations and maintenance of the apartment community. Total output would increase by about [redacted] with household earnings up [redacted]

Summary: Table 10-5 shows that output per new worker will average about [redacted] with average annual household earnings of about [redacted]

Table 10-5. Output and Earnings Per New Worker, Maintenance Operations for Apartment Community

[redacted]

(b)(4)

(b)(4)

C. Economic Impact of Total Project

The final two tables summarize the economic impact of construction, operation and maintenance of the apartment community.

Table 10-6. Increase in Employment, Output, and Earnings, Construction, Operation and Maintenance of Apartment Community

Summary: Table 10-6 shows there would be about new jobs created, with total output rising about and household earnings up about

(b)(4)

Summary: Table 10-7 shows that the average output per new worker would be about [redacted] with average annual household earnings of about [redacted]

Table 10-7. Output and Employment Per New Worker, Construction and Operation and Maintenance of Apartment Community

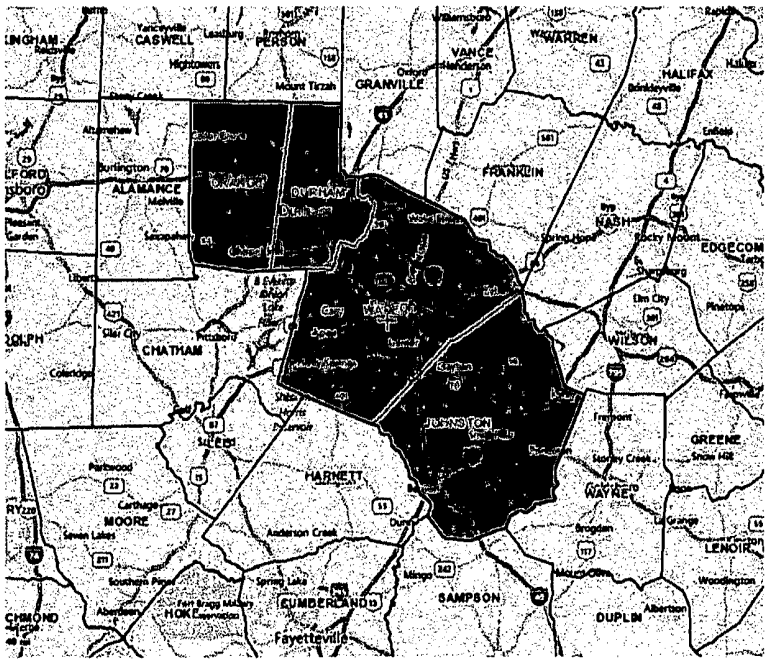
[redacted]

(b)(4)

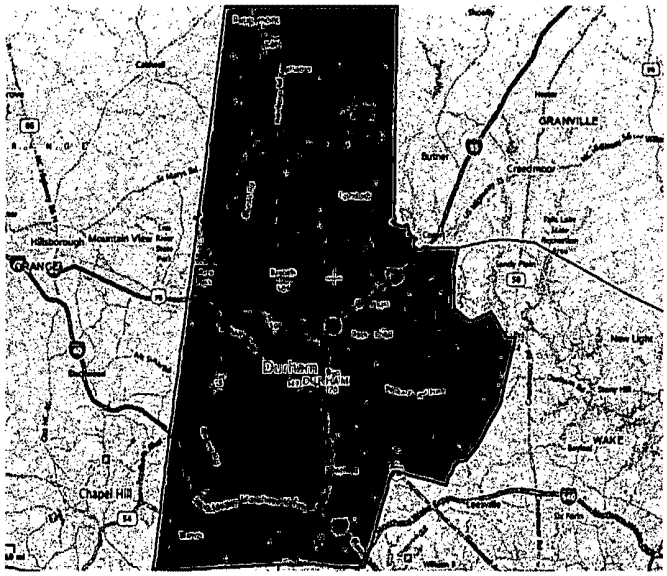
Economic Analysis Appendix A: Regional Center County Maps

Table 1: ERDRC Counties
Durham
Johnston
Orange
Wake

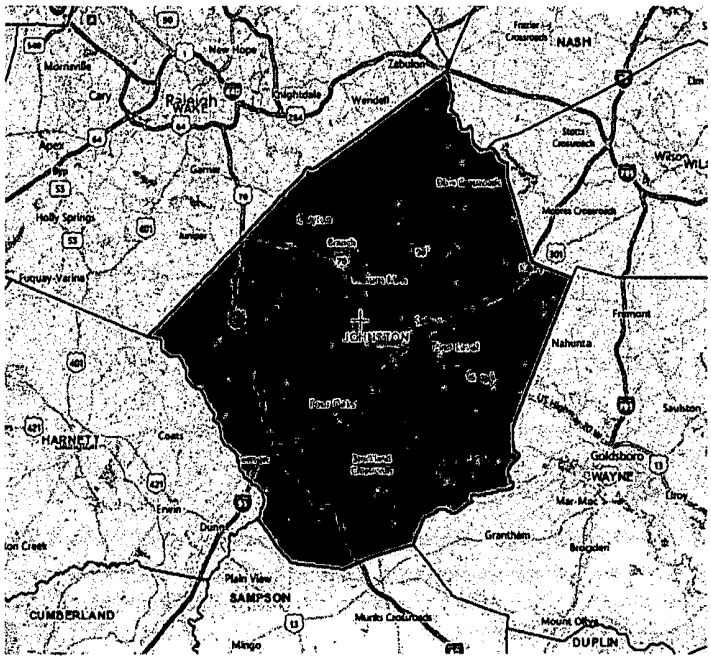
Map 1-1. Raleigh/Durham Regional Center Geographic Area



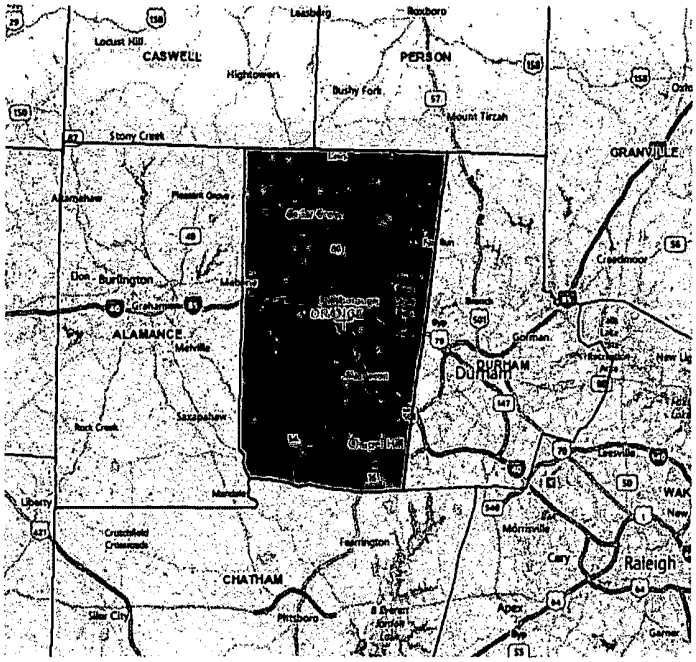
Map 1-2. Durham County



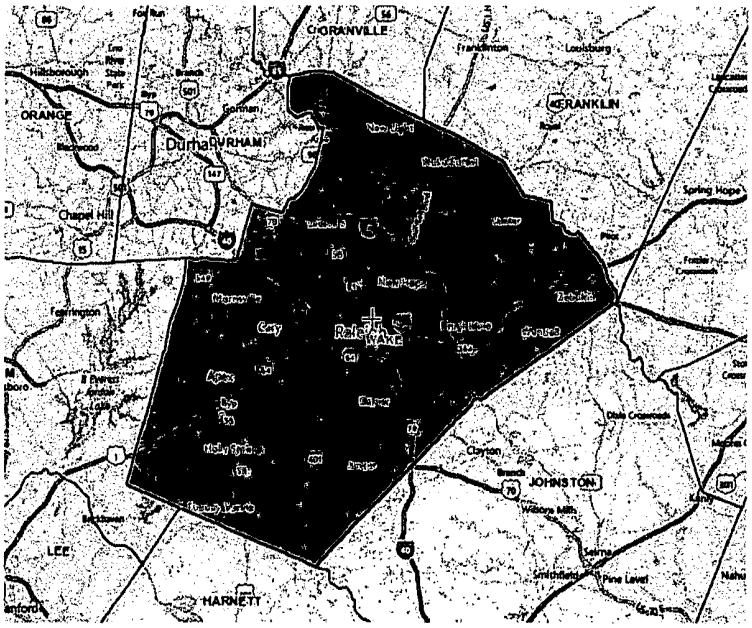
Map 1-3. Johnston County



Map 1-4. Orange County



Map 1-5. Wake County



Economic Analysis Appendix B: Letter to Senator John Cornyn

JAN 16 2009

U.S. Citizenship and Immigration Services

CO 703.2342

The Honorable John Cornyn
United States Senate
Washington, DC 20510

Dear Senator Cornyn:

This is to acknowledge your letter to Acting Director Aytes dated December 10, 2008, requesting information about the job creation requirement for immigrant investors. You ask for U.S. Citizenship and Immigration Services view on the job creation requirement as it applies to Regional Centers generally and the construction industry specifically, especially for multi-year, large scale construction projects.

As most "construction jobs" are intermittent, temporary, seasonal, transient, and filled by subcontractors, they usually will not be credited for employment creation immigration purposes, *Spencer Enterprises, Inc., Chang et al v. United States of America, et al United States District Court, Eastern District of California (CIV-F-99-6117) March 28, 2001, aff'd and adopted in the Ninth Circuit 2003.* However, certain circumstances will allow for counting certain construction jobs. At the Form I-526, "Immigrant Petition by Alien Entrepreneur," comprehensive business plan stage, construction jobs predicted to be of at least 2 years duration as "continuous, full time employment," rather than intermittent, seasonal employment, may be credited. At the Form I-829, "Petition by Entrepreneur to Remove Conditions," stage, those construction jobs that have been "continuous, permanent employment," rather than intermittent, seasonal employment, having lasted a full 2 years and that continue in existence through adjudication of the I-829 petition, may be counted in the job creation total.

An example of a project that may employ craftsmen for a full 2 years might be a masonry structure requiring masons in a full time capacity for the duration of the project as well as the architects and engineers while other trades would generally be ineligible short term subcontractors. Another example might be the construction of a massive suspension bridge such as the Golden Gate Bridge that employed the same people for the long term riveting and stringing the cables.

Indirect and induced jobs created as a result of construction jobs whether counted or not may be included in the job count. Even when the construction jobs may not be counted towards the job creation requirement, they do have indirect and induced impacts that are eligible to be included in the final job count because they are "continuous, permanent employment."

In your letter you also inquire as to the number of Texas businesses that have requested EB-5 Regional Center certification in the past fiscal year. There is currently one in Houston, Global Century Regional Center as you noted but Texas is also covered by another Regional Center that crosses state lines into Oklahoma, Southwest Bio-fuels Regional Center. Currently there is one additional proposal pending adjudication for the city of Dallas. One proposal was denied in March 2008.

Thank you for your continuing interest in and support of the Immigrant Investor Pilot Program.

We hope the information provided is helpful. If we may be of assistance in the future, please let us know.

Sincerely,

FOR THE DIRECTOR

James W. McCament
Chief

Economic Analysis Appendix C: Executive Summary USCIS Quarterly EB-5 Stakeholder Meeting, January 23, 2012

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services
Office of Public Engagement
Washington, DC 20529

Executive Summary

U.S. Citizenship and Immigration Services

USCIS QUARTERLY EB-5 STAKEHOLDER MEETING

January 23, 2012

On January 23, 2012, USCIS hosted an EB-5 Quarterly Stakeholder Engagement via teleconference. The meeting included a focus on EB-5 issues of concern to state governments, and USCIS subject matter experts provided an overview of state government's role in the EB-5 process. In particular, the delegation of authority for states to designate TEAs, the USCIS deference to state TEA designations, and USCIS procedures for managing abuse of TEA designations were discussed. In addition, other EB-5 topics of concern to stakeholders were discussed.

EB-5 Quarterly Stakeholder Engagements are designed as an opportunity for stakeholders to ask questions about the process, and receive responses from a panel of subject matter experts. The following reflects the content of this question and answer session.

STATE GOVERNMENT ISSUES

TARGETED EMPLOYMENT AREAS

Q: Please clarify whether a TEA exists only for a specific application, allowing geography to change to meet investment need or if a TEA in a metropolitan area is set for a period of time (one year from approval) making the TEA community sensitive.

A: The following is taken directly from the December 11, 2009 policy memo, Adjudication of EB-5
Regional Center Proposals and Affiliated Form I-526 and Form I-829
Petitions:

"If the regional center proposal bases its predictions regarding the number of direct or indirect jobs that will be created through EB-5 investments in the regional center, in whole or in part, by offering investment opportunities to EB-5 investors with the reduced $500,000 threshold, then the Targeted Employment Areas (TEAs), Rural Areas (areas with populations under 20,000 people) and areas of high unemployment (areas with unemployment rates 150% or more of the national rate), should be identified. ***Note: An alien filing a regional center affiliated Form I-526 must still establish that the investment will be made in a TEA within the regional center at the time of filing of the***

alien's Form I-526 petition, or at the time of the investment, whichever occurs first, to qualify for the reduced $500,000 capital investment threshold."

Therefore, the current policy is Form I-526 specific; i.e., each alien investor must demonstrate that his/her investment has been made or is in the process of being made within an area of high unemployment as part of the Form I-526 process.

Q: Request for USCIS to consider removing the TEA designation requirement so that all foreign investors can invest a minimum of $500,000.

A: The statute at INA 203(b)(5) governs the definition of "TEA" and the allocation of immigrant visas for investors who invest in a TEA. USCIS has no authority to remove a statutory requirement.

REGIONAL CENTERS

Q: If a Regional Center is owned by a local government (i.e. a city or county), please clarify whether EB-5 projects located in a *different* but contiguous city or county still fall under the city or county's Regional Center designation.

A: According to the Form I-924 regional center application instructions, a regional center application must focus on a geographically defined area. This area must be contiguous and clearly identified in the application by providing a detailed map of the proposed geographical area. In order to be affiliated with a regional center the new commercial enterprise must be located within the geographical boundaries that were sought and approved as part of the regional center application or any amendments.

Q: Please clarify whether city- or county-owned Regional Center projects can still get the benefits of the Regional Center even if they are in a different city or county.

A: According to the Form I-924 instructions, required documentation for regional center Designation includes a description of the business structure of both the regional center entity and the ***commercial enterprises that are or will be affiliated with the regional center.*** In order to be affiliated with the regional center the new commercial enterprise must be located within the approved regional center boundaries.

OTHER EB-5 ISSUES

STATISTICS, PROCESSING TIMES AND VISA USAGE

Q: Request for the most recent quarterly statistics for Form I-526, I-829, Regional Center proposal receipts, approvals and denials, and comparison of this data to preceding four quarters.

A: Current statistics were provided in the PowerPoint slides which can be found at..... Please note that USCIS does still plan on releasing regional center specific I-526/I-829 statistics. We are continuing to review the data and the release date has not yet been determined.

CUSTOMER SERVICE

Issue: The CSC and SCOPSCATA email boxes are not as responsive as they have been in the past. Inquiries about cases pending beyond normal processing times receive a stock reply that the case is being held pending resolution of an issue at

HQ.

Response: The California Service Center (CSC) reorganized and re-staffed the USCIS Immigrant Investor Mailbox in October 2011. The mailbox is now administered full-time by an EB-5 supervisor who reviews all incoming messages, assigns inquiries to mailbox-dedicated EB-5 Immigration Services Officers for response, and monitors the timeliness of the response. Our goal is to reply to each inquiry within 2-3 days of receipt. Currently, we are meeting this goal, with many inquiries receiving a reply the day of receipt. However, inquiries vary in complexity, with some involving ordering files outside the CSC and others involving coordination with USCIS Headquarters. While our goal remains the same, to reply within 2-3 days of receipt, responses to more complex inquiries may take additional time. And, while each response is crafted to be as informative as possible, please note that we cannot share case-specific details outside the adjudication process on live cases. The CSC will continue to dedicate necessary resources to the USCIS Immigrant Investor email box, which we understand is the foundation of the USCIS Immigrant Investor Program's customer service efforts.

I-526 PETITIONS

Q: Once an initial I-526 petition is approved for one investor, please clarify whether information and documentation concerning the Regional Center designation and the actual EB-5 project need to be included or re-approved in every subsequent investor's I-526 petition for the same project. If so, please consider changing the process so that only information showing each subsequent investor's authentic source of investment funds is required.

A: Each petition must be documented with the required evidence for Form I-526 petitions under 8 CFR 204.6(j). USCIS's Transformation initiative may present solutions to the issue of the submission of duplicative documentation in multiple petitions at some future date.

STAFFING AND TRAINING UPDATES

Q: Please provide the number of business analysts and economists that have been hired and how many will be hired in total. In addition, please provide guidance on how USCIS will deal with prior favorable adjudications based on previously held "reasonable methodologies " if advice from newly hired experts identifies viability issues with previously approved employment analysis and please confirm whether CSC processing times have decreased since allowing "mentors" to go back to doing casework.

A: USCIS is focusing considerable resources to increase EB-5 staffing at the CSC, to include additional Immigration Service Officers (ISOs), Supervisory Immigration Service Officers (SISOs), as well as contract and federal economists.

USCIS conducted a two-week EB-5 training session in December 2011. It is of note that in FY10 USCIS more than doubled staffing levels. However, the increase in EB-5 application and petition filings more than tripled in FY11. In FY12 we have more than doubled staffing levels yet again, and are working hard to bring the new EB-5 staff up to speed in EB-5 adjudications. We now have federal and contract economists on staff and expect to have more on staff in the coming months.

In addition, the CSC is realigning EB-5 staffing by implementing specialized teams to concentrate on specific regional centers, which will promote greater efficiencies and consistency in the Form I-526 and

Form I-829 adjudicative processes.

CONDITIONAL PERMANENT RESIDENCE

Q: Please discuss the procedure for the investor to obtain conditional permanent residence status and clarify whether the investor is authorized to work during that time. In addition, please clarify whether it is USCIS procedure to limit the duration of the I-551 stamp until the date of a scheduled master calendar hearing or merits hearing, which are frequently continued.

A: Upon approval of the Form I-526 petition, the EB-5 investor will either file a Form I-485, Application to Register Permanent Residence or Adjust Status, with USCIS to adjust status to conditional permanent resident within the United States, or file a DS-230, Application for Immigrant Visa and Alien Registration, with the Department of State to obtain an EB-5 visa for admission to the United States. The EB-5 investor (and his or her derivative family members) is granted conditional permanent residence for a two-year period upon the approval of the I-485 application or upon entry into the United States with an EB-5 immigrant visa. The Conditional Permanent Resident card will be valid for two years, and can be extended for one year upon receipt of a properly filed Form I-829 Petition by Entrepreneur to Remove Conditions. Any extensions are normally for one year and the investor is authorized to work the entire period that they are considered to be a conditional permanent resident. Additionally, if the investor becomes subject to proceedings, USCIS offices will limit the duration of the I-551 stamp until the date of a scheduled master calendar hearing or merits hearing. To ensure proof of valid immigration status, the investor may have to make repeated visits to the local USCIS office until the investor's case is decided. If extended foreign travel is required during this period, the investor should coordinate trips abroad within the period of his or her valid status.

Q: Please confirm when an applicant must file Form I-829 with USCIS.

A: According to 8 CFR 216.6(a)(1) the alien investor must file an I-829 within the 90-day period preceding the second anniversary of his or her admission to the United States as a conditional permanent resident. In other words, within the 90 day period preceding the expiration of his/her conditional green card. This is also addressed on p. 4 of the December 2009 memo: December 11, 2009 EB-5 Memo.

REGIONAL CENTERS

Q: Please identify the criteria used by USCIS to determine the appropriate geographical boundary for a regional center that has one initial "shovel ready" project but is planning ***future projects*** in a larger geographical area when the details and location of the future projects are unknown.

A: Section 610(a) of the Departments of Commerce, Justice and State, the Judiciary, and Related
Agencies Appropriations Act of 1993, Pub. L. 102-395, as amended, provides in pertinent part:

A regional center shall have jurisdiction over a **limited geographic area**, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in defined economic zones. (emphasis added)

8 CFR 204.6(m)(3) states, in pertinent part:

(3) Requirements for regional centers. Each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the Assistant Commissioner for Adjudications, which:

(i) Clearly describes how the regional center **focuses on a geographical region** of the United States, and how it will promote economic growth through increased export sales [if any], improved regional productivity, job creation, and increased domestic capital investment; (emphasis added).

(iv) contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy...

As indicated above, the statute provides that "a regional center shall have jurisdiction over a limited geographic area, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in defined economic zones." The regulation at 8 C.F.R.
§ 204.6(m)(3) also provides that each regional center must describe "how the regional center

focuses on a geographical region of the United States." The geographical limitation of the regional center was also emphasized in *Matter of Izummi*, 22 I&N Dec. 169,174 (Comm'r. 1998).

Each regional center must demonstrate in the Form I-924 application that the activities of the Regional Center will focus on the proposed geographic area in a manner consistent with the statutory requirement that at a Regional Center have jurisdiction over a limited geographic area with the purpose of concentrating pooled investment in defined economic zones and with the regulatory requirement that it will promote economic growth and have a positive economic impact throughout its region.

In regards to identifying future projects, the instructions to Form I-924 Application for Regional Center designation allow for amending previously approved regional center applications including amending the geographical area; organizational structure or administration; capital investment projects; and capital investment instruments including offering memoranda.

Q: If a developer enters into an agreement with a designated regional center whereby the regional center agrees to take on the project as a regional center-sanctioned project, please clarify what criteria USCIS uses to determine the appropriateness of this relationship. For example, if the relationship is a license agreement, is this problematic? Are other forms of agreement considered to be more compliant?

A: The regulation defines "commercial enterprise" as: "any for-profit activity formed for the ongoing conduct of lawful business including, but not limited to, a sole proprietorship, partnership (whether limited or general), holding company, joint venture, corporation, business trust, or other entity which may be publicly or privately owned. This definition includes a commercial enterprise consisting of a holding company and its wholly-owned subsidiaries, provided that each such subsidiary is engaged in a for-profit activity formed for the ongoing conduct of a lawful business. This definition shall not include a

noncommercial activity such as owning and operating a personal residence." See 8 CFR 204.6(e).

Form I-924 instructions allow for documentation of business relationships to include, but not limited to the following: articles of incorporation, certificate of incorporation, or legal creation as a partnership or limited liability company. The regional center may amend its designation to include the new project.

Q: Please clarify how USCIS defines "organizational structure or administration" as it pertains to I-924 amendments.

A: Part 3 of Form I-924 requires the identification of the organization structure for the regional centers as well as regional center affiliated commercial enterprises. Part 3 also requires a description of the "regional center's administration, oversight, and management functions that are or will be in place to monitor all EB-5 capital investment activities."

Q: Please provide an update on when the MFAS database will be integrated with CLAIMS so that I-829 case status will be available online.

A: There are currently no plans to integrate the MFAS database with CLAIMS.

Q: Please clarify the documentary requirements for a Regional Center amendment filing if the amendment is solely to (a) change industry code; or (b) change geography; or (c) change economic methodology.

A:

a) Change Industry Code:
A change or request for a new industry code should include all the information that is usually submitted with the initial I-924 in relation to a request for an industry category, and requires the petitioner to submit a new or significantly revised business plan and economic impact analysis. The evidence submitted should include a comprehensive and transparent business plan, economic impact analysis, and job creation analysis to demonstrate that, following the preponderance of evidence standard, the regional center will be targeting the EB5 investment in that industry. Please note that the industry code should be as specific as possible, using as many digits as possible. In addition, considering the fact that the magnitude of economic impact multipliers vary by industry, the petitioner should submit a revised economic impact analysis that uses multipliers which correspond to the newly-requested industry

(b) Change Geography:
A change in the geographic scope of the regional center should include all the information that is usually submitted with the initial I-924 to demonstrate the following pursuant to 8 CFR 204.6(m)(3): that the regional center will be focusing on the requested geographic region; that there will be promotion of regional or national growth; and that there will be a regional or a national impact.

The evidence submitted should include a valid and reasonable statistical or economic justification that the proposed investment activities will have an economic impact on the entire, clearly defined geographic region. This justification is often presented in the form of commuting patterns (as obtained from the U.S. Census Bureau) or geography-specific economic trends (usually obtained from the 2007 Economic Census). In addition, the petitioner should explain to USCIS if the market conditions significantly differ from the originally-requested region and also submit revised economic impact estimates that use

multipliers that correspond to the newly-requested geographic territory.

(c) Change Economic Impact Methodology:

A change in economic methodology should include all of the information that is usually submitted with the initial I-924 to demonstrate that the economic methodology, as it relates to the associated business plan, is using data that is transparent, applicable, reliable, and up-to-date. USCIS would need to see a revised economic impact analysis that transparently demonstrates the analytical steps taken by the petitioner to derive the employment impacts. Depending on the nature of the change, however, we may need to see a revised business plan as well. For instance, suppose the petitioner is requesting to change its methodology from IMPLAN to RIMS II direct employment. In this case, we would need to see the business plan sections that describe the number of projected employees because these values serve as inputs to the RIMS II model.

Q: Please provide an update on how USCIS will use the information collected on Form I-924A and when a summary of that information will be available.

A: USCIS plans to publish summarized Regional Center data in order to be responsive to requests for this information from a broad spectrum of USCIS' external stakeholders, to include members of Congress, other federal agencies, state agencies, and major media outlets. USCIS plans to publish data provided each year by all designated regional centers, to include attributes of the RC-affiliated capital investments, such as:

1. the geographic areas and industry categories receiving investment capital;
2. The volume of regional center affiliated capital invested, and;
3. The number of jobs created or maintained as a result of the capital investments.

This data will be published on the USCIS Web site for each fiscal year, along with summarized data gathered systemically by USCIS.

Q: Please clarify how clear requests, such as geographical expansion, new economic models, and additional NAICS codes, can be quickly approved through an I-924 amendment.

A: Please see instructions on the I-924 Form for a description of the changes that require the filing of an amendment and ones that do not require an amendment filing. As noted in the response to question #3 above, all documents and information in support of an amendment filing should comport to the requirements as set forth in section 203(b)(5) of the INA, section 610(a) of P.L. 102-395 as amended by P.L. 107-273, and 8 CFR 204.6(m).

An efficient way to have the amendment approved is for the regional center to submit evidence that the change is warranted and appropriate. While this evidence will vary depending on the requested change, in general the evidence should include a revised business plan and/or economic impact analysis. Simply giving notice to USCIS Immigrant Investor Programs staff is not sufficient.

EB-5 BASIC PROGRAM

Q: Please clarify whether, in the EB-5 Basic Direct context, an investor can individually, or in conjunction with other EB-5 investors, diversify funds into two or more businesses.

A: An immigrant investor who is not associated with a regional center may deploy capital into a portfolio

of businesses, so long as all capital is deployed through a single commercial enterprise and all jobs are created within that commercial enterprise. For example, in an area in which the minimum investment amount is $1,000,000, the investor can satisfy the statute if the commercial enterprise deploys $600,000 toward one business that it wholly owns, and $400,000 toward another business that it wholly owns. See 8 C.F.R. § 204.6(e). (In this instance, the two wholly-owned businesses would have to create an aggregate of ten new jobs between them.) An investor cannot qualify, on the other hand, by investing $600,000 in one commercial enterprise and $400,000 in a separate commercial enterprise.

Q: Please confirm whether EB-5 investors can acquire existing residential real estate as a part of a diversified investment plan and rent it to the public as an EB-5 qualified enterprise as long as adequate full time jobs are created by all the diversified investments combined.

A: No, this is counter to the requirement that 100% of an EB-5 investment be put at risk through an investment into a *job creating* commercial enterprise. Although the requisite number of jobs might be created, the total investment would not be available to the job creating enterprise.

OTHER ISSUES

Q: Please discuss USCIS' procedure when a Form I-9, Employment Eligibility Verification is submitted with an I-829, Petition by Entrepreneur to Remove Conditions and USCIS determines that one or more of the employees is not a U.S. citizen or permanent resident.

A: USCIS will review Form I-829, Petition by Entrepreneur to Remove Conditions, for evidence that 10 full-time jobs for qualifying employees have been created or will be created within a reasonable time. Such evidence may include, but is not limited to, business payroll records, relevant tax documents, and employee Forms I-9. A qualified employee is a U.S. citizen, permanent resident or other immigrant authorized to work in the United States. The individual may be a conditional resident, anasylee, a refugee, or a person residing in the United States under suspension of deportation. This definition does not include the immigrant investor; his or her spouse, sons, or daughters; or any foreign national in any nonimmigrant status (such as an H-1B visa holder) or who is not authorized to work in the United States. USCIS may issue a Request for Evidence (RFE) if it is determined that claimed employees are not qualifying employees. USCIS will also determine, on a case by case basis, if the investor has the opportunity to replace an unqualified employee with a qualifying employee.

Q: Please confirm whether the number of EB-5 visas via the regional center pilot program is capped at 3,000 or can exceed 3,000 (up to 10,000).

A: 3,000 is not a hard cap number. The regional center pilot program can exceed the 3,000.

Q: Please provide the number and duration of extensions of the EB-5 pilot program since 1992.

A: The EB-5 pilot program has had a series of successive extensions, beginning in 1997 and most recently in 2009. The legislative history can be found in the following citations:

Pub.L. 105-119, Title I, § 116(a), 111 Stat. 2467 (Nov. 26, 1997); Pub.L. 106-396, Title IV, § 402, 114 Stat. 1647 (Oct. 30 2000); Pub.L. 107-273, Div. C, Title I, § 11037(a), 116 Stat. 1847 (Nov. 2, 2002); Pub.L. 108-156, § 4, 117 Stat. 1945 (Dec. 3, 2003); Pub.L. 111-83, Title V, § 548, 123 Stat. 2177 (Oct. 28, 2009)

Q: Are there any questions of policy currently under consideration that are on hold until all of the new hiring of business analysts and economists has completed?

A: No.

Q: If a U.S. Commercial enterprise has been closed or is about to be closed because of lack of revenue to sustain the business operations, then can this circumstance lead to an approvable new EB-5 project? That is, can a new commercial enterprise buy the assets of this failed business and be treated as a new commercial enterprise for EB-5 purposes? Would this be treated differently to the concept of "troubled business?"

A: There appears to be confusion regarding the concept of "troubled business" versus the concept of what the requirements are for demonstrating that the entity in which the investor makes his or her investment qualifies as a new commercial enterprise.

In order for the entity to qualify as a new commercial enterprise, the entity must have been established after November 29, 1990. If the entity was established prior to that date, then in order to be "new", the entity must be restructured or reorganized as described in 8 CFR 204.6(h). These concepts do not specifically relate to EB-5 job creation requirements.

In order to count jobs existing prior to the acquisition of a commercial enterprise through EB-5 investment, the business must meet the definition of a "troubled business" defined as: "a business that has been in existence for at least two years, has incurred a net loss for accounting purposes (determined on the basis of generally accepted accounting principles) during the twelve or twenty-four month period prior to the priority date on the alien entrepreneur's Form I-526, and the loss for such period is at least equal to twenty per cent of the troubled business's net worth prior to such loss. For purposes of determining whether or not the troubled business has been in existence for two years, successors in interest to the troubled business will be deemed to have been in existence for the same period of time as the business they succeeded." See 8 CFR 204.6(e)

Note that pursuant to Matter of Soffici, 22 I&N Dec. 158 (AAO 1998):

A petitioner who acquires a pre-existing business must show that the investment has created, or at least has a reasonable prospect of creating, 10 full-time positions, in addition to those existing before acquisition. The petitioner must, therefore, present evidence concerning the pre-acquisition level of employment. Simply maintaining the pre-acquisition level of employment is not sufficient unless the petitioner shows that the pre-existing business qualifies as a "troubled business."

FOLLOW UP QUESTIONS

Q. USCIS has delayed processing a number of cases pending resolution of one issue. When will this issue be resolved and when will USCIS provide guidance on those pending applications?

A: In our last stakeholder call regarding the EB-5 immigrant investor program, a number of stakeholders raised questions with respect to our adjudication of petitions that for purposes of the job creation requirement have utilized what has been commonly termed a "tenant-occupancy" methodology. In light of the number of questions we received on this subject, we thought that providing clarification of our approach was warranted.

The "tenant-occupancy" methodology seeks credit for job creation by independent tenant businesses that lease space in buildings developed with EB-5 funding. USCIS continues to recognize that whether it is economically reasonable to attribute such "tenant-occupancy" jobs to the underlying EB-5 commercial real estate project is a fact-specific question. Each case filed will depend on the specific facts presented and the accompanying economic analysis.

USCIS is now moving forward with the adjudication of certain pending I-924 Applications For Regional Centers Under the Immigrant Investor Pilot Program that are supported by the "tenant-occupancy" economic methodology. Our newly-hired economists and business analysts will be bringing expertise to these new adjudications, and requests for evidence will be issued to certain applicants and petitioners to address any questions or issues we have about the economic methodologies employed in their specific cases.

Our retention of experts with economic and business analysis expertise is part of our ongoing efforts to improve our administration of the EB-5 program. We are taking other steps to both improve the efficiency of the program as well as to ensure its integrity. We look forward to keeping you informed of these improvements.

Q. Is it permissible for the geographical boundaries of a city or county-owned regional center to extend beyond the city or county limits?

A: Yes, this is acceptable.

Q. Does a state department of labor have the authority to designate a targeted employment area?

A: Before any such designation is made, an official of the state must notify USCIS of the agency, board, or other appropriate governmental body of the state which shall be delegated the authority to certify that the geographic or political subdivision is a high unemployment area. See 8 CFR 204.6(i)

Q. Will USCIS provide average I-526 and I-829 processing times?

A: I-526 and I-829 average processing times are available on the USCIS Processing Times web page. The I-924 processing times are available on the USCIS web page by clicking I-924 Processing Times.

Q. Can USCIS provide a breakdown of receipts, approvals and denials for regional center and individual applications?

A: Aggregate statistics for each form-type were presented during the meeting. In the future USCIS will provide distinct basic program and regional center program statistics for Form I-526 and I-829 petitions.

Q. When an exemplar petition is approved, what type of scrutiny is applied to the actual project? How closely should it mirror the exemplar? Are applications reviewed for compliance with the exemplar or against general requirements?

A: There is no requirement to file an exemplar I-526 petition; however, the December 2011 policy guidance includes guidance on filing exemplar petitions and the deference that will be given by USCIS when adjudicating individual investor petitions. At the I-924 stage, USCIS considers whether the applicant has provided verifiable detail about how jobs will be created in each industry. The Form I-924 revisions will include guidance on submitting an application for a shovel ready project and guidelines on how to provide adequate specificity in regional center applications.

Q. Why has there been a decrease in approvals recently?

A: Quarterly data provides only a snapshot of receipts, approvals and denials in a given time period and may not accurately reflect increases and decreases in approvals and denials over time. The annual data is more reflective of overall trends than quarterly data. Such data was provided during the meeting.

Q. USCIS stated that 2,300 EB-5 visas have been issued so far this fiscal year. Are there any plans to increase the number of visas available? Are applicants placed on a waiting list when the visa cap is met?

A: Congress sets visa numbers, so an increase in the number of visas available would require congressional action. Once USCIS approves an I-526, a priority date is assigned. The priority date is the date the I-526 is received by USCIS, not the date it is approved. If the visa cap is met in a given year, the State Department would assign "cut-off" dates for visa availability. When the 10, 0000 additional visas become available at the beginning of the next fiscal year, the State Department would update the "cut-off" date and start issuing visas based on priority date. See INA 203 and 201(d).

Q. Can USCIS intervene if a state issues a TEA designation based on specific census tract and the attorney or petitioner disagrees with how the state chooses to designate the TEA?

A: Please consult the regulations for information on the state TEA designation process. At this time, USCIS defers to the state's TEA designation in terms of the state's definition of the geographic boundaries of the TEA based upon high unemployment. However, USCIS must ensure compliance with the statutory requirement that the proposed area designated by the state in fact has an unemployment rate of at least 150 percent of the national average rate. For this purpose, USCIS will review state determinations of the unemployment rate and, in doing so, USCIS can assess the method or methods by which the state authority obtained the unemployment statistics.

Q. When will USCIS issue I-924A statistics?

A: We are in the process of reviewing the Form I-924A supplements that were filed by designated regional centers for FY2011. After this review process is concluded, then USCIS will analyze the data, along with USCIS records regarding EB-5 petition and applications and will publish results from this review and analysis later on during this fiscal year.

Q. Is buying and renting real estate permissible if all other criteria are met?

A: Adjudication is done on a case by case basis. If the investor's funds are 100% committed and at risk and are being used to create qualified jobs, this may be acceptable. Again, USCIS must note that each case is adjudicated on a case by case basis and decisions will vary depending on the actual facts presented.

Q. Which national unemployment rate should be used for purposes of TEA designation?

A: Annual data sets for national and local data based upon the most recently available data should be provided as proof of high unemployment. It is important that the data set covers an annualized period of time so that unemployment rates are reasonably represented, and are not overly high or low based on short-term fluctuations which may or may not be representative of the actual unemployment realities of a given area.

Q. For a project that is almost shovel ready, but not quite, is it better to submit a general I-924 followed by an amendment, or to wait a few months until the project is shovel ready and submit a more detailed I-924
?

A: USCIS can not give legal or adjudicative advice. As such, the applicant needs to make this decision on a case by case basis.

Q. Does the investor have to have management experience?

A: No. The regulations at 8 CFR 204.6(j)(5) discuss the investors role in the management of the new commercial enterprise. There is no EB-5 requirement that an EB-5 investor must have prior management experience.

Q. What is the main reason for Form I-829 denials?

A: Non-compliance with the statute at INA 216(a) and the regulations found at 8 CFR 216.6.

Q. Can USCIS provide examples of well-written regional center proposals?

A: No.

Economic Analysis Appendix D: Resume of Dr. Michael K. Evans

mevans@evanscarrollecon.com

CURRENT AND PREVIOUS POSITIONS

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

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

• Chief Economist, *American Economics Group*, 2000-2008.

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

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

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

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

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

• Assistant and Associate Professor of Economics, Wharton School, University of Pennsylvania, 1964-69.

Co-developer of the original Wharton Model.

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

Chairman of Institute for International Economic Competitiveness

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

Built econometric model of the Israeli economy

PREVIOUS ACTIVITIES AND EDUCATION

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

- Contributing Editor, *Industry Week*

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

- Editor, *The Evans Report*

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

- Consultant, *National Printing Equipment and Supply Association*

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

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

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

- Consultant, *American Hardware Manufacturing Association*

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

- Board of Economists, *Los Angeles Times*

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

- Columnist, *United Press International*

Wrote twice-weekly column, "Dollars and Trends"

- Consultant, Senate Finance Committee,

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

- Consultant, Environmental Protection Agency and Council on Environmental Quality

Estimated inflationary impact of government regulations

- Consultant, National Aeronautics and Space Administration

Estimate impact of R&D spending on productivity growth

- Consultant, U. S. Treasury

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

- Consultant, U. S. Department of Agriculture

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

- Consultant, Organization of Economic Cooperation and Development

  Built econometric model of the French economy

SAMPLE OF RECENT CONSULTING PROJECTS

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

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

Key to symbols: N, new Regional Center, E, extension of existing center

List is current as of November 5, 2010. Totals to date are 136 new Regional Centers, 72 extensions, and 7 new markets tax credits, for a total of 215 projects

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

N• Calculated the economic impact of the construction and operation of an assisted living center in Santa Ana, CA

N• Calculated the economic impact of the construction and operation of several BBQ restaurants in South Florida.

N• Calculated the economic impact of the drilling oil wells in 8 counties in Texas and Louisiana.

N• Calculated the economic impact of operating coal mines for metallurgical coal in West Virginia.

N• Calculated the economic impact of operating gold mines in Alaska.

N• Calculated the economic impact of constructing and operating a mixed-use commercial center in Flushing, NY

N• Calculated the economic impact of constructing and operating two hotels, one in downtown San Diego, and one in Escondido, CA

N● Calculated the economic impact of expanding and operating an auto racing track in Palm Beach, FL

N● Calculated the economic impact of building and operating mobile housing villages for disaster relief.

N● Calculated the economic impact of operating an "incubator" for research on medical devices, preparations, and services in Houston, TX.

N● Calculated the economic impact of constructing and operating a mixed-use commercial center in Denver, CO.

N● Calculated the economic impact of constructing and operating a charter school in Miami/Dade County, FL

E● Calculated the economic impact of constructing and operating a hotel in Manhattan, NY

N● Calculated the economic impact of constructing and operating hotels, assisted living centers, and mixed-use commercial buildings in 8 counties in Southern California

N● Calculated the economic impact of constructing and operating a charter school in Broward County, FL

N● Calculated the economic impact of renovating a former public housing project in Chicago, IL

N● Calculated the economic impact of starting a high-tech company for optical displays in Orlando and Gainesville, FL

N● Calculated the economic impact of constructing and operating luxury hotels in four Southern California counties

E● Calculated the economic impact of expanding a manufacturing company in Ann Arbor, MI

N● Calculated the economic impact of reconverting an old mill building into offices and other commercial uses in Bristol County, MA

N● Calculated the economic impact of a film and TV production studio in Los Angeles, CA

N● Calculated the economic impact of constructing and operating various residential and commercial buildings in 35 Texas counties.

N● Calculated the economic impact of constructing and operating the world's tallest residential structure in Chicago, IL

N● Calculated the economic impact of constructing and operating a mixed-use commercial and residential building in Seattle, WA

N● Calculated the economic impact of constructing and operating a hotel in Cleveland, OH

N● Calculated the economic impact of a research facility in Jupiter, FL

N● Calculated the economic impact of constructing and operating an assisted living center in Horry County, SC

N● Calculated the economic impact of constructing and operating a chain pharmacy in Chicago, IL

E● Calculated the economic impact of constructing and operating a high-end hotel and resort in Aspen, CO

N● Calculated the economic impact of constructing and operating an assisted living center in Dallas, TX

E● Calculated the economic impact of constructing and operating an medical assistance company in Bronx, NY

E● Calculated the economic impact of constructing and operating a mixed-use commercial building in Queens, NY

E● Calculated the economic impact of operating a livery service in Queens, NY

N● Calculated the economic impact of constructing and operating residential properties in Southern California

N● Calculated the economic impact of operating a film and TV production studio in Los Angeles, CA

N● Calculated the economic impact of drilling oil wells in Montana

N● Calculated the economic impact of constructing and operating various residential and commercial buildings for 43 counties in Texas

E● Calculated the economic impact of constructing and operating a restaurant and dinner theater in Guam

N● Constructed an input/output model for the Commonwealth of the Northern Mariana Islands, and used it to calculated the economic impact of constructing and operating a restaurant in Saipan.

E● Calculated the economic impact of constructing and operating a new hotel in Miami, FL

E● Calculated the economic impact of constructing and operating a resort and wellness center in South Florida

N● Calculated the economic impact of expanding and operating a ski resort in Vermont.

N● Calculated the economic impact of constructing and operating residential and commercial buildings in 20 counties in South Central Texas

N● Calculated the economic impact of constructing and operating a hotel near the Newark, NJ airport

E● Calculated the economic impact of constructing and operating a company to process health insurance benefits in South Florida

E● Calculated the economic impact of constructing and operating a veterinary hospital in Palm Beach County, FL

N● Calculated the economic impact of constructing and operating various residential and commercial buildings for all counties in MA, CT, RI, and NH

N● Calculated the economic impact of constructing and operating a residential construction company in Maryland

N● Calculated the economic impact of constructing and operating various residential and commercial buildings for the entire state of Oklahoma

N● Calculated the economic impact of constructing and operating a company for manufacturing dental implants in Cuyahoga County, OH

N● Calculated the economic impact of constructing and operating a mixed-use commercial facility in Brooklyn, NY

N● Calculated the economic impact of constructing and operating an office building for financial services in downtown Manhattan, NY

N● Calculated the economic impact of constructing and operating a mixed-use facility in Southern California

N● Calculated the economic impact of constructing and operating a retail shopping center in Tampa, FL

N● Calculated the economic impact of constructing and operating a retail shopping center in Tampa, FL

N● Calculated the economic impact of constructing and operating a mixed-use commercial building in Seattle, WA

N● Calculated the economic impact of constructing and operating a charter school in Arizona

N● Calculated the economic impact of constructing and operating a resort in northeastern Utah

N● Calculated the economic impact of operating an online video game company

N● Calculated the economic impact of constructing and operating a hotel in New York City

N● Calculated the economic impact of constructing and operating a fashion mall in South Florida

E● Calculated the economic impact of construction and operation of a new automobile assembly plant in Petersburg, VA

N● Calculated the economic impact of operating a call center for the U.S. government in Muskogee, OK

N• Calculated the economic impact of developing a mixed-use commercial and residential center in Scottsdale, AZ

N• Calculated the economic impact of constructing and operating a "Green Box" facility in New Jersey to process waste material on a pollution-free basis.

N• Calculated the economic impact of constructing and operating a "Green Box" facility in Washington State to process waste material on a pollution-free basis.

E• Calculated the economic impact of constructing and operating a new hotel in Coral Gables, FL

E• Calculated the economic impact of developing a new residential community in Brevard County, and retail stores and restaurants in St. Lucie County, FL

N • Calculated the economic impact of a new business to store and process field crops in Madison, MS

N• Calculated the economic impact of operating food service establishments and assisted living centers in 40 counties in Texas.

E• Calculated the economic impact of developing a mixed-use commercial center in Miami, FL

N• Calculated the economic impact of renovating a theater in New York City to show film highlights of previous Broadway hits.

N• Calculated the economic impact of renovating and operating distressed buildings in the San Francisco Bay area.

E• Calculated the economic impact of a mixed-use commercial center in Montgomery County, TX

E• Calculated the economic impact of expanding a manufacturing facility to produce more energy-efficient lighting in Sarasota, FL

N• Calculated the economic impact of developing facilities for amateur sporting events in northern GA

N• Calculated the economic impact of developing a mixed-use commercial center in Missoula, MT

N● Calculated the economic impact of operating call centers in Las Vegas, NV, and other western Nevada counties

E● Calculated the economic impact of constructing and operating a proton cancer treatment center in Boca Raton, FL

E● Calculated the economic impact of constructing and operating a "Green Box" facility in Detroit to process waste material on a pollution-free basis.

E● Calculated the economic impact of renovating and expanding commercial property in Lower Manhattan

N● Calculated the economic impact of constructing student housing and retail stores in Davie, FL

E● Calculated the economic impact of constructing residential housing near Harvard University

E● Calculated the economic impact of developing mixed-use commercial centers in Broward County, FL

E● Calculated the economic impact of renovating a Dallas apartment building

E● Calculated the economic impact of renovating and operating a nursing home in Las Vegas, NV

E● Calculated the economic impact of constructing a hotel and shopping center in Miami, FL

E● Calculated the economic impact of developing a design center in Miami/Dade county, FL

E● Calculated the economic impact of developing and operating a chain of children's playrooms and party facilities in South Florida

E● Calculated the economic impact of developing a new stadium for the Nets basketball team, to be located in Brooklyn, NY

E● Calculated the economic impact of developing a Marriott hotel in Washington, D.C.

E• Calculated the economic impact of developing and operating a casino for foreign patrons in Las Vegas, NV

E• Calculated the economic impact of operating a series of yogurt fast-food restaurants in South Florida

E• Calculated the economic impact of constructing steel homes and commercial buildings in South Florida

N• Calculated the economic impact of construction and operation of a farm distillery in Vermont

N• Calculated the economic impact of purchase and renovation of deeply discounted residential properties in South Florida

N• Calculated the economic impact of a hotel to be built near LaGuardia Airport in Queens, NY

N• Calculated the economic impact for several mixed-use commercial and residential properties for a Regional Center covering southern Wisconsin and northern Illinois.

N• Calculated the economic impact for mixed-use commercial project in Flushing, NY

E• Calculated the economic impact for major new hotel near the Washington, D. C. conference center

N• Calculated the economic impact of an assisted living center in suburban Atlanta, GA

N• Calculated the economic impact of an office tower in mid-town Manhattan for the diamond trade

N• Calculated the economic impact of three mixed-use commercial and residential projects in Santa Clara County, CA

N• Calculated the economic impact of six mixed-use commercial and residential projects in Los Angeles, Orange, Riverside, and San Bernardino counties

N• Calculated the economic impact of operating a chain of pizza restaurants in southern Florida.

N• Calculated the economic impact of constructing and operating an assisted living facility in Atlanta, GA

E• Calculated the economic impact of constructing and operating an expansion of University Hospital in Cleveland, OH

E• Calculated the economic impact of a wastewater treatment plant in Victorville, CA

N• Calculated the economic impact of drilling for geothermal energy and constructing and operating power plants in several counties in Nevada

E• Calculated the economic impact of a vacation club operation in Orlando, FL

E• Calculated the economic impact of constructing and operating an extended-stay hotel in Boston, MA

E• Calculated the economic impact of constructing and operating an assisted living facility in Walton County, FL

N• Calculated the economic impact of manufacturing and constructing residential and commercial steel modular buildings in Lee County, FL

E• Calculated the economic impact of a chain of yogurt and juice stores and restaurants in southern Florida

E• Calculated the economic impact of two mixed-use commercial developments in Orange County, CA.

E• Calculated a Targeted Employment Area by census tracts for six counties in the Houston, TX metropolitan area

E• Calculated the expansion of new hybrid car manufacturing facility from Mississippi to Tennessee and Virginia.

E• Calculated the economic impact of construction and operation of a skilled nursing facility in Las Vegas, NV.

N• Calculated the economic impact of construction and operation of a proton cancer treatment center and medical offices buildings in Los Angeles County, CA.

E• Determined the economic impact of improving facilities at the Port of Baltimore in order to attract more shipping from the Panama Canal when the locks are widened.

N• Calculated the economic impact of a major hotel and resort area in Ft. Lauderdale, FL.

N• Calculated the economic impact of building steel homes in South Florida, including the local manufacture of steel fabricated parts.

E• Calculated the economic impact of constructing and operating a hotel at Times Square in New York City.

N• Calculated the economic impact of a mixed-used residential and commercial project in Atlanta, GA.

E• Calculated the economic impact of expanding and opening new restaurants in Dallas, TX. In a separate project, calculated the economic impact of renovating, refurbishing, and operating a boutique hotel in Dallas, TX.

E• Calculated the economic impact of building and operating low-income housing in Boston, MA.

N• Calculated the economic impact of constructing and operating assisted living facilities in eight rural Texas counties.

N• Calculated the economic impact of a mixed-use commercial project in Riverside County, CA.

E• Calculated the economic impact of opening a manufacturing plant for "green" motor vehicles in the Detroit, MI area.

E• Calculated the economic impact of constructing and operating hotels and restaurants in Columbus, MS.

E• Calculated the economic impact of operating restaurants in the Hotel W in Hollywood, CA.

N• Calculated the economic impact of a mixed-use commercial project in McCook, IL (suburban Chicago).

N● Calculated the economic impact of constructing and operating a water-based amusement facility in San Diego, CA.

N● Calculated the economic impact of a mixed-use commercial facility in suburban Cincinnati, OH (project is in KY).

E● Calculated the economic impact of constructing and operating a casino, hotel, and restaurant in Las Vegas, NV.

N● Calculated the economic impact of a new academic institution for alternative energy in Santa Clarita, CA.

N● Calculated the economic impact of several mixed-used projects in San Francisco, Alameda County, Santa Clara County, and Fresno County.

N● Calculated the economic impact of a super energy store and solar farm in Riverside County, CA.

N● Calculated the economic impact of a prostate cancer treatment center in South Carolina.

E● Calculated the economic impact of refurbishing and expanding retail space at the George Washington Bridge in New York City.

E● Calculated the economic impact of building Atlantic Yards, new stadium for the New York Nets, in Brooklyn, NY

N● Calculated the economic impact of an assisted living center and several mixed-use commercial facilities in the Reno, NV area.

E● Calculated the economic impact of buying residential properties at deep discount prices, refurbishing and selling them, in South Florida.

N• Calculated the economic impact for a fractional-ownership marina in Port Charlotte, FL, plus office space, retail stores, restaurants, and a home brokerage office.

N• Calculated the economic impact of construction and operation of four retirement homes in Vermont.

E• Calculated the economic impact of an upscale retail shopping center in Vail, CO. and a medical office building in Edwards, CO (both in Eagle County).

E• Calculated economic impact of a wind turbine manufacturing plant in Larimer County, CO

N• Calculated economic impact of a hotel, retail stores, restaurants, office buildings, and bank facilities in Pasadena, CA

N• Calculated economic impact of a luxury hotel and condominiums in Destin, FL

N• Calculated economic impact of constructing and operating a mixed-use commercial project in Jupiter, FL

E• Determined whether 17 possible restaurant locations in Miami/Dade and Broward Counties qualified as Targeted Employment Areas.

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

N• Calculated the economic impact of renovating and expanding a restaurant on

Martha's Vineyard, MA, as part of an EB-5 Regional Center in that state.

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

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

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

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

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

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

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

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

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

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

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

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

N• Calculated the economic impact of generic projects in manufacturing, financial services, health services, hotels, and restaurants for a proposed Regional Center for the state of Florida.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N• Calculated economic impact of 7 different types of proposed businesses for a proposed Regional Center in the Bay Area of California.

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

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

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

N• Determined economic impact of a shipyard, food processing plant, and semiconductor plant for a proposed Regional Center in Louisiana and Mississippi.

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

N• Developed an Input/output Model for Guam, which was then used to calculate the economic impact of several generic projects.

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

N• Prepared an economic impact analysis for the "timber to homes" project for a proposed Regional Center in Colorado.

N• Calculated the economic impact for a proposed Regional Center in Baltimore, Maryland that would include the rebuilding of depressed areas in East Baltimore and along the riverfront.

N• Prepared the economic analysis for a proposed EB-5 Regional Center for the entire state of Florida that included impact calculations for 14 different types of industries.

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

N• Prepared economic impact calculations for proposed EB-5 Regional Centers in New York City and Northeastern New Jersey.

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

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

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

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

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

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

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

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

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

• Calculated the economic impact of rehabbing and expanding the Everett Mall in Everett, WA. NEW MARKETS

• Determined the economic impact of building a new medical center in Charleston, SC NEW MARKETS

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

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

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

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

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

B. Projects for State and Local Governments

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

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

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

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

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

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

C. Economic Impact of Casino Gaming

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

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

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

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

D. Economic Impact of Smoking Bans and Higher Taxes

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

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

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

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

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

E. Consulting Projects for Travel and Tourism

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

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

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

F. Other Private Sector Consulting Projects

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

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

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

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

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

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

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

BOOKS PUBLISHED

Macroeconomics for Managers, Blackwell, 2003

Practical Business Forecasting, Blackwell, 2002

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

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

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

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

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

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

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

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

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

APPENDIX C: ERDRC PRO FORMA FINANCIAL STATEMENT

[See Attached]

REGIONAL CENTER PROJECTED INCOME STATEMENT (in dollars)

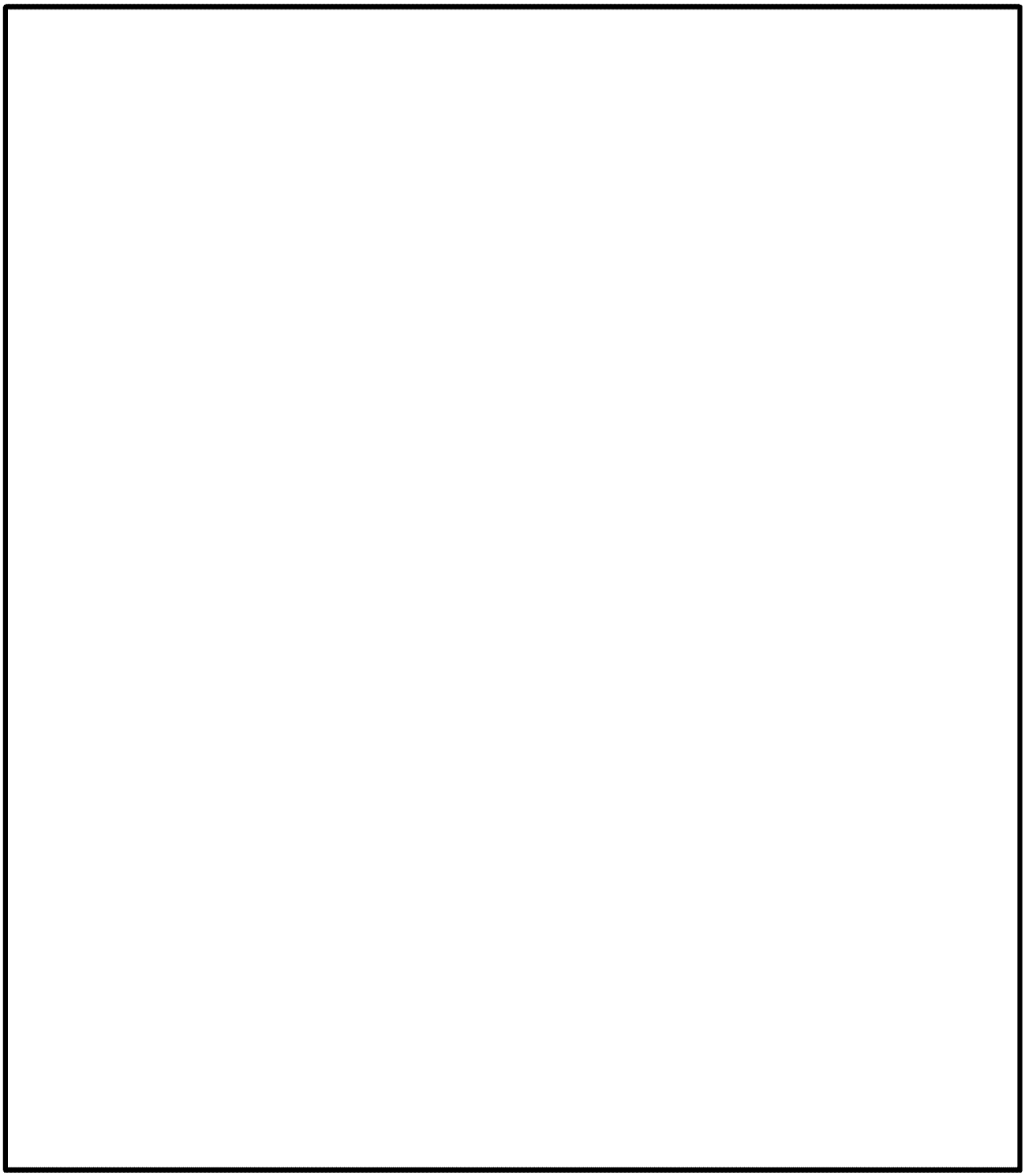
YEARS	1	2	3	4	5
PERIOD	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16

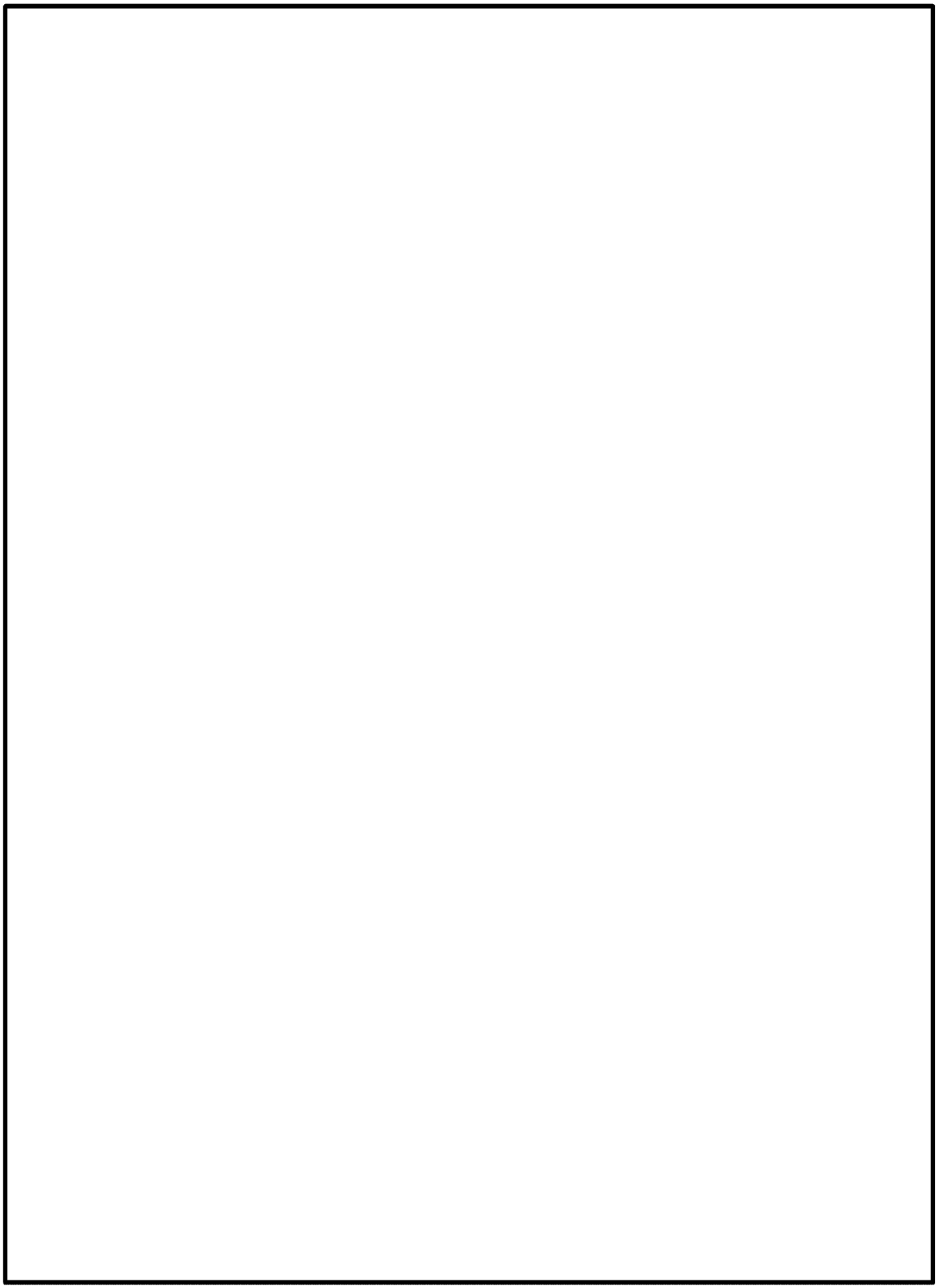
APPENDIX D: ORGANIZATIONAL DOCUMENTS

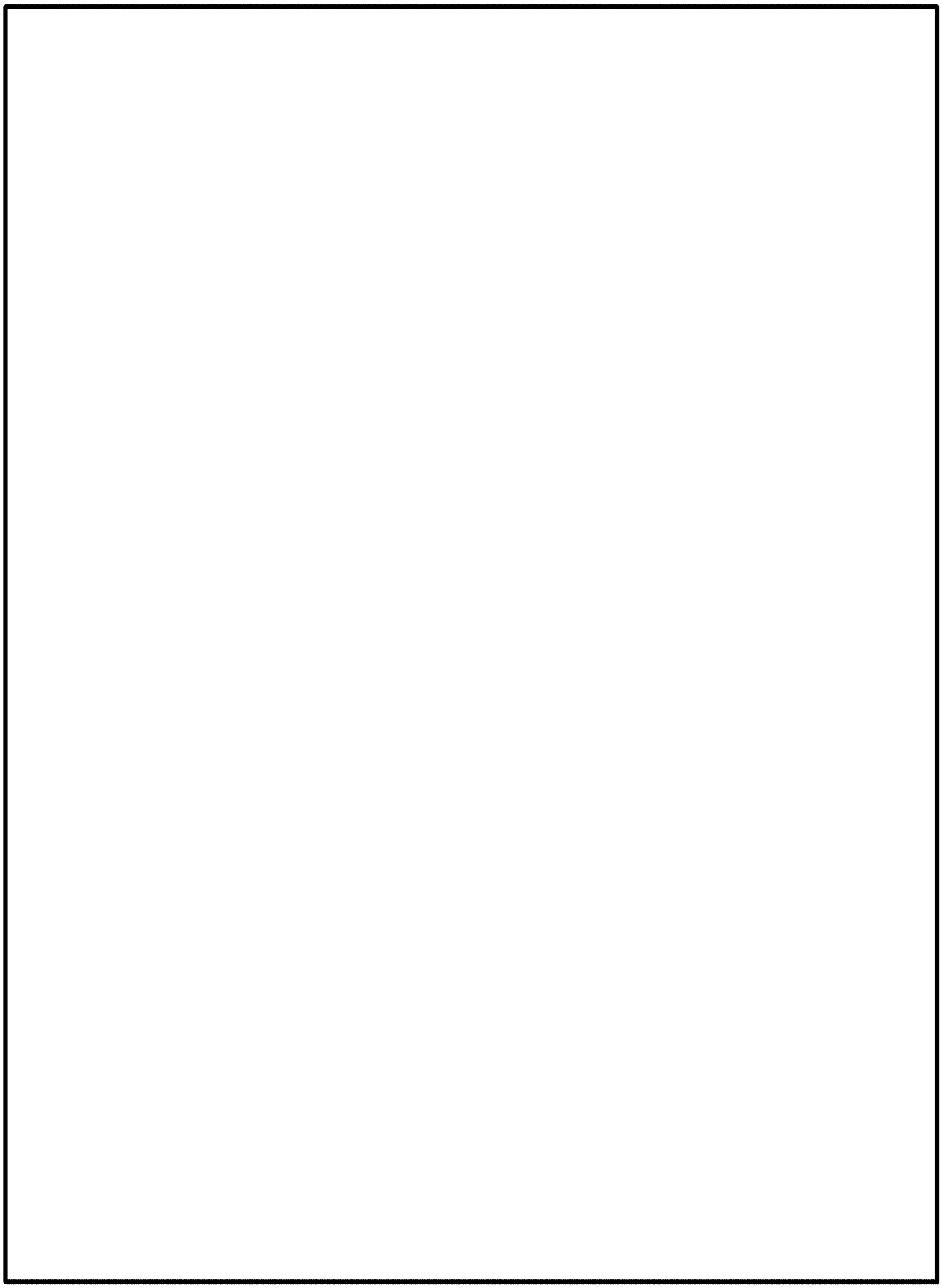
[See Attached]

Operating Agreement – Encore Global Investment, LLC (Manager)

OPERATING AGREEMENT
OF
ENCORE GLOBAL INVESTMENT MANAGEMENT, LLC









MEMBER:

ENCORE EQUITY MANAGEMENT, LLC

By:_____
Patrick J. Barber, President

MANAGER:

_____
PATRICK J. BARBER

(b)(4)

SCHEDULE 1

MEMBER NAME	Initial Capital Contribution	Membership and Percentage Interest

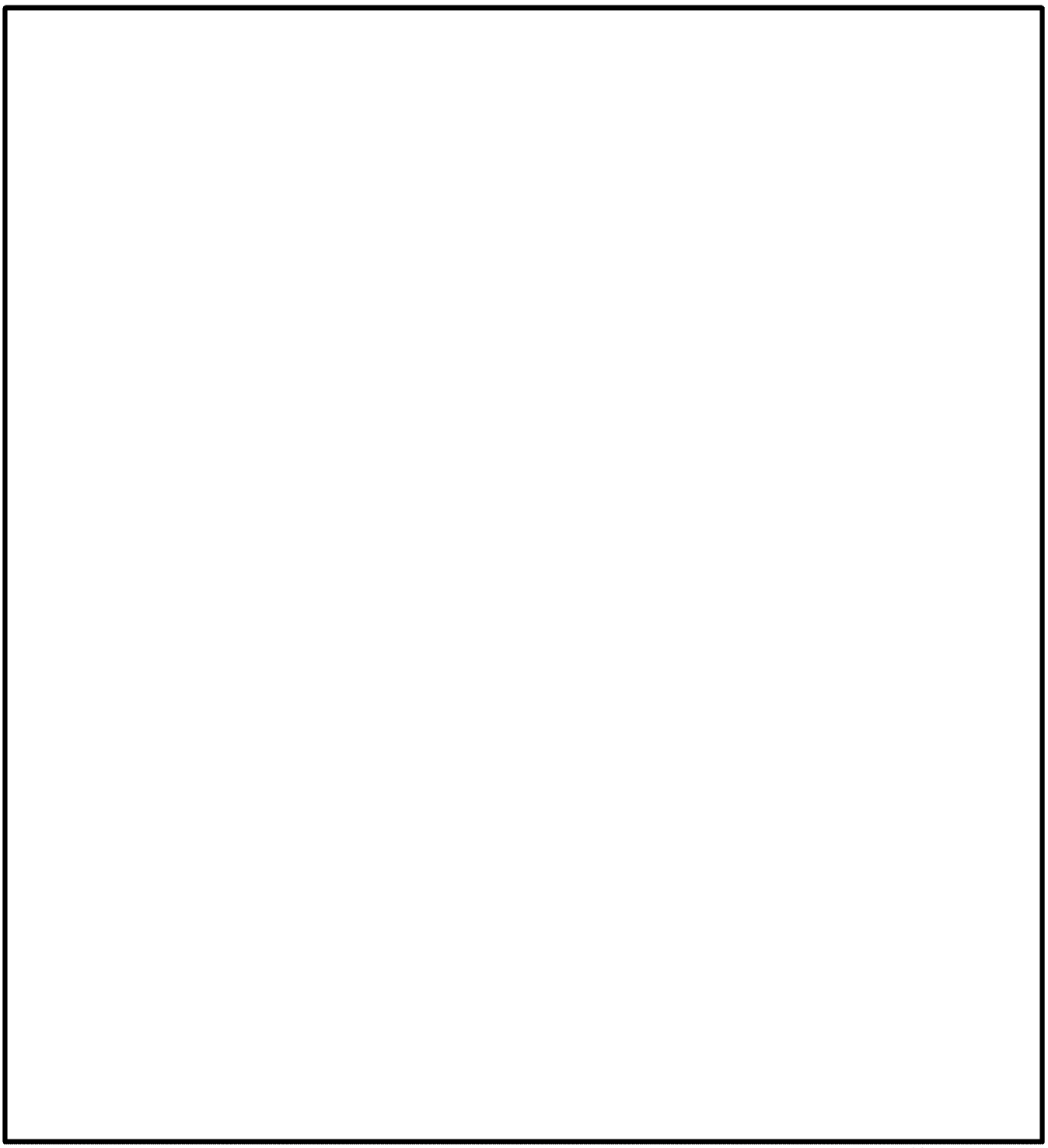
SCHEDULE 2

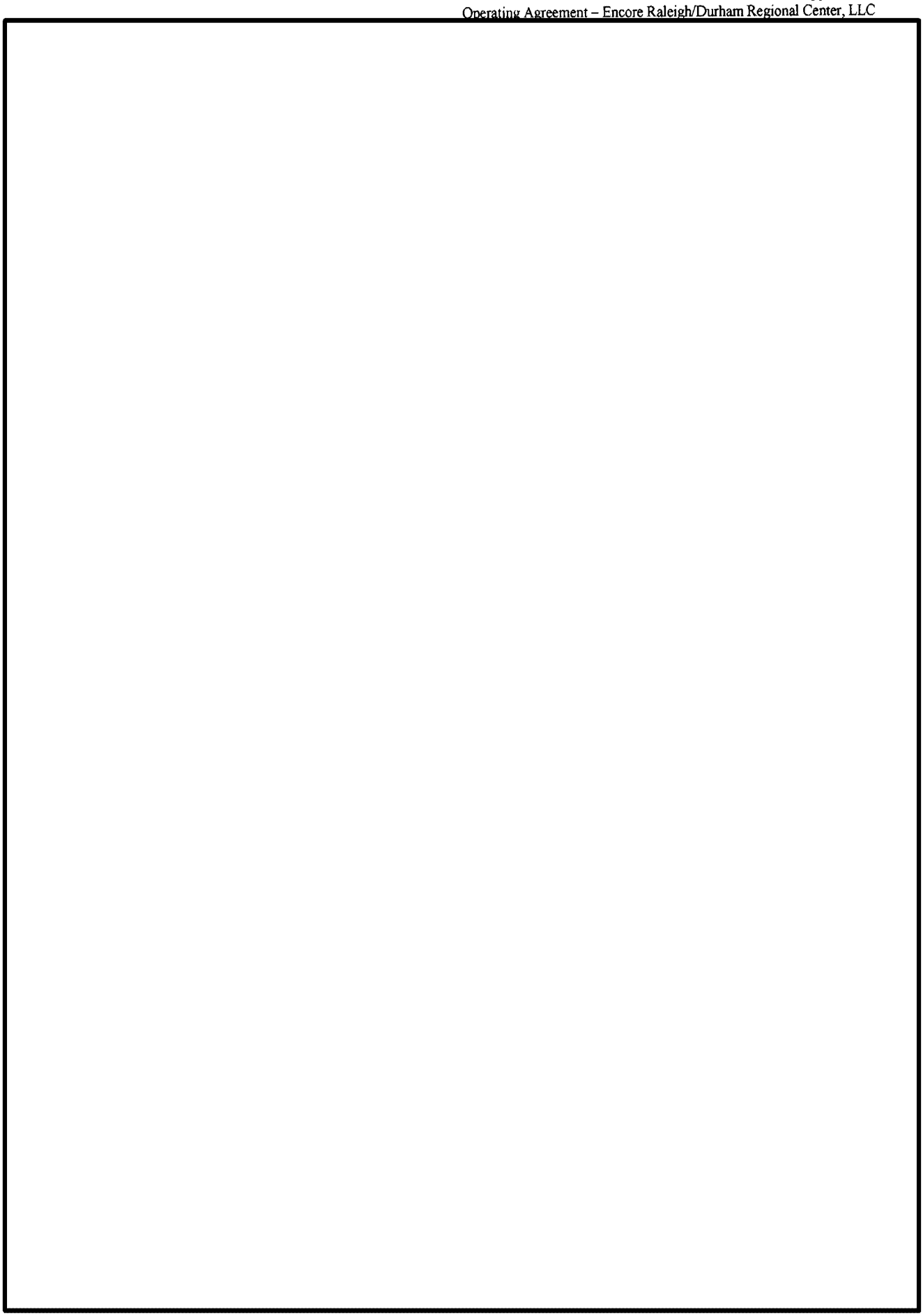
Officers

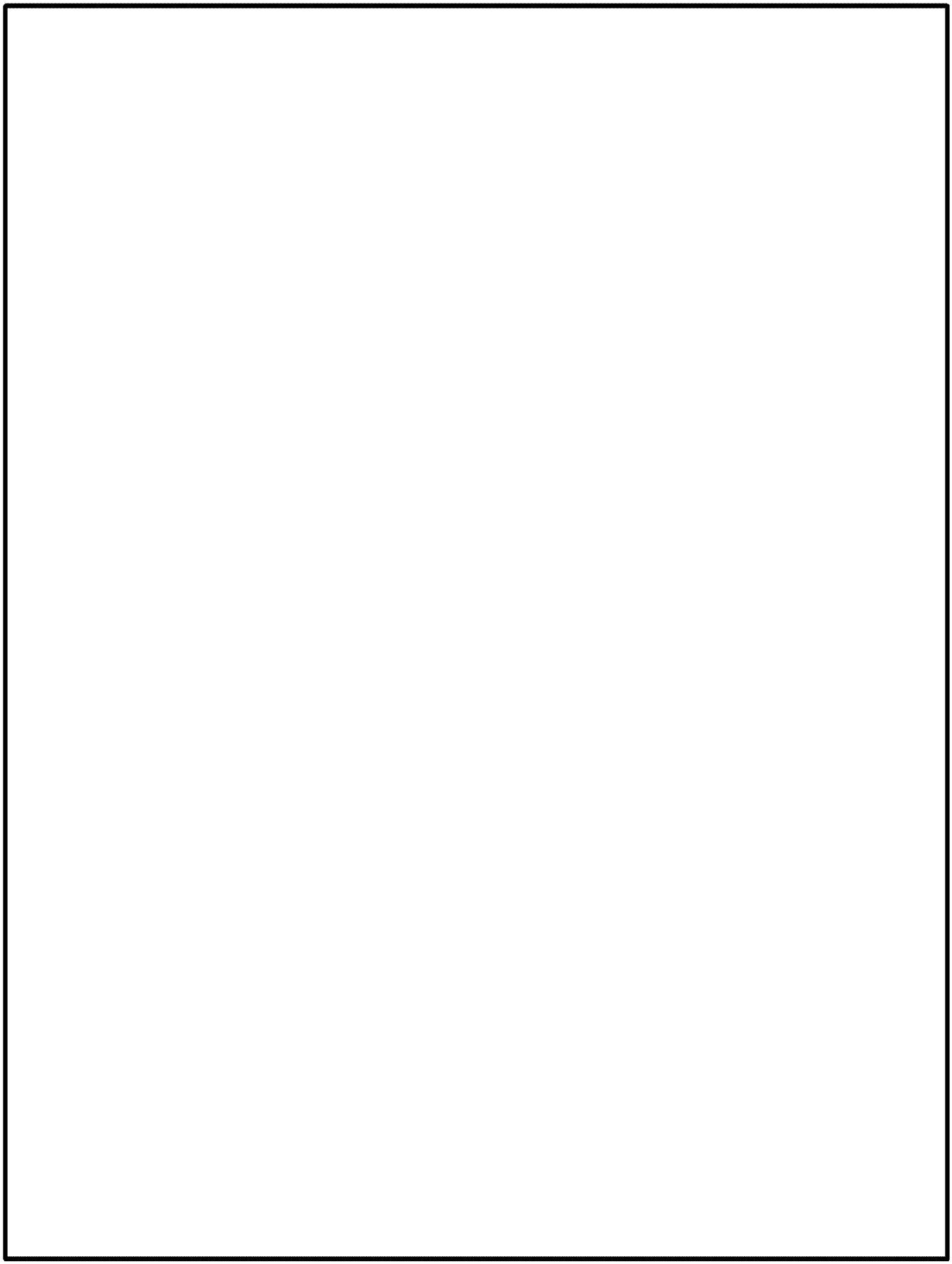
Name	Office
Patrick J. Barber	President
Alan L. Murray	Executive VP and Secretary
Mahesh Shetty	CFO and Treasurer

Operating Agreement – Encore Raleigh/Durham Regional Center, LLC (ERDRC)

OPERATING AGREEMENT
OF
ERC RALEIGH/DURHAM, LLC







[redacted]

MEMBER:

ENCORE GLOBAL INVESTMENT MANAGEMENT, LLC

By:_____
Patrick J. Barber, President

MANAGER:

_____
PATRICK J. BARBER

3. SCHEDULE 1

(b)(4)

MEMBER NAME	Initial Capital Contribution	Membership and Percentage Interest

SCHEDULE 2

Officers

Name	Office
Patrick J. Barber	President
Alan L. Murray	Executive VP and Secretary
Mahesh Shetty	CFO and Treasurer

APPENDIX F: PROJECT BUSINESS PLANS

MEDICAL OFFICE BUILDING, HOTEL, RETAIL CENTER, AND APARTMENT COMMUNITY
HYPOTHETICAL BUSINESS PLANS

[See Attached]

Project Business Plans Executive Summary

HFF®

November 14, 2012

To Whom It May Concern,

This letter is intended to confirm my support of Encore Enterprises as a premier client and trusted associate in the commercial real estate industry.

HFF is a leading provider of capital market services to the U.S. commercial real estate industry. HFF and its predecessor companies came together in 1998 and through 2Q 2012 have closed $309.8 billion in more than 13,700 transactions. HFF's professionals have executed debt and equity transactions for virtually every type of real estate and real estate-related asset, including debt placement, investment sales, equity investments, mergers of real estate companies and partnership recapitalizations. HFF employs 541 employees located in 21 offices across the United States. Publicly traded on the New York Stock Exchange (NYSE: HF), HFF is part of the S&P SmallCap 600 index, and HFF was recently ranked #5 in Fortune's 100 Fastest-Growing Companies.

HFF has worked extensively with Encore Enterprises and its subsidiary companies including Encore Retail, Encore Hospitality, Encore Office, and Encore Multi-Family. In the last 24 months HFF has closed more than $50 million of financings with Encore and its subsidiaries, and we are currently engaged on several additional transactions valued in excess of $40 million. I can attest that the principals and personnel within Encore have operated their business, research, analysis, and underwriting of each development and acquisition project in a way that meets or exceeds the industry's best practices guidelines. Encore's data, information, and analysis has been credible, reliable, and verifiable. Encore typically utilizes third reliable party sources in the company's research for each project such as Smith Travel Research, Loopnet.com U.S. Census data, CoStar Market Reports, Axiometrics, Jones Lang LaSalle, Greystar Management Services, and Sage Hospitality as well as economic development information obtained from a city's development office. These sources are the same that other similarly situated developers would rely upon to complete a project analysis in the retail, hotel, office and multifamily sectors.

Encore has the experienced management and resources to systematically underwrite and develop high-quality real estate projects. It is my firm opinion that Encore conducts their diligence in a manner that meets or exceeds the standards of top tier commercial real estate businesses.

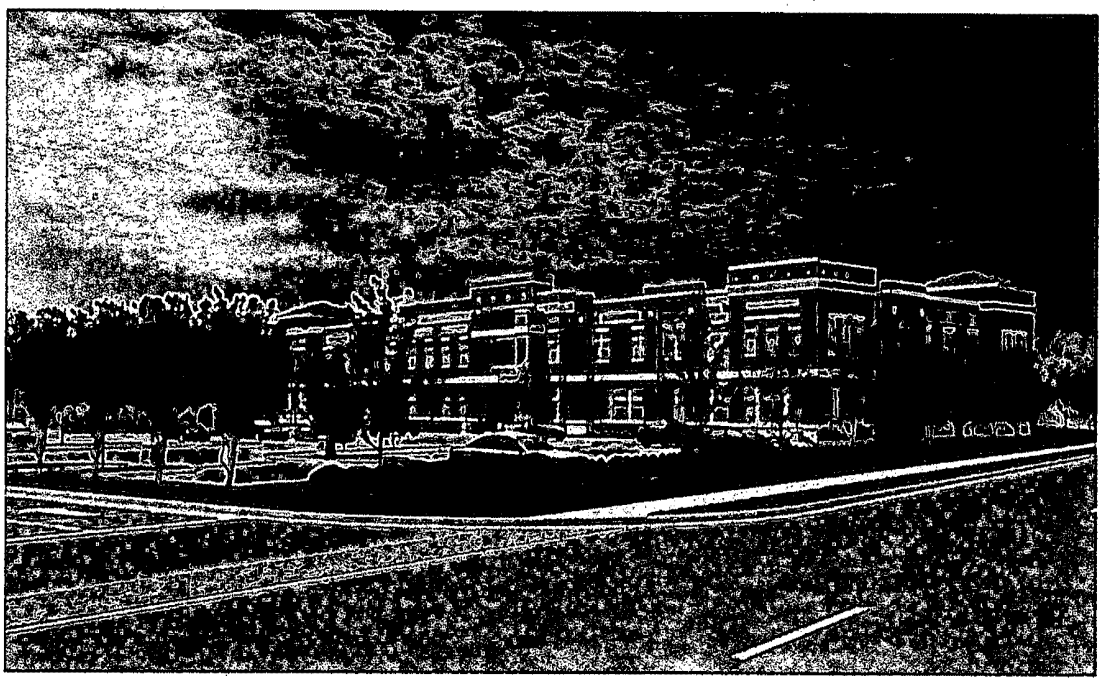
Sincerely,

Cullen Aderhold

Cullen Aderhold
Associate Director, HFF

8401 North Central Expressway ▪ Suite 700, LB# 30 ▪ Dallas, Texas 75225 ▪
Phone: 214-265-0880 ▪ Fax: 214-265-1686

ENCORE MEDICAL OFFICE BUILDING



ENCORE OFFICE, LLC

A HYPOTHETICAL MEDICAL OFFICE BUILDING PROJECT FOR REVIEW BY THE USCIS

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GLOSSARY OF TERMS

The following definitions and terms shall apply in this Business Review unless otherwise specifically provided to the contrary.

Key Definitions

Company – Encore Office, LLC, a Delaware limited liability company ("Encore Office"). The "Company" and "Encore Office" are one and the same entity and are used interchangeably in this Business Review.

Encore Raleigh-Durham Regional Center – ERC Raleigh/Durham LLC, a Delaware limited liability company, which will function as the Regional Center. Also referred to as ("Raleigh-Durham Regional Center" or "ERDRC").

Encore Global Investment Management, LLC – Encore Global Investment Management, LLC, is a Delaware limited liability company, ("EGIM"), which will own and operate the ERDRC.

Encore Enterprises, Inc. – Encore Enterprises, Inc., the parent corporation of all Encore subsidiaries, is a Mississippi formed corporation, ("Encore"), which wholly owns all subsidiaries mentioned in this Business Review unless stated to the contrary.

Encore Office – Encore Office, LLC, a Delaware limited liability company, which will own and develop the Raleigh-Durham Medical Office Building project.

Encore Raleigh-Durham Office, LP – Encore Raleigh-Durham Office, LP, a Delaware limited partnership whose partners are: Encore Office, LLC as its general partner, and each of the foreign investors as Limited Partners.

Raleigh-Durham Medical Office Project – An undertaking to develop a medical office property in the Region.

Region – Four (4) counties in the Greater Raleigh-Durham Area, centered around Raleigh-Durham, North Carolina (see map in "Executive Summary"). These counties include Orange, Wake, Johnston and Durham Counties.

Encore Raleigh MOB, LLC – A Delaware limited liability company ("Encore Raleigh MOB") designated as the job creating entity for the Encore Raleigh-Durham Medical Office project, which will borrow Investor funds from the EB-5 lender, Encore Raleigh-Durham RC Fund I, LP ("ERDRC Fund I, LP"), for job-creating purposes.

Encore Raleigh-Durham RC Fund I, LP – A Delaware limited partnership formed for the purpose of pooling Investor funds into one source for purpose of investment into a USCIS approved development project. ("ERDRC Fund I, LP")

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Other Definitions

EB-5 Investor – An Alien Entrepreneur who is an Investor and is seeking to obtain a visa pursuant to the Immigration Act.

EB-5 Program – There are two distinct EB-5 pathways for an alien investor to gain lawful permanent residence, the Basic Program and the Regional Center Pilot Program. Both programs require that the alien investor make a capital investment of either $500,000 or $1,000,000 (depending on whether the investment is in a TEA or not) in a new commercial enterprise located within the United States. The new commercial enterprise must create or preserve 10 full-time jobs for qualifying U.S. workers within two years of the alien investor's admission to the United States as a Conditional Permanent Resident (CPR). When making an investment in a new commercial enterprise affiliated with a USCIS-designated regional center under the Regional Center Pilot Program, an alien investor may satisfy the job creation requirements of the program through the creation of either direct or indirect jobs. Notably, an alien investing in a new commercial enterprise under the Basic Program may only satisfy the job creation requirements through the creation of direct jobs. If the regional center proposal bases its predictions regarding the number of direct or indirect jobs that will be created through EB-5 investments in the regional center, in whole or in part, by offering investment opportunities to EB-5 investors with the reduced $500,000 threshold, then the Targeted Employment Areas (TEAs), Rural Areas (areas with populations under 20,000 people) and areas of high unemployment (areas with unemployment rates 150% or more of the national rate), should be identified. Note: An alien filing a regional center affiliated Form 1-526 must still establish that the investment will be made in a TEA at the time of filing of the alien's Form 1-526 petition, or at the time of the investment, whichever occurs first, to qualify for the reduced $500,000 capital investment threshold.

High Unemployment Area – A geographical area, which has experienced unemployment of at least 150 percent of the national average rate. See INA § 203(b)(5)(B)(ii).

Immigration Nationality Act – The Act at 8 USC 1153(b)(5)(A)(i)-(iii), (B)(i)-(iii), (C)(i)-(iii) and (D).

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[redacted]

Medical Office Building ("MOB") – A commercial office building developed for the specific purpose of housing medical service providers including doctors offices and other medical industry providers.

[redacted]

Person – Any individual, firm, partnership, corporation, limited liability company, or any other form of legal entity.

[redacted]

Project Documents – (a) Partnership Agreement; (b) Business Review; and (c) Agreement for Sale and Purchase (listed in Appendix D of the I-924 petition). (Full documents provided at I-526 stage for actual project).

ROI – Return on investment.

Rural Area (a "RA") – A geographical area located both outside of a Metropolitan Statistical Area ("MSA") and outside of a city or town having a population of 20,000 or more based on the most recent decennial census of the United States. See INA § 203(b)(5)(B)(iii) and 8 CFR §204.6(j)(6)(i).

Targeted Employment Area (a "TEA") – A Rural Area, a defined term, or an area designated by the state as a High Unemployment Area, a defined term.

[redacted]

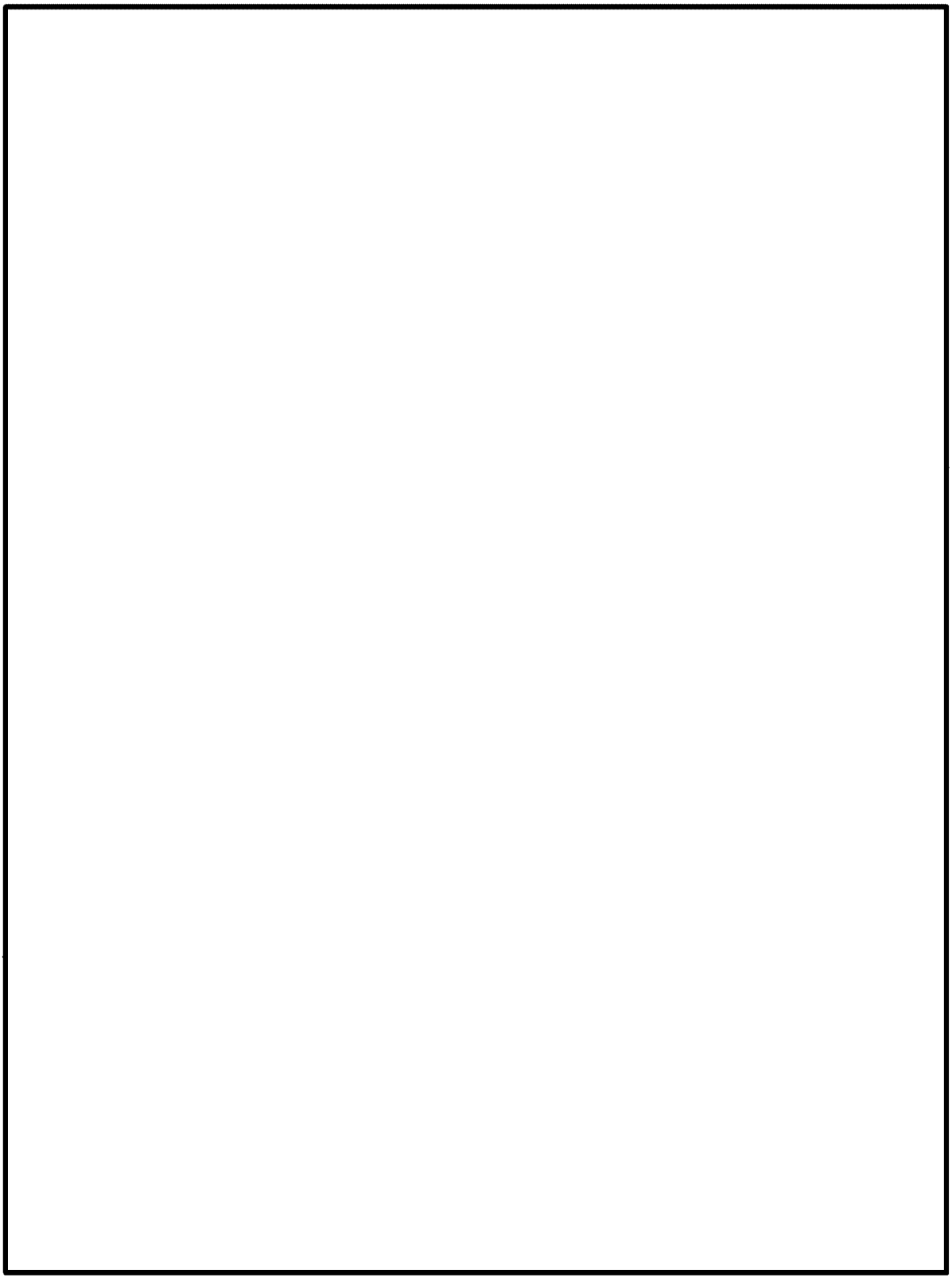
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1.0 EXECUTIVE SUMMARY

The Project	
Business Plan Summary	
Project Costs and Capitalizations	
Project Development & Schedule	
TEA Designation	The project, if developed within a Targeted Employment Area (TEA), would require each EB-5 investor to invest $500,000. If the project is not within a TEA, each EB-5 investor would invest $1,000,000.
Job Creation Sufficiency	This project would create [redacted] which visa vie would support [redacted] EB-5 investors in or outside of a TEA.

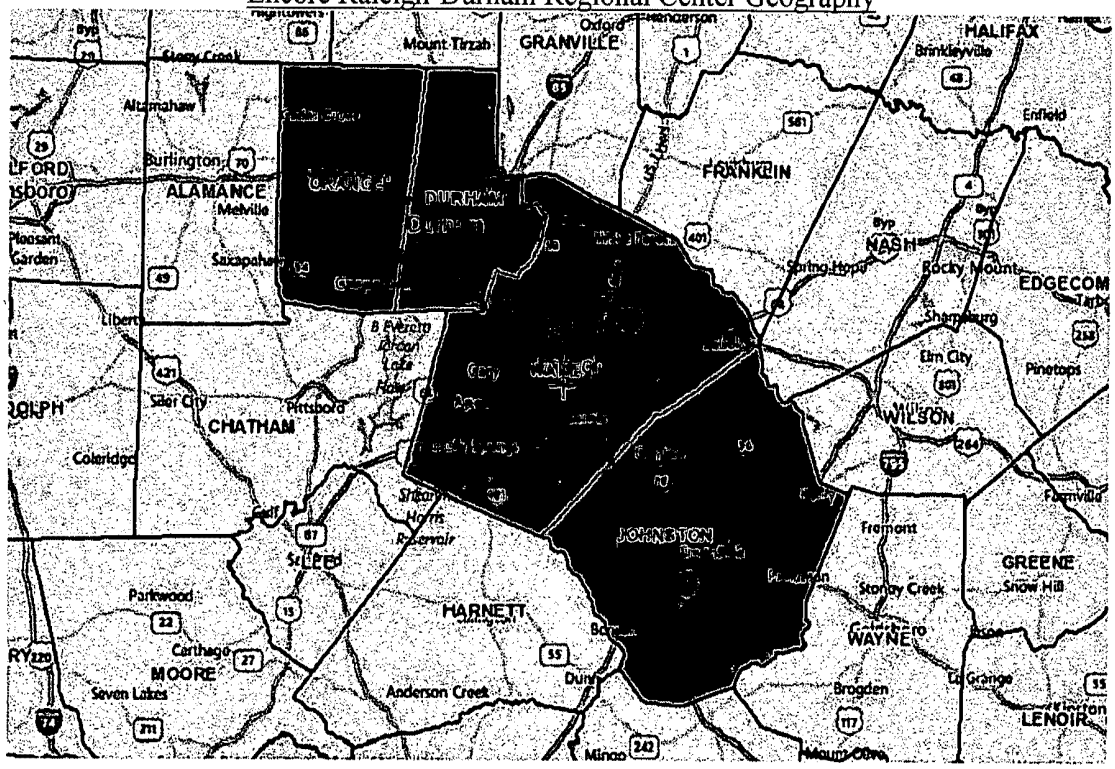
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1.1 Description of the Company



Encore Raleigh-Durham RC is seeking approval as a United States Citizenship and Immigration Service (USCIS) designated EB-5 Regional Center, in Raleigh-Durham, North Carolina, that has as its geographical area four (4) contiguous counties in North Carolina: Wake, Durham, Johnston and Orange counties are shown on the map below.

Encore Raleigh-Durham Regional Center Geography



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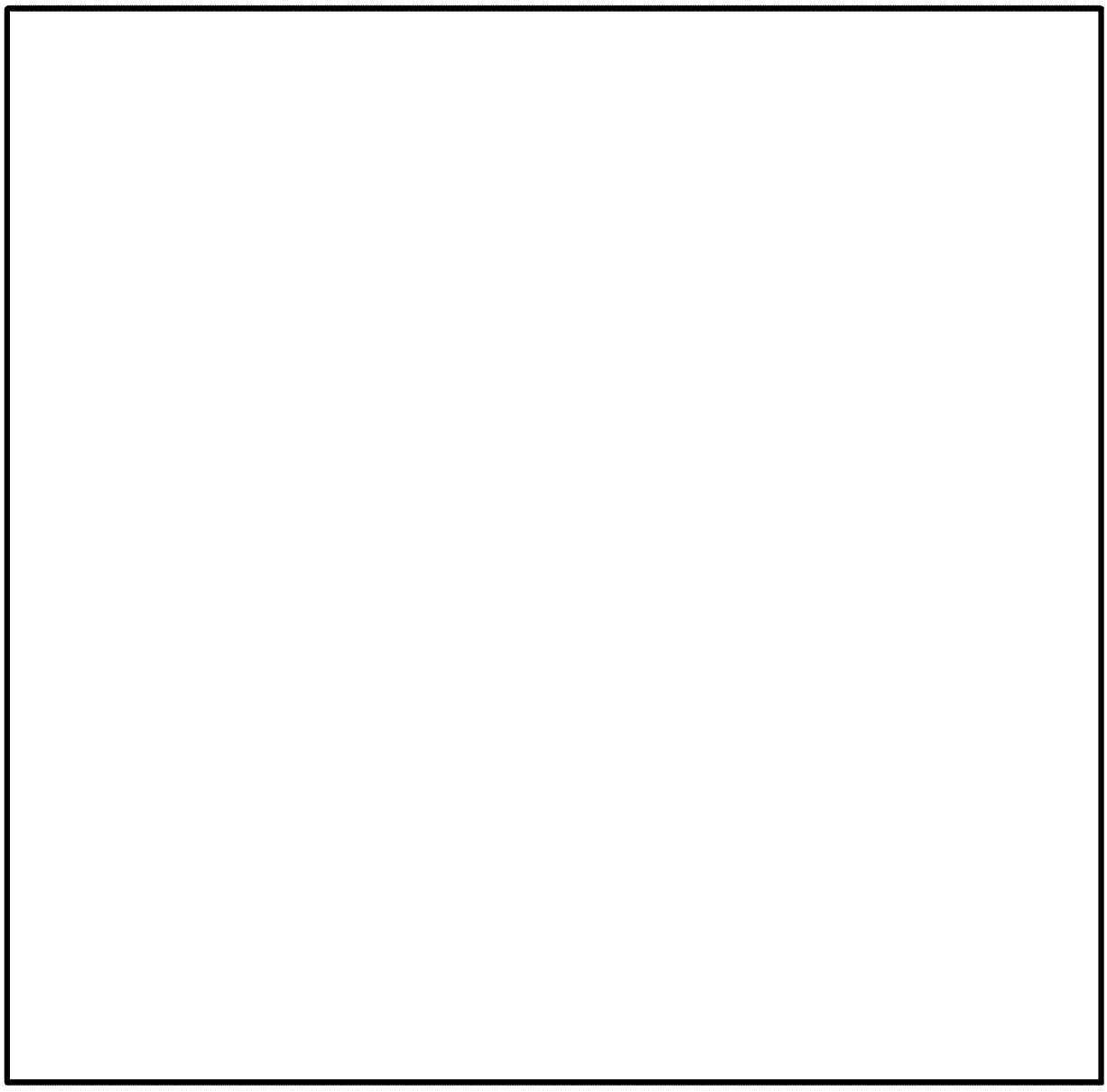
1.3 Corporate Structure



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1.4 Path of Funds



1.5 Mission Statement (b)(4)

Encore Office, LLC is a subsidiary of Encore Enterprises, Inc. Encore Office was founded in 2012 as a fully integrated commercial office building developer to acquire and/or develop, own and operate multi-tenant office buildings. The company is involved in all aspects of office development projects and acquisitions including, ground-up developments, joint ventures and

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1.6 Implementation of Business Plan

1.7 Financial

1.8 Sources of Proceeds

1.9 Use of Proceeds

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[redacted]

Please see the "Financial" section of this business plan for more information.

1.10 Management, Staff, and Employees

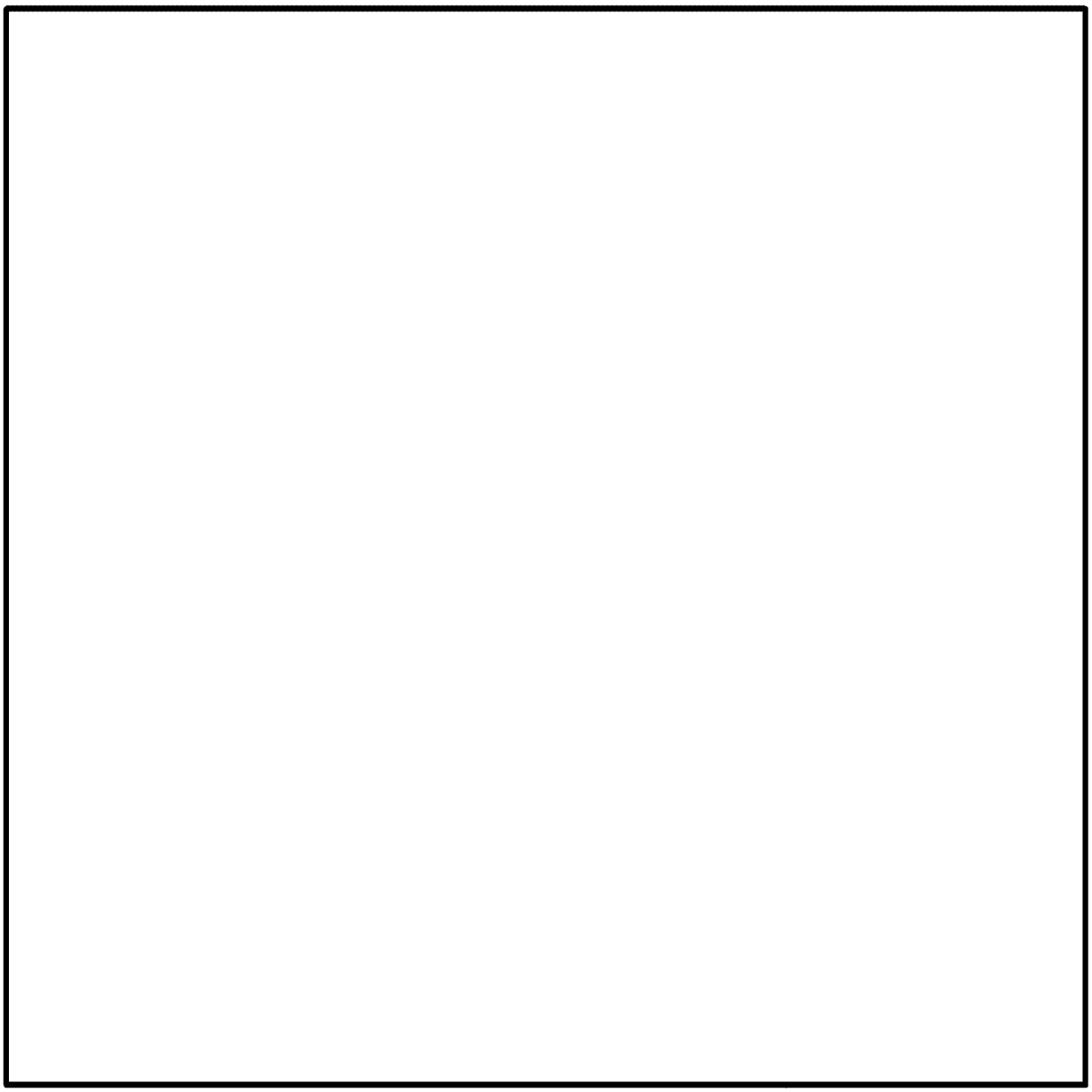
The Management of the Encore companies is experienced in the areas of finance and development, and have in-house an experienced management team to develop, lease and operate each EB-5 project in a profitable and ethical manner to provide job creation for investors, and a development project that is attractive and used by the communities they serve.

Please see the "Management" and "Employment and Staffing" section of this Business Review for more information on job descriptions of the property management team.

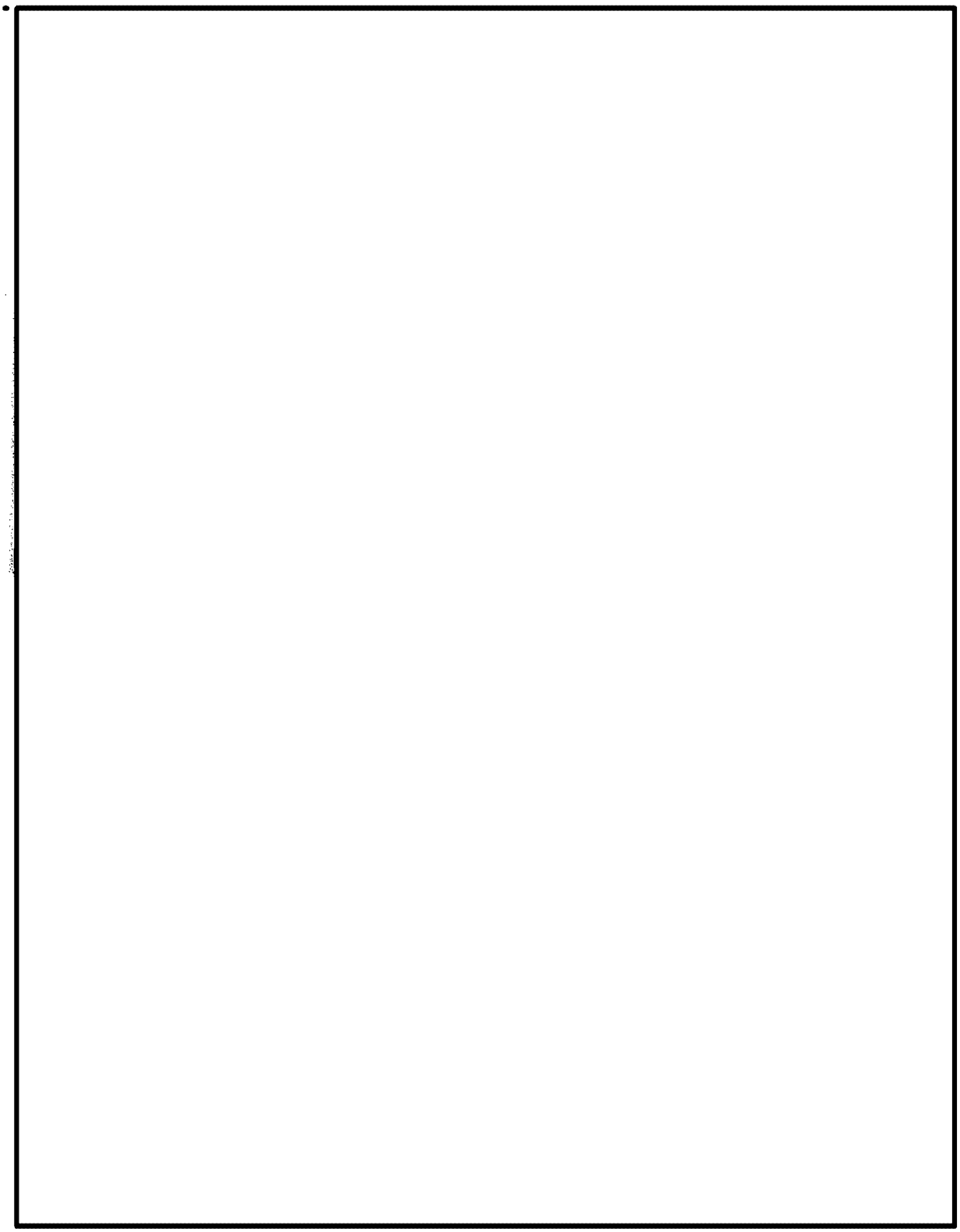
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2.0 ENCORE HYPOTHETICAL RALEIGH MEDICAL OFFICE BUILDING

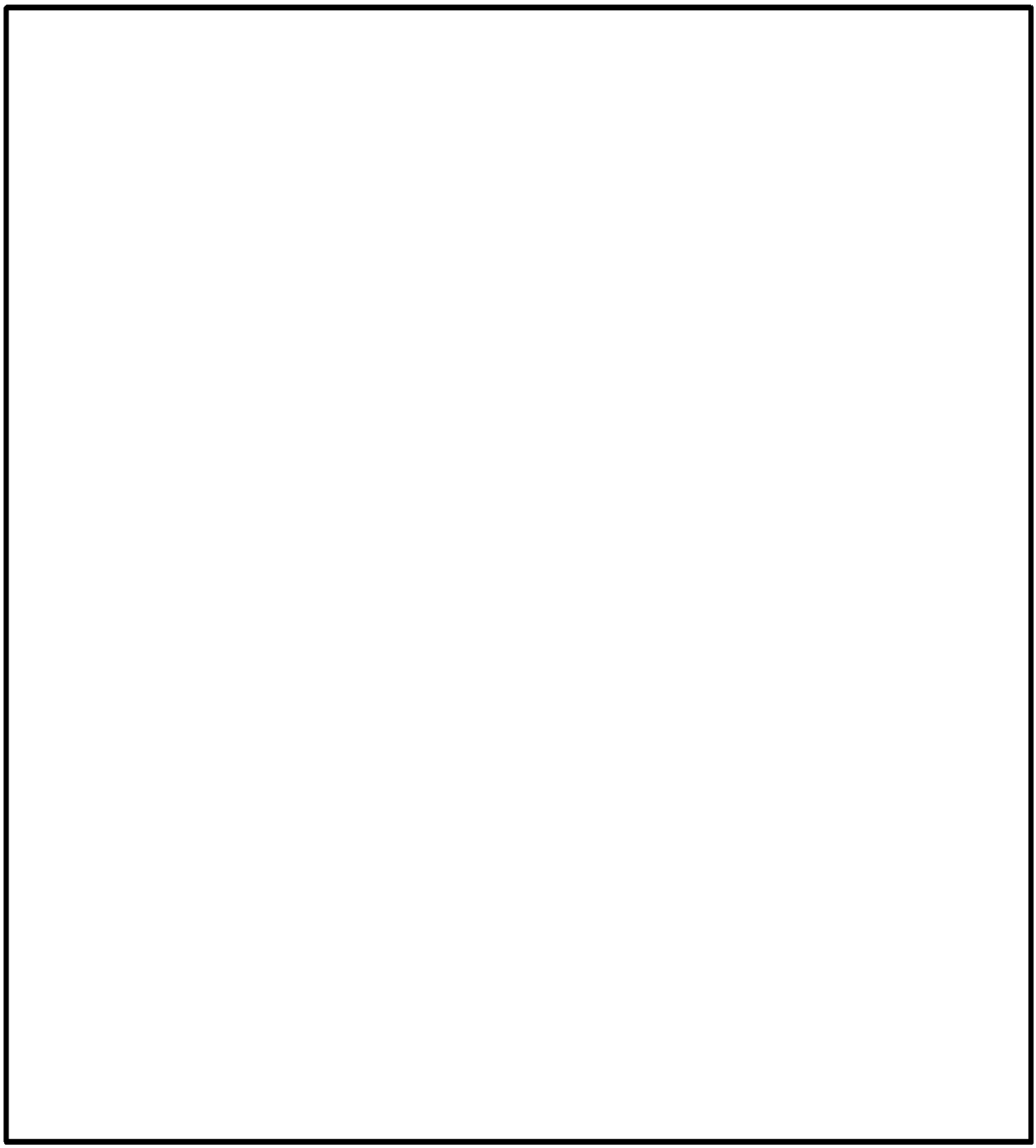


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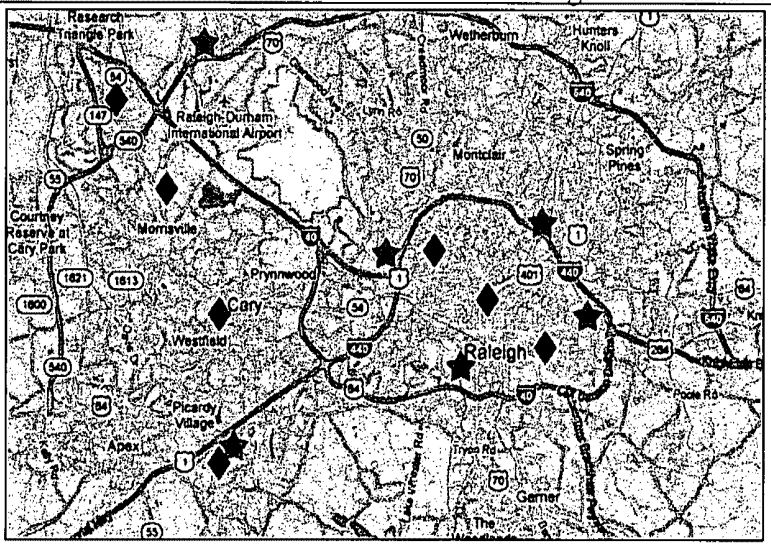
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3.0 MARKET ANALYSIS



Areas of Office Building and Medical Facility Concentrations

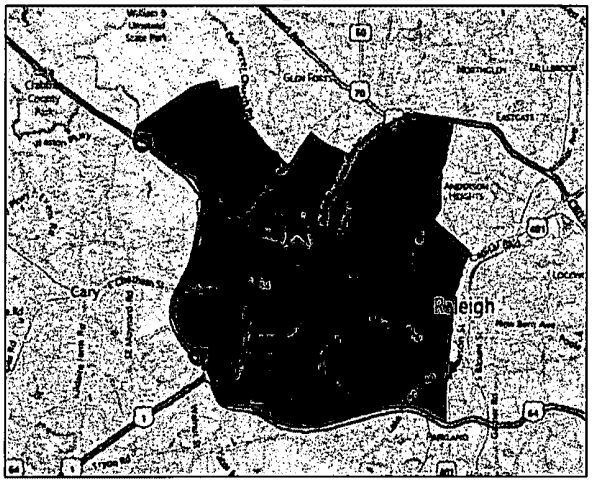
Raleigh-Durham Concentration Areas of Office Buildings and Medical Facilities



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West Raleigh Office Submarket

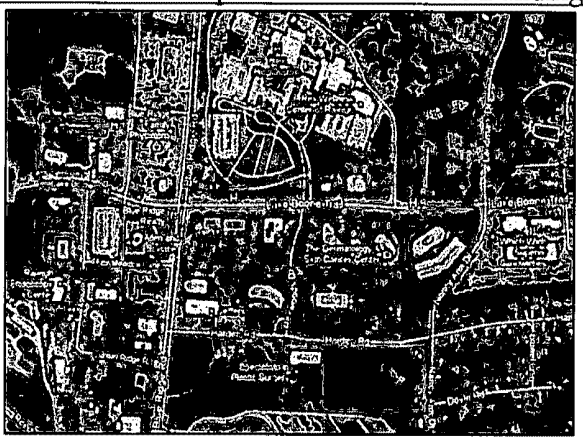
West Raleigh Submarket



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3601 Harden Road Proposed Medical Office Building Site



Raleigh Market Historical Vacancy Rates

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3.4 West Raleigh Submarket Statistics



CoStar Total Office Submarket Statistics[2]

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Bids	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates

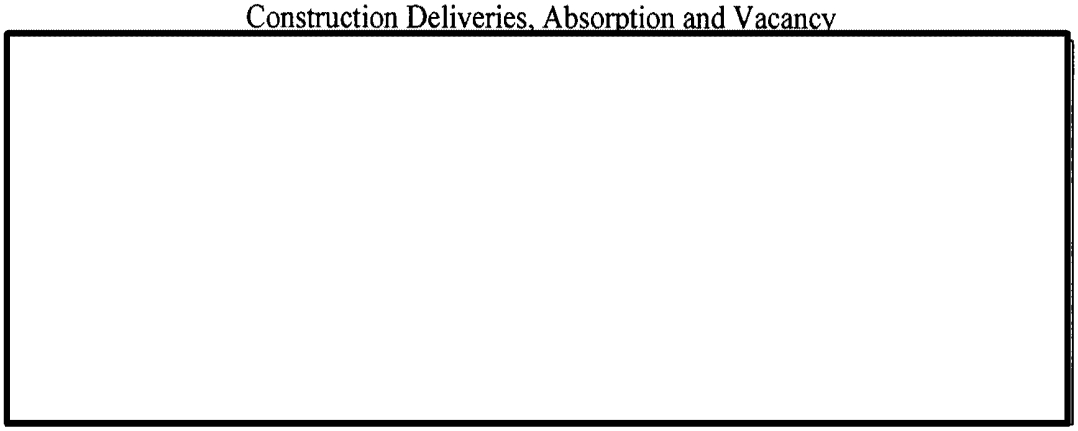
3.5 West Raleigh Submarket Construction Deliveries, Absorptions and Vacancy



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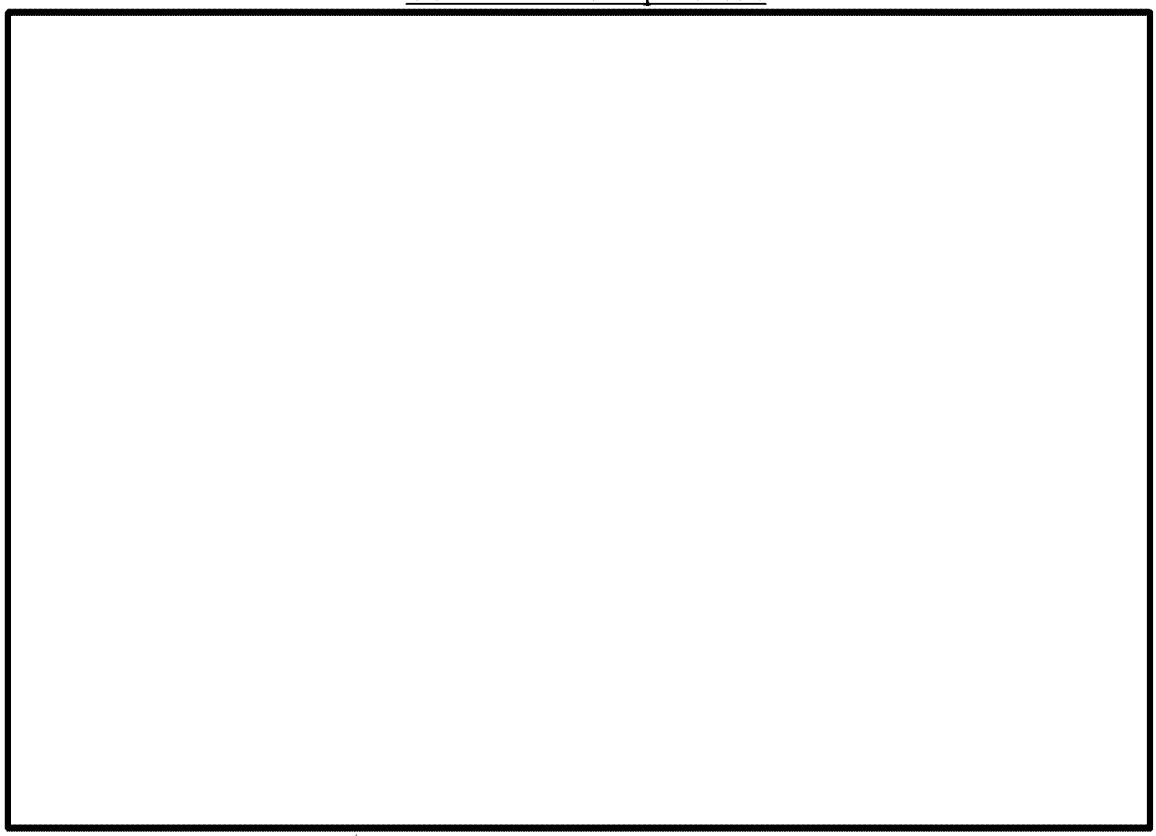
Construction Deliveries, Absorption and Vacancy



3.6 North Durham Submarket Gap Analysis



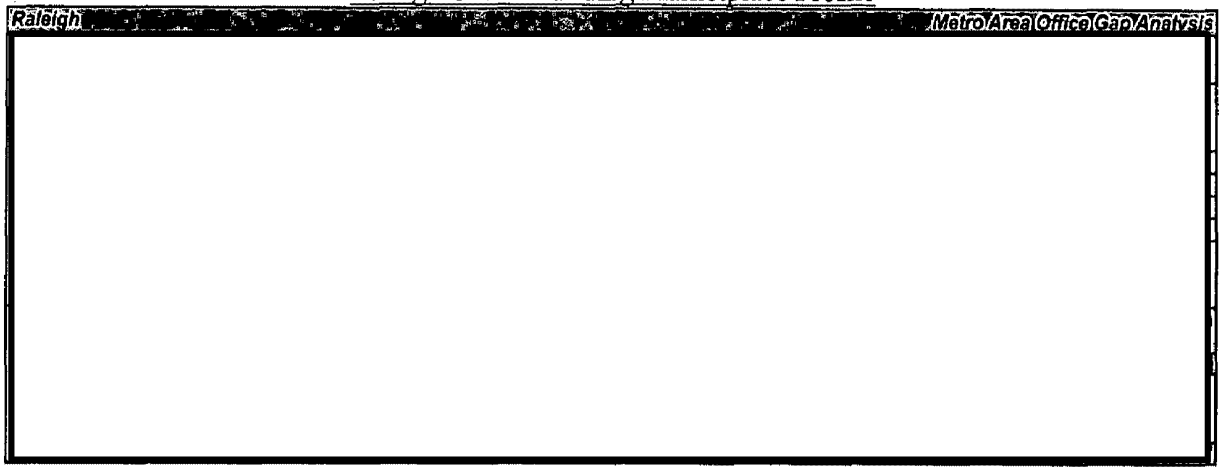
CCIM Calculator Input Sheets

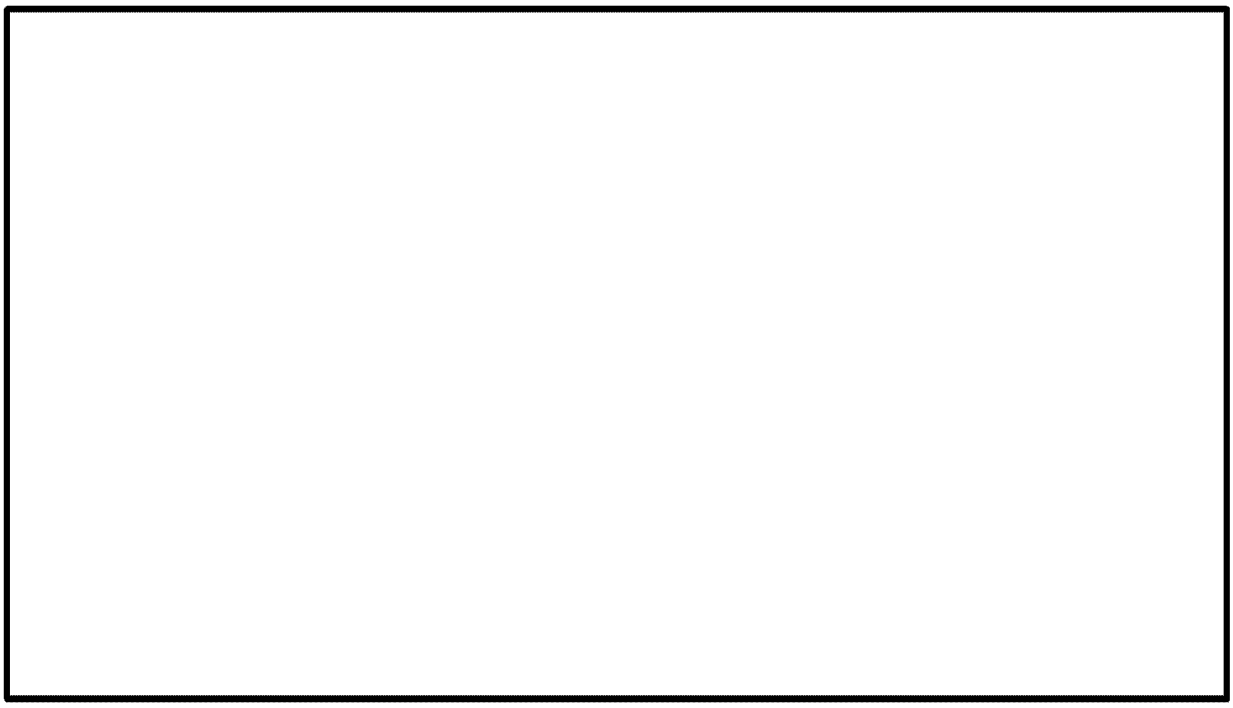


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The outputs from the gap analysis worksheet CCIM calculator are as follows:

Raleigh Office Building Marketplace Profile



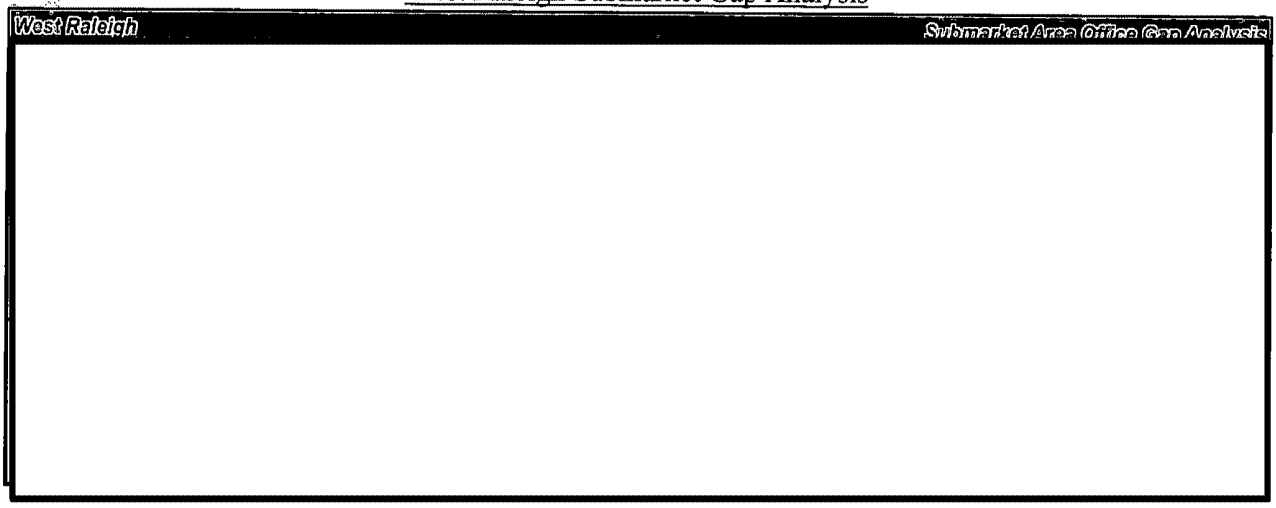


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West Raleigh Submarket Gap Analysis



Summary:

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4.0 FINANCIAL ANALYSIS

4.1 General

4.2 Investment Summary

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4.3 Investment Timeline

Encore Medical Office Building Investment Timeline



4.4 Sources of Proceeds

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Source of Funds	Amount	Percentage

Summary:

4.5 Use of Proceeds

Development Costs	MOB	Per SF

Summary:

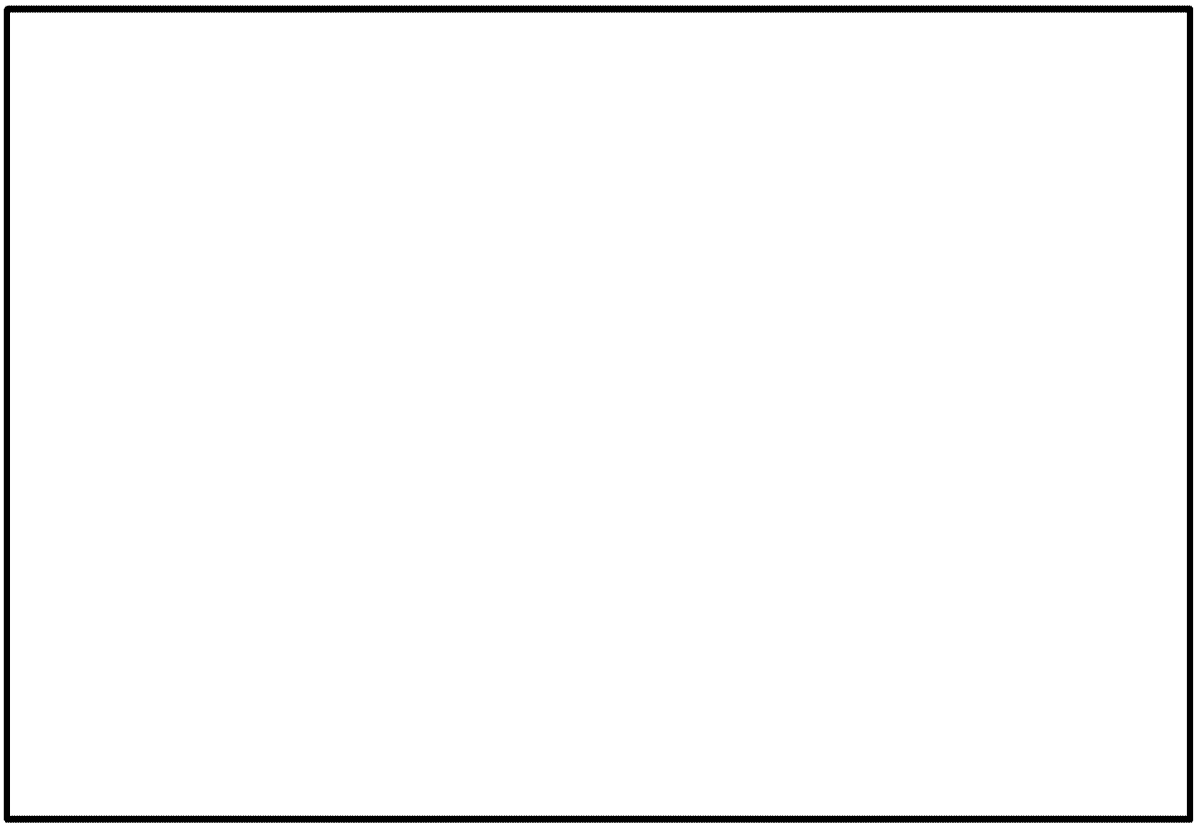
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Loopnet.com Land Parcel Sale Comps

Land For Sale	Size (Acres)	Total Cost	Cost Per Acre

4.6 Construction and Development Costs



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Breakdown of Construction Hard Costs

Development Costs	Soft Costs	Hard Costs	Land Costs	Total Dev Costs

Summary:

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4.7 Industry Comparables

RS MEANS Medical Office Building Average Square Foot Construction Cost

Summary:

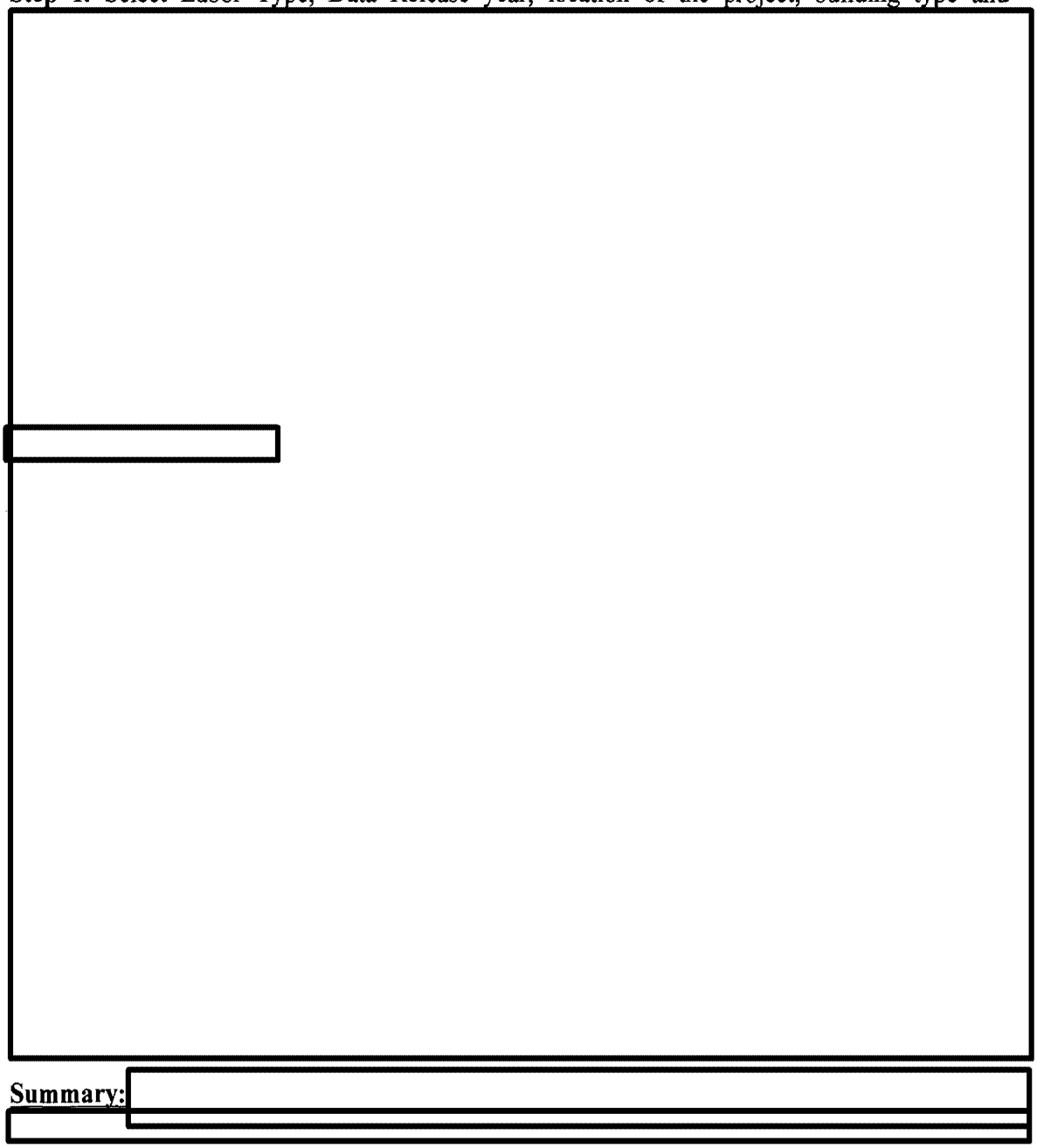
[4] Construction costs based upon www.meanscostworks.com "Square Foot Estimator" 2012 year data by RS Means

explained in detail in the attached economic analysis in Appendix B of the ERDRC business plan. Below, is a screenshot of the RS MEANS website input screen and output results for purpose of transparency so the USCIS can easily recreate Encore Office's findings.

RS MEANS Square Foot Estimator Online Summary

The following steps and information are provided for the USCIS to validate and easily recreate Encore's results from the RS MEANS online construction costs calculator. A free trial is available with full access to use. Please visit www.meanscostworks.com to create a login and follow the steps below to recreate the results.

Step 1. Select Labor Type, Data Release year, location of the project, building type and



Summary:

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4.8 Financial Pro Forma

Medical Office Building Operations Revenues

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
2013	2014	2015	2016	2017	2018

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Summary: Based on the table above,

Operations Expenses

Building Owner and Manager Association

The Building Owner and Manager Association or (BOMA)[5] is a national organization of office building owners and managers, which collects market information on building and market occupancies, operations expenses and other detailed information that helps developers estimate expenses that will be incurred in a given market. The table below explains the Raleigh market information from BOMA's website:

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[5] Building Owner and Manager Association, Experience Exchange Report (EER), www.bomaeer.com

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BOMA 2011 Office Building Expense Averages for Buildings Less than 100,000 SF

Income and Expense Overview - 2011

Summary: The BOMA income and expense overview information for 2011 is available in the table above

Medical Office Building Projected Operating Expenses

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	2013	2014	2015	2016	2017	2018

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Complete Schedule of Prospective Cash Flows

Medical Office Building Cash Flows

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	2013	2014	2015	2016	2017	2018

Summary: The medical office building cash flows table shows the complete break down of construction costs

Loan and Debt Service Summary

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Medical Office Building Loan and Debt Service Summary

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
2013	2014	2015	2016	2017	2018

Project Level Returns

Internal Rate of Return Summary Table

Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
2013	2014	2015	2016	2017	2018

Summary:

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CoStar Raleigh/Durham Office Cap Rates
From Sales Between April 2011 – March 2012.

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate

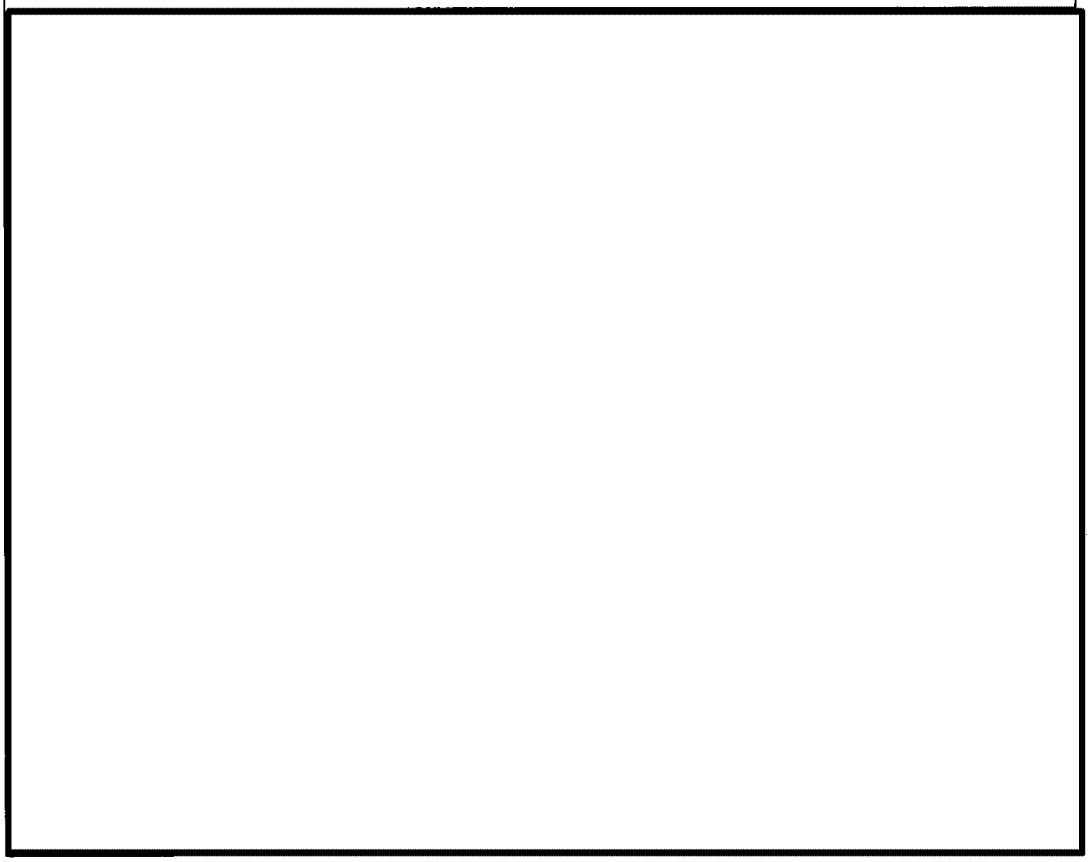
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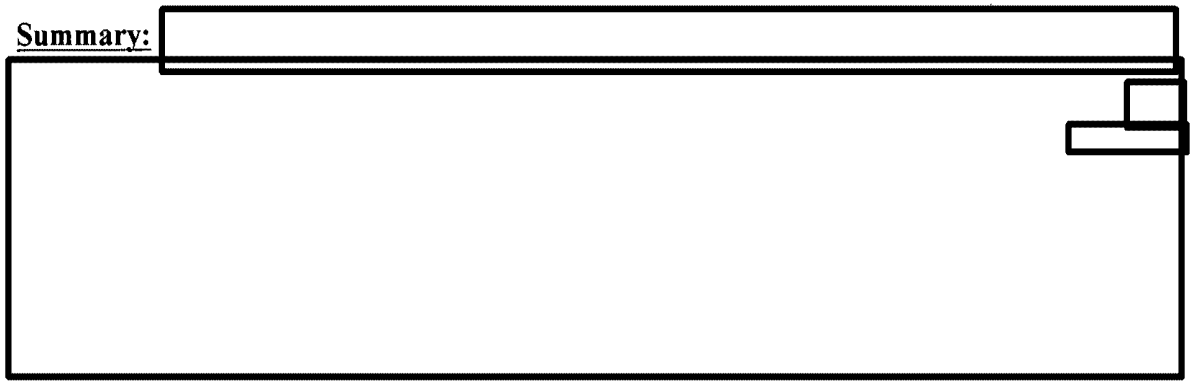
4.9 Financial Summary and Analysis

Below is the summary development and financial information for the Raleigh-Durham medical office building:

ENCORE OFFICE, LLC
RALEIGH DURHAM MEDICAL OFFICE DEVELOPMENT
SUMMARY REPORT



Summary:



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Encore Raleigh-Durham Retail Center Financial Analysis Summary

Year Two (2) of Operations - 2015



4.10 Foreign Investor Return on Investment



Exit Strategy



4.11 Method of Financing



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Under Section 203(b)(5) of the Immigration and Nationality Act, immigrant visas are available to qualified foreign individuals seeking permanent resident status on the basis of an investment of capital in a new commercial enterprise which qualifies under the EB-5 Program.

The EB-5 Program provides for the issuance of conditional or temporary (*i.e.*, 24 months) green cards to a qualified foreign investor and their immediate family that invests a minimum of $500,000 (U.S.) in a new commercial enterprise that creates at least ten (10) full-time permanent jobs for United States workers.

If the new commercial enterprise creates the jobs required by the EB-5 Program, unconditional or permanent green cards will be issued after the expiration of the twenty-four (24) month conditional or temporary residency status period.

The investment is required to be maintained for a period of not less than five (5) years.

The EB-5 Program is, in the opinion of the Company, the most flexible investor immigration program in the world because it has no requirements regarding age, business training, experience, or language skills.

As a permanent resident, provided that he/she is physically present in the United States for at least 180 days after issuance of a green card and/or has obtained a Reentry Permit, if necessary, before departing from the United States, a green card holder and his/her family are free to return to their country of origin for business or personal purposes, as long as he/she maintains a residence in the United States and can maintain business and professional interest in his/her country of origin or, subject to the regulations of his/her country of origin, elsewhere.

The EB-5 Program allows qualified foreign investors a great deal of flexibility and freedom because it does not require them to manage their U.S. investment on a daily basis, but, rather, only requires them to be "actively engaged" in the commercial enterprise. This requirement is satisfied by the EB-5 Investor becoming a limited partner in a limited partnership. A limited partner has no personal liability in excess of his/her investment in the new commercial enterprise, which means that he/she can make a capital investment as a limited partner and then pursue other professional and/or personal interests and activities as he/she deems appropriate.

If a qualified foreign investor and/or his/her family elects to become citizens of the United States, the period after the issuance of conditional permanent residence status is credited against the five (5) year period required to be spent as a permanent resident in the United States in order to qualify to be eligible to be a United States citizen.

Upon receipt of conditional permanent resident status, a qualified foreign investor and his/her family (i.e. spouse and children under the age of 21 at the time of application) are entitled to the same benefits as all other lawful permanent residents of the United States, including:

- Living and working anywhere in the United States.
- No employment authorization required to accept employment in the United States.
- Ability to develop and operate one or more businesses in the United States.

- Ability to sponsor relatives to acquire green cards.
- Freedom to travel within and outside of the United States and return to the United States without obtaining an additional visa or authorization.
- Educational benefits afforded to permanent residents of the United States, such as, admission to state universities at resident costs.
- Qualify to become a citizen of the United States after he/she has been a permanent resident for more than five (5) years.

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4.12 Cautionary Statements Regarding Projections

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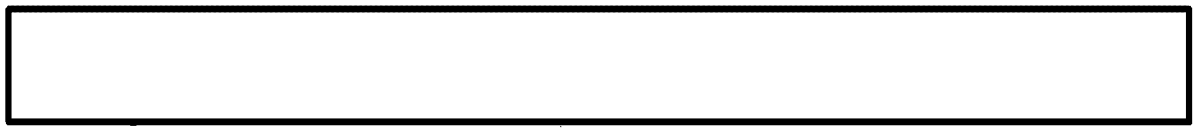


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5.0 EMPLOYMENT AND STAFFING

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5.1 Job Descriptions



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6.0 MANAGEMENT

6.1 Encore Raleigh-Durham Regional Center Management Team

The management team of EGIM and each Encore sponsored real estate project undertaken by the Regional Center will have hands on management from the executive management team of Encore Enterprises, Inc., and the presidents of the affiliated Encore companies.

Bharat Sangani, MD, Chairman and Founder of Encore Enterprises

When he founded Encore Enterprises, Inc. in 1999, Dr. Bharat Sangani's vision was to create a vertically integrated commercial real estate investment corporation comprised of specialized companies designed to address specific real estate sectors. His plan was to leverage the expertise of seasoned professionals with proven real estate development and acquisition track records, as well as deep sector-specific insights and relevant market knowledge. Today, Encore offers an end-to-end approach, with services ranging from development and construction to management and investments. Dr. Sangani is a Fellow of the American College of Cardiology and the American College of Chest Physicians, as well as a member of nine other organizations in the United States, England and India.

Patrick Barber, President and CEO of Encore Enterprises

Patrick Barber brings more than 30 years and $4 billion of commercial real estate experience to his position as a board member, president and CEO of Encore Enterprises, Inc. In this role, Mr. Barber manages Encore's day-to-day focus on growth opportunities through acquisition, development, equity and finance. Under his leadership over the past decade, Encore acquired more than $1.2 billion in properties, and developed and re-developed over 80 hospitality, multifamily and retail properties. Mr. Barber is an advisory board member with the Urban Land Institute.

Mahesh Shetty, Chief Operating Officer and Chief Financial Officer of Encore Enterprises

Mahesh Shetty has management oversight and responsibility for all of Encore's financial functions, overseeing all revenues, costs and capital expenditures. With more than 25 years of experience as a senior finance executive, including 11 years of experience in the hospitality and commercial real estate industry, Mr. Shetty served in leadership roles at PricewaterhouseCoopers, LLP. Mr. Shetty is a Certified Public Accountant, a Certified Information Technology Professional and a chartered accountant (FCA). He holds a bachelor's degree from Osmania University, India, and received his M.B.A. from the University of Texas at Dallas.

Alan Murray, General Counsel of Encore Enterprises

Alan Murray has over 30 years of experience in managing the legal and administrative aspects of commercial real estate. Before joining Encore, he spent six years with Dave and Busters, Inc., where he helped guide the company through a tax-free spin-off from its NYSE parent to become an independent NYSE company. In addition, Mr. Murray served more than five years as vice president and general counsel for TGI Fridays, Inc., where he played a critical role in company expansion and revenue growth.

Rick Chess, President of Encore Equities

Rick Chess brings 28 years of securities and commercial real estate experience as the president of Encore Equities. In his career, Mr. Chess has closed $2 billion in real estate transactions and raised $270 million in equity for (United Dominion Realty, ManEquity, Triple Net and ARCM). In his role with Encore, Mr. Chess oversees the equity placement for all of Encore's real estate investments and manages Encore's Diversified Income Fund operations.

Prior to Encore, Mr. Chess was president of American Realty Capital Markets where he oversaw all operations of the managing broker-dealer. Mr. Chess was previously director of 1031 transactions for Triple Net Properties where he raised over $100 million of equity for Reg. D offerings and non-traded REITs. He has also served as real estate manager for Winstar Wireless where Mr. Chess oversaw the negotiation and installation of wireless communications technology inside urban areas, and was an associate with CB/Richard Ellis. Mr. Chess has held positions with United Dominion Realty, ManEquity (Manufacturers Life Insurance), Anderson & Strudwick, the Richmond Chamber of Commerce, the Pennsylvania General Assembly and the Allegheny County Law Department.

Mr. Chess attended the University of Richmond Law School where he received a Juris Doctorate of Law, and he attended the University of Pittsburgh where he earned his Bachelor of Science in Psychology and Economics. Mr. Chess holds the following FINRA securities licenses: 7; 63; and 39.

Nicholas Barber, President of Encore Retail

Nic Barber joined Encore in 2000 as the director of development and acquisitions and has quickly become a key member of the executive management team. He has been responsible for many facets of Encore's real estate transaction operations, including management of the day-to-day sourcing of all of the company's future acquisition and development projects, providing oversight to Encore's financial analyst staffing and presenting projects for approval to the investment committee and board of directors.

He has also been responsible for overseeing the due diligence, pre-development, acquisition and development processes, and assisting with sourcing and structuring of new debt and equity for approved projects. Since joining Encore, Mr. Barber has successfully closed over $1.2 billion of real estate underwriting, negotiating, financing and development transactions.

In January 2008, Mr. Barber was named president of Encore's newly formed Retail division. In this role, he is focused on continuing the company's management philosophies to lead a dynamic portfolio growth strategy of developing and acquiring profitable retail properties. His experience in closing complicated real estate transactions with Encore Enterprises provides an added advantage in determining the proper deal structure and analyzing financing options that are available in the marketplace. Mr. Barber holds a Bachelor of Science in Accounting from the University of Louisiana.

Glenn Pedersen, President of Encore Hospitality

Glenn Pedersen began his career as president of Pineapple Management Services in 1994. His responsibilities are to oversee hotel development, construction, design and management,

including contract negotiations, guest and employee satisfaction, capital expenditure planning, budgeting and the day-to-day operations of all hotels. Mr. Pedersen has been involved in the hotel industry for over 34 years, starting out his career as a front office manager of the Royal Sonesta Hotel in New Orleans, Louisiana in 1976. Through his hard work, dedication and design for achievement, he has been a picture of success throughout his career.

Glenn Pedersen began working for Marriott International in 1980 where he was assigned to the New Orleans Marriott full service hotel. After four years in the full service hotel division he was given the responsibility of opening his first Marriott hotel in Columbus, Georgia. He was completely responsible for the operation of the hotel and was proud to produce $2.5 million dollars in annual sales in the first year. Having proven his ability to succeed, Mr. Pedersen was promoted to the Marriott Corporation/Courtyard division regional director of rooms in 1987, where, during the course of 14 months, oversaw the opening of 25 hotels.

In November of 1987, Mr. Pedersen was promoted again to regional manager of the Courtyard/Fairfield Inn division in Georgia and Alabama, where he supervised the complete strategic and operational responsibility of 29 Courtyard and Fairfield Inns, representing over $75 million dollars in sales. At that time, Mr. Pedersen achieved the highest market share and yield goals in the Southeastern United States, and was one out of only four managers to qualify for Courtyard Division Achievement Forum recognition program seven straight years.

In 1994 Mr. Pedersen left Marriott International and started Pineapple Management Services where he developed, built and opened 20 Marriott hotels in three-and-a-half years.

Brad Miller, President of Encore Retail

Brad Miller has over 25 years of multifamily development and investment experience. He is a senior executive with a distinguished career in building relationships, and leading investment and management teams in the real estate and software industries. His decisive and pro-active management style is one of the many assets he brings to Encore Retail, LLC. Over his prestigious career, he has overseen the development and acquisition of over 20,000 multifamily units.

Prior to joining Encore Retail, LLC, Mr. Miller served as a national partner for Fore Property Company where he oversaw development activities in multiple markets, including Florida, Arizona, Nevada and Texas. He also was directly responsible for developing the first ever LEED Certified multifamily community in North Texas.

Mr. Miller's prestigious career also includes service as CEO for a subsidiary of Olympus Real Estate Partners, a former affiliate and real estate investment arm of Hicks, Muse, Tate & Furst. He also served as managing director of the Investments Division where he oversaw development of approximately 3,000 residential lots and 20-plus investments comprising $350 million in asset value. In addition, he was a 17 year residential partner with Lincoln Property Company and oversaw development and investment activities for a division of Archstone Smith. Mr. Miller has a Bachelor of Business Administration in Accounting from Texas Christian University and is a Certified Public Accountant in Texas. He also is a Certified Class "A" General Contractor in Florida.

Mark Cypert, President of Encore Office

Mark Cypert brings to Encore Enterprises more than two decades of expertise and a proven track record in managing commercial real estate investments completing approximately $1.8 billion in commercial office investments and acquiring, developing and managing over 15 million square-feet of commercial office space during his career.

As a member of Encore's senior leadership team, Mr. Cypert is focused on the day to day operations of the office division, as well as raising institutional investor equity and managing Encore's research and underwriting programs. Prior to joining Encore, he was managing director and principal of Cawley Partners where he oversaw the firm's commercial real estate investment funds. Mr. Cypert previously served as senior vice president of CRT Properties (NYSE office REIT) where he oversaw the firms Southwestern and Mid-Atlantic regions. He also was the director of asset management for UBS Realty Investors, where he was responsible for an office investment portfolio in the Central U.S.

Mr. Cypert is a senior instructor for the CCIM Institute with a specialty in commercial real estate market analysis. Mr. Cypert has a Bachelor of Science in Construction Engineering Technology from Texas Tech University.

Brad Markoff, General Counsel of Encore Asia

Brad Markoff has 30 years of legal experience that he brings to Encore Asia as the company's general counsel. Mr. Markoff oversees the legal activities of Encore Asia and all of Encore's operations pertaining to the company's foreign investor programs and real estate operations.

Mr. Markoff continues to serve as managing partner of Locke Lord's Hong Kong office, Chair of its Asia Practice and a principal in its Capital Markets, REIT and International practice groups. He is well known for his experience in complex financing transactions, including business rollups and strategic investments in a wide variety of industry segments, including real estate investment trusts, technology and financial institutions. In his practice, Mr. Markoff regularly handles a wide range of corporate and real estate finance, securities, corporate governance and mergers and acquisitions matters, and he has worked closely with many of the world's major investment banking firms. His clients include National Governments and governmental agencies, public and private Real Estate Companies (including developers, operators, investors, brokerages and service companies), REITs, Investment and Commercial Banks, Private Equity Funds and Trust Companies.

He has been active as a Board Member of both the National Association of Real Estate Investment Trusts (NAREIT) and the Asia Pacific Real Estate Association (APREA).

He is a frequent speaker on topics related to cross border finance, REITs, innovative financing structures and mergers and acquisitions, having spoken at numerous conferences and university programs around the world, including the United States, Australia, Hong Kong, the People's Republic of China, Vietnam, South Korea, Singapore, the Philippines, South Africa and the United Kingdom.

Locke Lord Bissell & Liddell (HK) LLP is a part of Locke Lord LLP (USA), an international law firm with offices in Atlanta, Austin, Chicago, Dallas, Hong Kong, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco and Washington, D.C. The firm consistently ranks among American Lawyer's top 100 U.S. law firms.

Specialties

In addition to his capital markets practice, Mr. Markoff has been active in legislative initiatives in the REIT and finance industry in the US and Asia, including drafting of NAREIT's responses to the initiatives proposed in the wake of the accounting irregularities of Enron & WorldCom; the Philippine REIT framework; and Mainland China's (PRC) ABS/Securitization law. He has also advised study groups and other interested parties in the PRC on the adoption of a REIT scheme.

7.0 RALEIGH-DURHAM

7.1 Raleigh-Durham

The Research Triangle, also known as Raleigh-Durham or Raleigh-Durham-Chapel Hill, and commonly referred to as simply "The Triangle", is a region in the Piedmont of North Carolina in the United States, anchored by North Carolina State University, Duke University, University of North Carolina at Chapel Hill, and cities of Raleigh, Durham, and Chapel Hill respectively. The eight-county region, officially named the Raleigh-Durham-Cary CSA, comprises the Raleigh-Cary and Durham-Chapel Hill metropolitan areas and the Dunn Micropolitan Statistical Area. A 2009 Census Estimate put the population at 1,742,816. The Raleigh-Durham television market includes a broader 23-county area, which includes Fayetteville, and has a population of 2,726,000 persons.

The "Triangle" name was cemented in the public consciousness in the 1950s with the creation of Research Triangle Park, home to numerous high-tech companies and enterprises. Although the name is now used to refer to the geographic region, "The Triangle" originally referred to the universities, whose research facilities, and the educated workforce they provide, have historically served as a major attraction for businesses located in the region. The region should not be confused with "The Triad", which is a North Carolina region adjacent to and directly west of the Triangle comprising Greensboro, Winston-Salem, and High Point, among other cities. Most of the Triangle is represented by, and closely associated with, the second, fourth and thirteenth congressional districts. *(Source: Wikipedia.org)*

7.2 Demographics

Some population and median household income figures for areas within a 1-mile, 3-mile, and 5-mile radius from the proposed project site in Durham, North Carolina:

	1-mile radius	3-mile radius	5-mile radius
2010 Population:	4,947	35,497	82,587
2010 Median HH Income:	$66,210	$63,158	$56,649

Source: Loopnet.com property site demographics

7.3 Research Triangle

It is one of the most prominent high-tech research and development centers in the United States. It was created in 1959 by state and local governments, nearby universities, and local business interests. Karl Robbins bought the land where the park is now built. The park is 7,000 acres (2,833 ha) situated in a pine forest with approximately 630 acres (255 ha) for development. The park is adjacent to Interstate 40 and the Durham Freeway. It is managed by the Research Triangle Foundation, a private non-profit organization. The park is home to the second largest IBM operation in the world, dwarfed only by the one in India; the company has around 11,000 employees in RTP. The park hosts one of GlaxoSmithKline's largest R&D centers with approximately 5,000 employees. *(Source: Wikipedia.org)*

8.0 REGIONAL INFORMATION

The counties that comprise the Region were selected due to their proximity and the similar nature of their geographical, demographic, and economic statistics. These four (4) contiguous counties constitute a portion of a natural region in North Carolina, and are centered on Raleigh-Durham, North Carolina. The area around Raleigh-Durham is generally defined Raleigh-Durham-Cary, NC Combined Statistical Area (CSA). These counties are a mix of urban and rural areas, and are dominated by similar industries, similar in demographic makeup, and economically interconnected.

8.1 Raleigh-Durham Regional Center Demographics (RC Geography Demographics)

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Population

Household Summary

Housing Summary

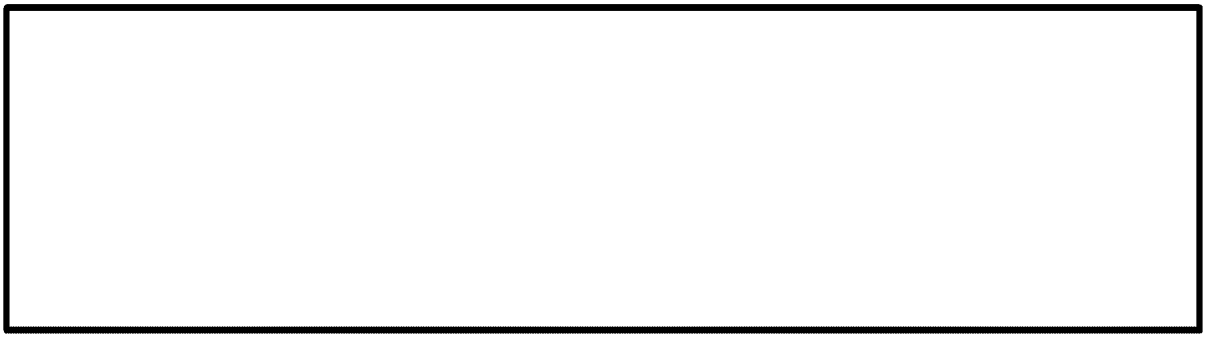
Households by Income Summary

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Population by Education Summary



Population by Employment Summary



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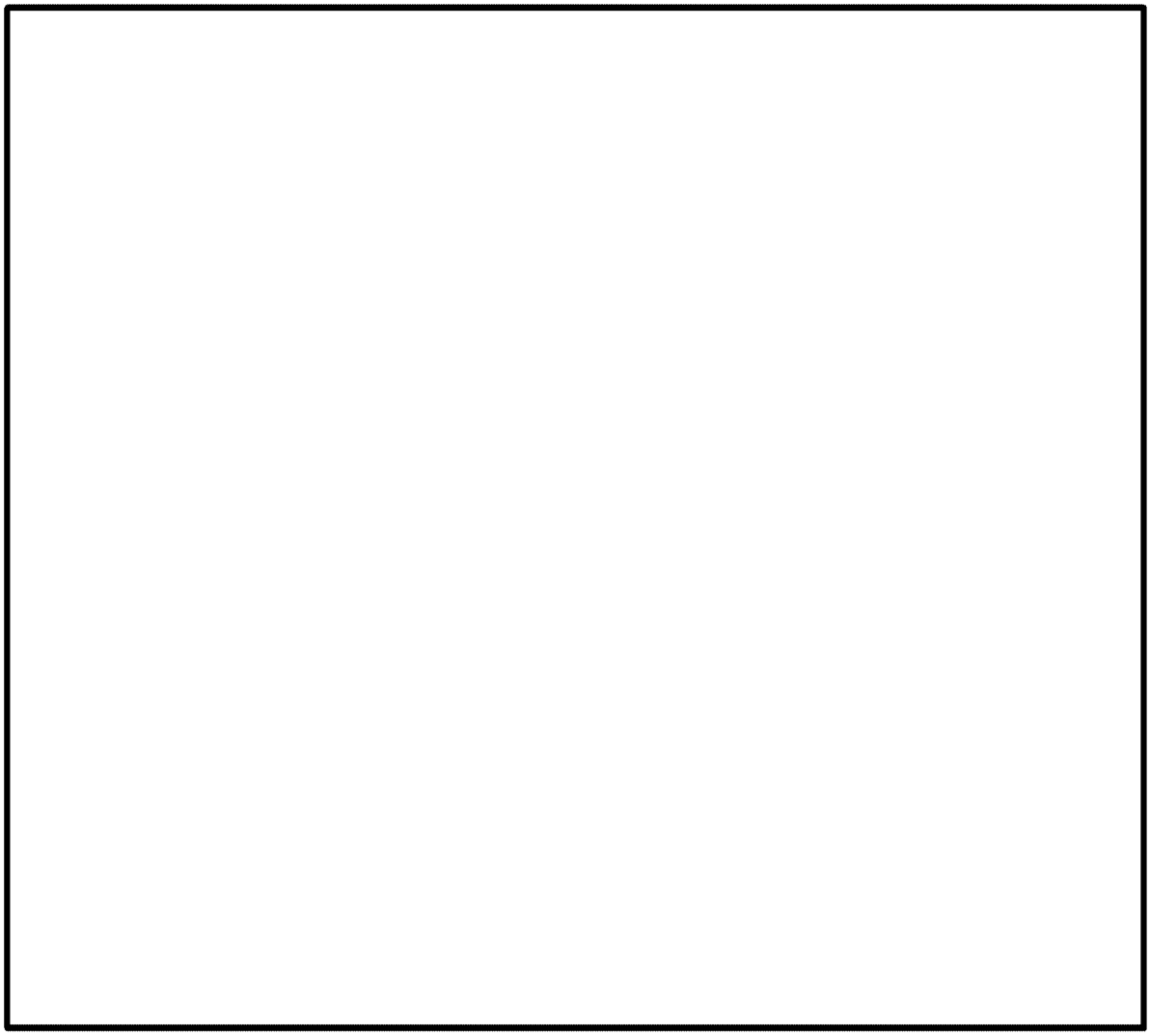
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9.0 PARTNERSHIP INFORMATION

9.1 Office of the Partnership

The contact address of the Partnership is as listed on the cover page.

9.2 Structure of the Partnership



9.3 Advantages of a Limited Partnership

A limited partnership is a limited liability entity, much like a corporation or limited liability company. The primary advantage of a limited partnership is that the owners of limited partnership interests in a limited partnership are not personally liable for the debts or obligations of the entity.

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9.4 Flexible Profit Distribution

A limited partnership enjoys certain flexibility regarding the distribution of profits and/or cash flow that is not necessarily the same as the ownership of interests in the Partnership.

9.5 Key Features

- The Partnership is a limited partnership thereby utilizing a form of business entity offering flexibility and limited liability to the limited partners.
- [redacted]
- [redacted]

9.6 Flow-Through Taxation

[redacted]

9.7 Independent Advice

No Person should construe the contents of this business plan or any written or oral communication from the Partnership or the employees, agents or affiliates of the Partnership, as advice of any kind, including without limitation, tax, legal, accounting or investment advice. Prospective investors should consult its/their own independent advisors, including legal counsel, in connection with the rights and obligations relating to an investment in the Partnership.

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10.0 EB-5 INVESTOR AND REGIONAL CENTER INFORMATION

The immigrant EB-5 Program is a highly beneficial permanent residence option for the wealthy individual. Since there is no quota waiting list in this preference category, it enables a foreign national to obtain permanent residence status more expeditiously than with most other options.

The EB-5 category requires an investment of $1 million (or $500,000 in a high unemployment or rural area TEA) in a job creating commercial enterprise that will employ 10 full-time U.S. workers per investor. Although the investor's role cannot be completely passive, he or she does not have to be involved in any way in the day-to-day management of the business unless he or she wants to do so. It is critically important that the investor be able to document the lawful source of investment funds and whether his or her own or funds were given to him or her as a gift.

The permanent residence obtained by the investor is conditional for two (2) years or twenty-four (24) months and can be made permanent upon satisfying USCIS that the investment proceeds have not been withdrawn and the requisite jobs have been created at the end of the two-year period.

10.1 Regional Centers

The investor may invest in his or her own commercial enterprise or in a commercial enterprise owned by other parties. The investor may also choose to invest in a pre-approved "regional center." Regional centers are geographical areas for which USCIS has determined that investments will create the necessary 10 jobs per investor, whether directly or indirectly, in the regional center's approved geographical area. Virtually all of the regional centers are in geographical areas that include Targeted Employment Areas or TEAs with high unemployment where $500,000 is the required amount of investment. Most of the regional centers involve limited partnership investments for which having the rights of a limited partner is considered sufficient to make the investor not completely passive. The business plan functions as a proposal to act as a regional center for the Region.

10.2 Immigrant Investors: Two Choices, One Goal

Foreign nationals seeking permanent resident status in the U.S. are relying on the investment route more frequently than ever before. Various reasons might be surmised for the increase in popularity of the investment option, including the increasing unavailability of other options under U.S. immigration laws and the significantly decreased value of the U.S. dollar. The result is that the required amount of investment—either $500,000 or $1,000,000—translates into smaller equivalent amounts to foreign nationals using currencies with greatly enhanced value in conversions to dollars.

The foreign national who wishes to use the investment option for permanent residence has two basic choices. One choice is to find his or her own individual investment vehicle in which he or she will invest and play a role in management or policymaking. The second option is a

government-approved "regional center" investment. Both options have advantages and disadvantages that will be discussed in further detail.

As an overview, the major advantage of the individual investment option is that the foreign national accomplishes not only an immigration purpose, but also a purpose of investing in a business that may provide significant returns as well as a source of income and a livelihood on an ongoing basis. However, there are far more immigration law hurdles to be overcome than with the regional center investment.

The regional center investment is often the quickest and most secure option (assuming the investment is made in a regional center with a strong immigration track record). The immigration process is often quicker and there are far fewer legal issues to be confronted. However, the investor is not running his or her own business and the rate of return may be lower than in a successful individual investment.

10.3 What is the Minimum Investment?

With either option, the amount of the investment is $1,000,000, unless the investor can prove that the investment is in a "rural area," or in an area that has experienced unemployment of at least 150% of the national average rate. If so, the amount of the required investment is $500,000. Most (but not all) of the regional centers are located in such $500,000 "Targeted Employment Areas."

10.4 Job Creation Requirement

Both options require the investor to prove that his or her investment has resulted in the creation of "full-time employment" of 10 U.S. workers. The big difference is that individual investors must prove direct employment of the 10 employees. With regional centers, U.S. Citizenship and Immigration Services (USCIS) has pre-approved the employment creation using a standard that allows a combination of direct, indirect and induced employment using various accepted econometric models. In the case of Encore, RIMS II TYPE II multipliers were used to perform the job creation calculations, and is the preferred and accepted methodology of the USCIS.

10.5 Role of Foreign Investors as Limited Partners

Both investment options prohibit purely passive investment. In other words, the investor must be engaged in the "management" of the enterprise. In this regard, it should be noted that most of the regional centers organize limited partnerships into which the foreign investors invest. The limited partnerships invest into an EB-5 approved enterprise, usually in the form of a loan. Pursuant to regulation, if the petitioning investor is a limited partner and the limited partnership agreement provides the petitioner with the rights, powers and duties normally granted to limited partners under the Uniform Limited Partnership Act, the investor will be considered sufficiently engaged in the management of the enterprise. As a practical and legal matter, this requirement can be met by a limited partner without the necessity of the investor committing to any specific amount of time or engaging in any day-to-day management, since such activities are performed by the general partner.

10.6 Potential Investment Hurdles & Risk Mitigation

One of the biggest stumbling blocks for the individual investor is proving that the investment has been made in a "new commercial enterprise." This issue can be resolved in advance if the project has been pre-approved for foreign investments through a regional center. A "new commercial enterprise" can be created by an individual investor in one of three ways:

- Establishing a brand new business;
- Acquiring an existing business and engaging in significant "restructuring or reorganization" (although this alternative is rarely used and has not been defined); or,
- Expanding an existing business.

This option requires the investor to prove not only the creation of 10 new jobs but also the expansion of either net worth or the number of employees of the business by at least 40%. If the investor invests in a "troubled business" (a business with substantial losses as quantified by the regulations), there may be an opportunity to qualify based on preserving existing employees as opposed to adding new ones.

Another significant issue for both the individual and the regional center investor is proving the "lawful source of funds." Substantial documentation is required to prove that the investor did not acquire the funds through unlawful means. If the funds are the result of a gift, this requirement must be met for the giftor as well. Similarly, if the funds are the result of a loan from an individual, this requirement is applicable to the creditor. Documentation utilized to meet this requirement may include tax returns, real estate transactions, securities transactions, inheritance documentation, stock dividends, employment records, bank records, etc.

Related to—but separate from—the lawful source of funds requirement is the requirement to trace the funds from the individual investor to the new commercial enterprise. In some cases this is as simple as a wire transfer document from an individual's bank account to the investment enterprise. In other cases involving countries with restrictions on outbound currency transfers, this can be extremely complex, often involving transfers to multiple parties. It is important to note that the investment must come from the individual investor. An investment from a corporate entity, including a wholly owned corporate entity, will not qualify.

10.7 Qualifying for Green Card Status

With both the individual and the regional center investor, upon approval of the permanent resident application, the foreign national receives "conditional permanent resident status." This means that the "green card" that the investor receives is valid for two years. During the 21- to 24-month window after approval, the investor must file an application to remove conditions on residence. As part of this process, the investor must prove that the investment funds have not been withdrawn and that the requisite jobs have been created. For individual investors, this can be highly problematic if the vicissitudes of business are such that a downturn in the economy has resulted in a reduction in the workforce. For the regional center investor, although indirect

employment creation in the community is allowed and although USCIS has pre-approved the employment creation element for purposes of approval of the original investor petition, the regional center has the burden to prove two years later that the actual projected employment has occurred. For this reason, even though all of the regional centers have been pre-approved, the choice of regional center is a critical one. As of the date of this article, only a small number of the regional centers have actually gone through the entire process resulting in successful permanent green cards for their investors.

While the immigrant investor options are not the panacea for all foreign nationals seeking permanent residence status in the U.S., it has provided a solution for many during times when other traditional paths have been blocked. For the investors who choose this option, it is important to put together a team including not only the immigration lawyer, but also business, tax, and/or securities counsel, to advise on the multiplicity of issues that go into determining whether the investor option is a good decision for a particular client.

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11.0 EXHIBITS

[Attached in following pages.]

Exhibit 1. CoStar Office Report Mid-Year 2012 Raleigh/Durham Office Market

[Attached in following pages.]

THE COSTAR OFFICE REPORT

MID-YEAR 2012

Raleigh/Durham Office Market



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RALEIGH/DURHAM OFFICE MARKET

METHODOLOGY

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

For information on subscribing to CoStar's other products and services, please contact us at 1-877-7COSTAR, or visit our web site at www.costar.com

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TERMS & DEFINITIONS

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

RALEIGH/DURHAM OFFICE MARKET

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

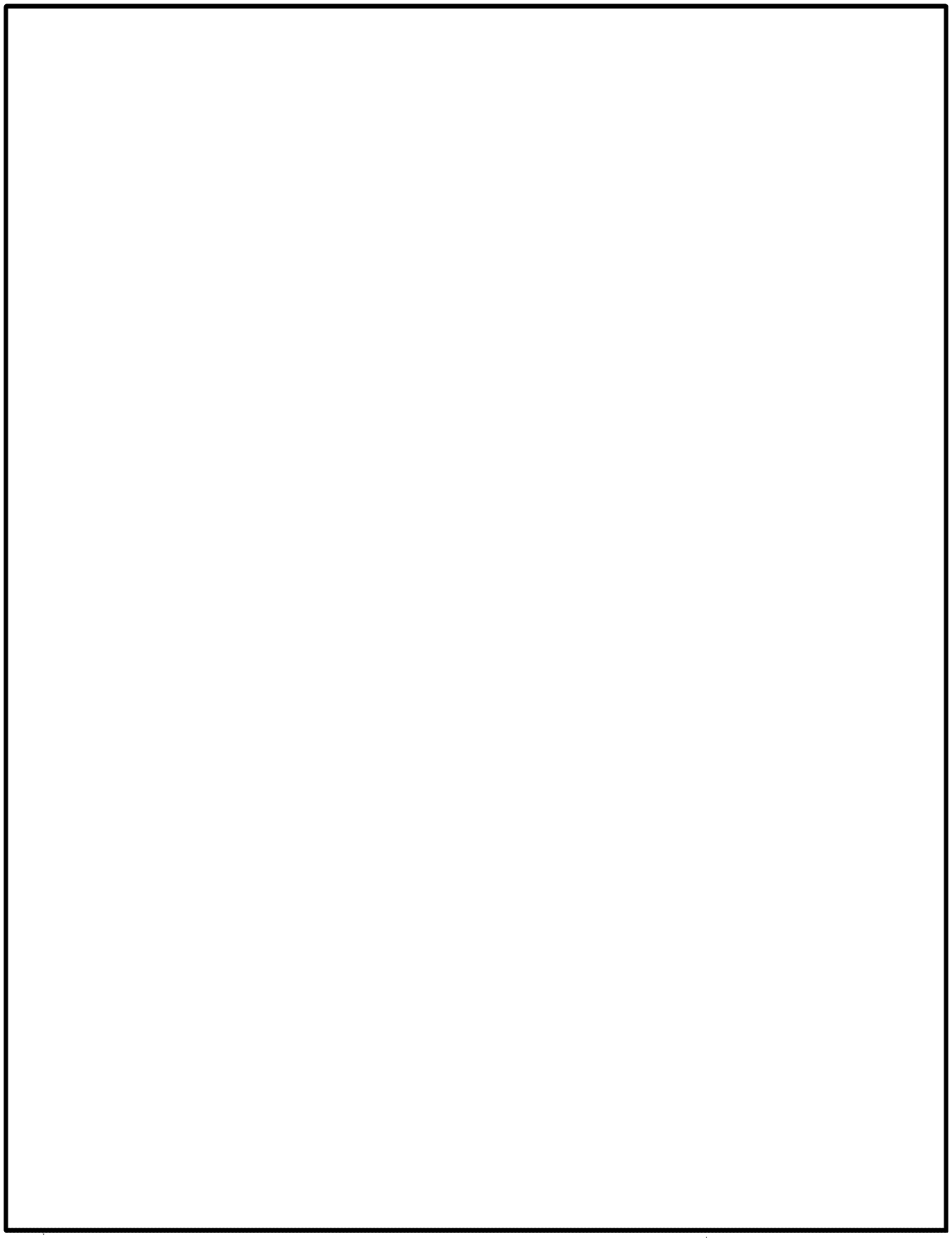
Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

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RALEIGH/DURHAM OFFICE MARKET

OVERVIEW



Source: CoStar Property®

RALEIGH/DURHAM OFFICE MARKET

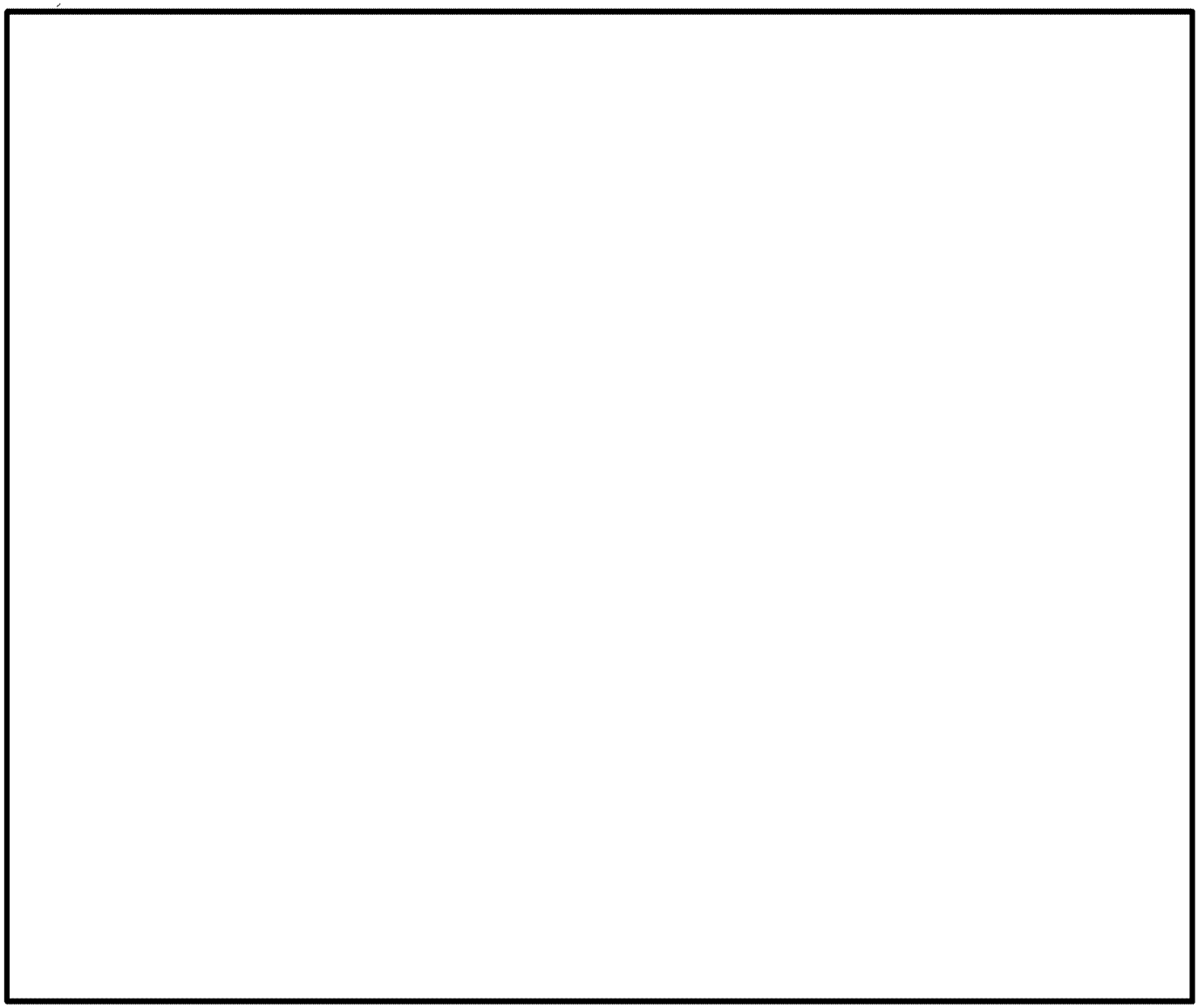
OVERVIEW

Source: CoStar Property®

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RALEIGH/DURHAM OFFICE MARKET

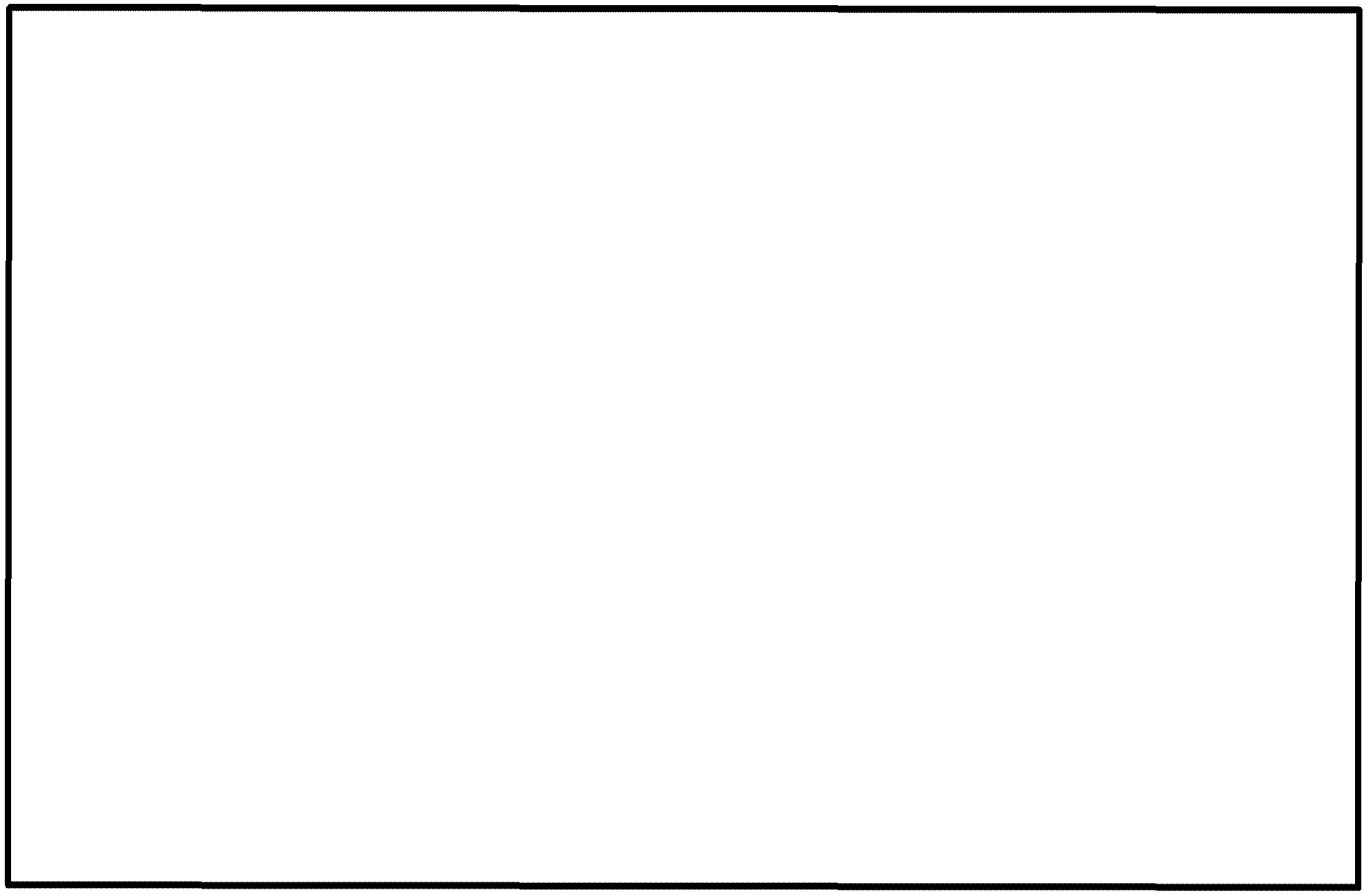
OVERVIEW



RALEIGH/DURHAM OFFICE MARKET

MARKETS

COSTAR MARKETS & SUBMARKETS



* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

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RALEIGH/DURHAM OFFICE MARKET

EMPLOYMENT AND TENANT

TENANT BY SIZE RANGE

Based on Total Number of Tenants

Source: CoStar Tenant®

TENANTS BY LEASE EXPIRATION

Based on Total Square Footage of Tenants

Source: CoStar Tenant®

TENANTS BY INDUSTRY

Based on Total Square Footage of Tenants

Source: CoStar Tenant®

SF PER EMPLOYEE BY INDUSTRY

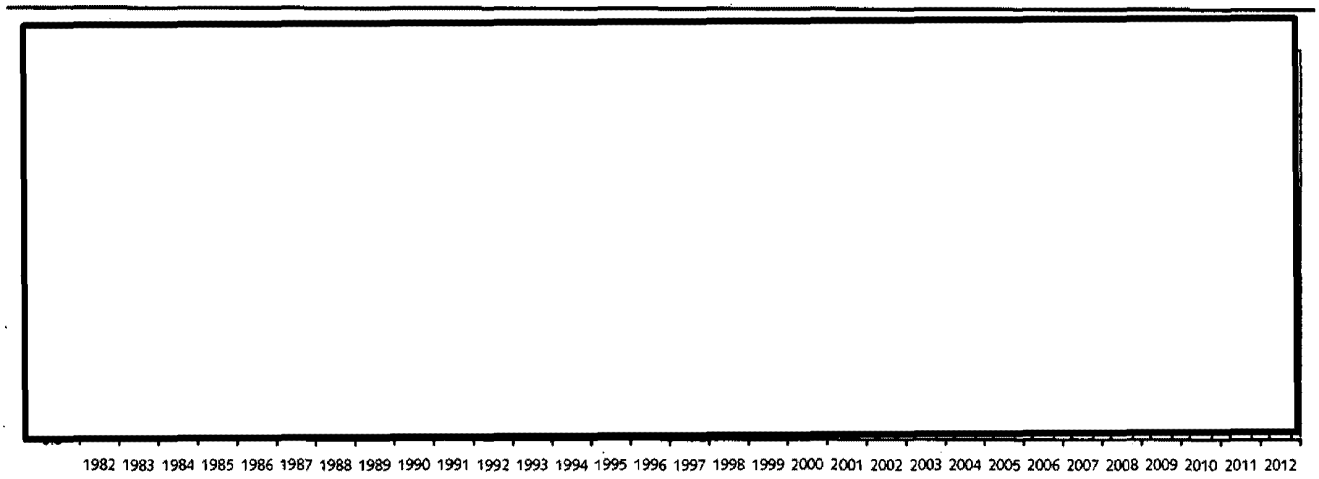
Based on All Tenants

Source: CoStar Tenant®

RALEIGH/DURHAM OFFICE MARKET

INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1982 - 2012



Source: CoStar Property® ** Future deliveries based on current under construction buildings.*

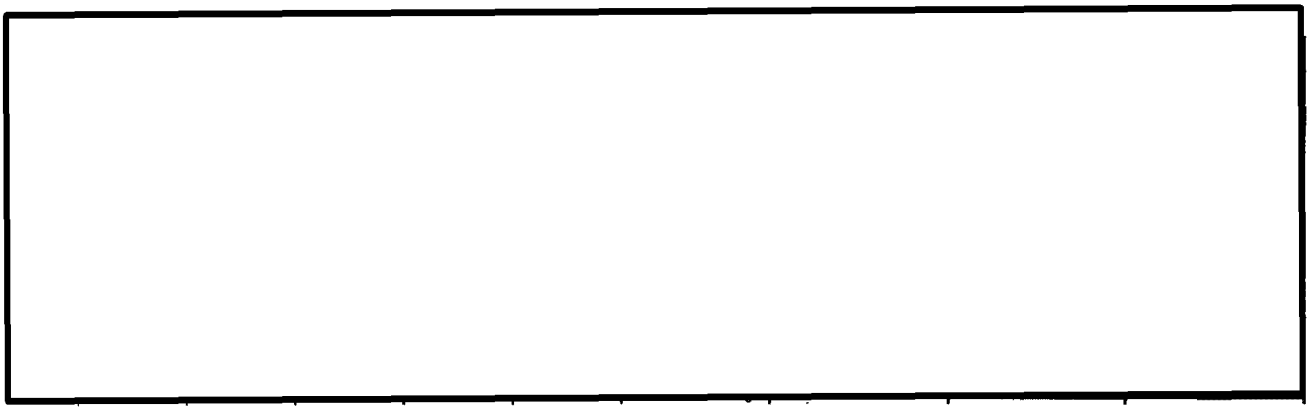
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C

Source: CoStar Property®

RECENT DELIVERIES

Leased & Un-Leased SF in Deliveries Since 2008



Source: CoStar Property®

FUTURE DELIVERIES

Preleased & Un-Leased SF in Properties Scheduled to Deliver

Source: CoStar Property®

(b)(4)

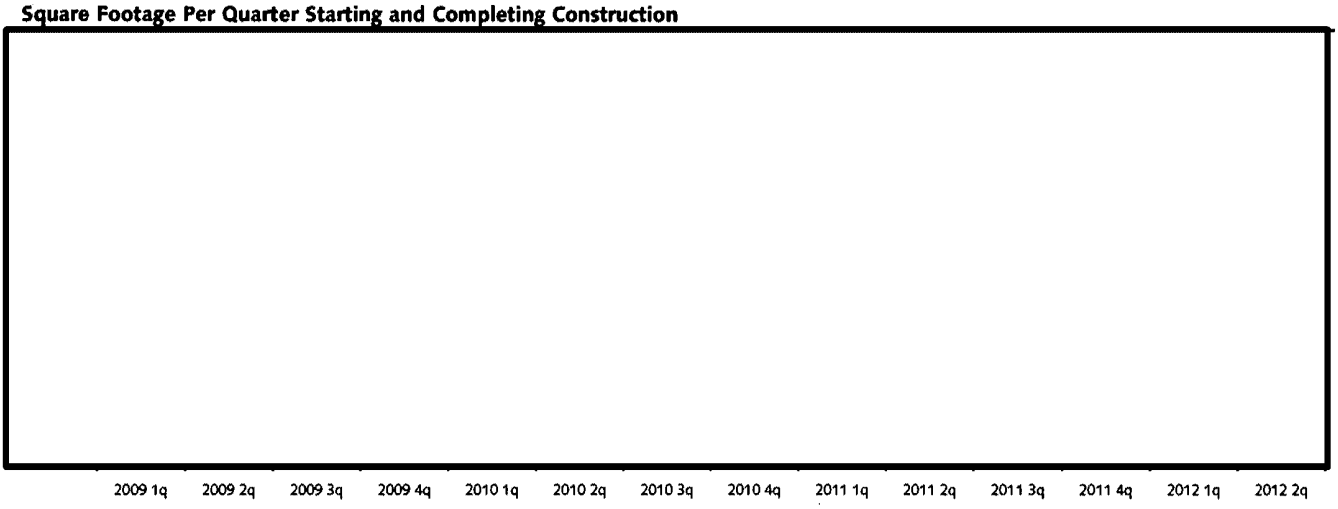
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RALEIGH/DURHAM OFFICE MARKET

INVENTORY & DEVELOPMENT

HISTORICAL CONSTRUCTION STARTS & DELIVERIES

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE

Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant

Source: CoStar Property®

RECENT DEVELOPMENT BY TENANCY

EXISTING INVENTORY COMPARISON

Source: CoStar Property®

Source: CoStar Property®

RALEIGH/DURHAM OFFICE MARKET

INVENTORY & DEVELOPMENT

SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

Source: CoStar Property®

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(b)(4)

RALEIGH/DURHAM OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldg	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

CLASS B MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldg	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

(b)(4)

(b)(4)

RALEIGH/DURHAM OFFICE MARKET

FIGURES AT A GLANCE

CLASS C MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

(b)(4)

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RALEIGH/DURHAM OFFICE MARKET

FIGURES AT A GLANCE

CLASS A SUBMARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

CLASS B SUBMARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

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(b)(4)

RALEIGH/DURHAM OFFICE MARKET

FIGURES AT A GLANCE

CLASS C SUBMARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates

Source: CoStar Property®

TOTAL OFFICE SUBMARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates

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RALEIGH/DURHAM OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

CLASS B MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

CLASS C MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

CLASS A & B MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

Mid-Year 2012

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				

Source: CoStar Property®

(b)(4)

(b)(4)

RALEIGH/DURHAM OFFICE MARKET

FIGURES AT A GLANCE

CLASS A MARKET STATISTICS

Mid-Year 2012

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	

Source: CoStar Property®

CLASS B MARKET STATISTICS

Mid-Year 2012

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	

Source: CoStar Property®

TOTAL OFFICE MARKET STATISTICS

Mid-Year 2012

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	

Source: CoStar Property®

(b)(4)

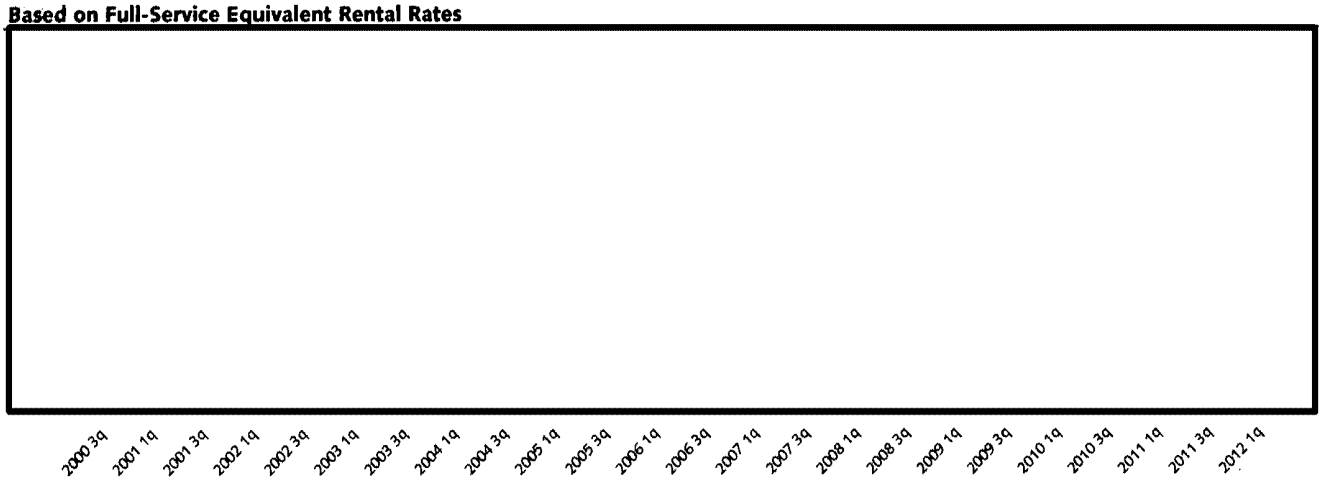
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RALEIGH/DURHAM OFFICE MARKET

LEASING ACTIVITY

HISTORICAL RENTAL RATES

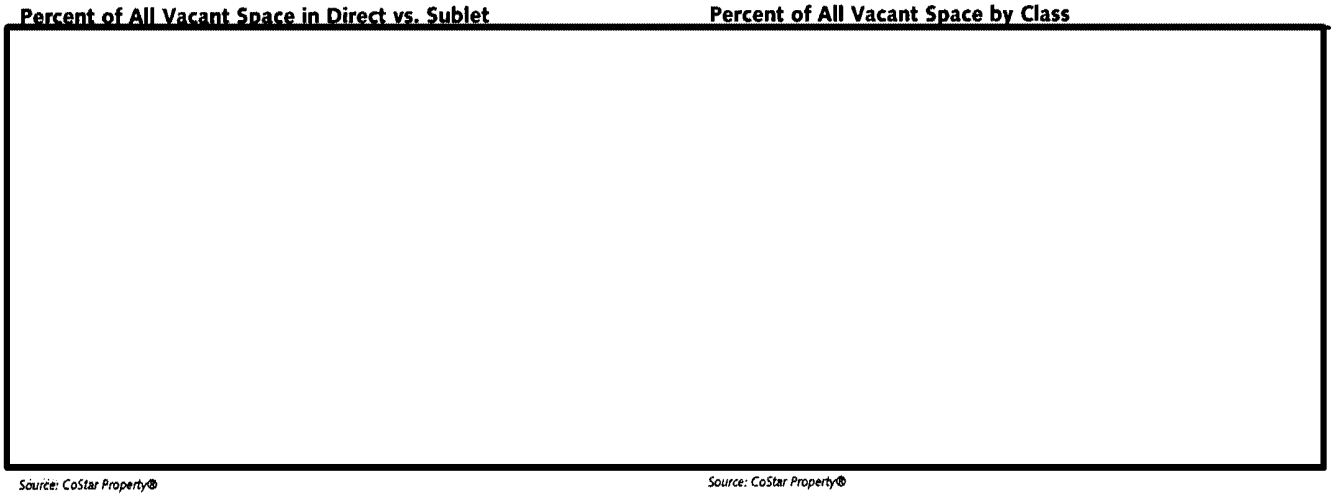
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

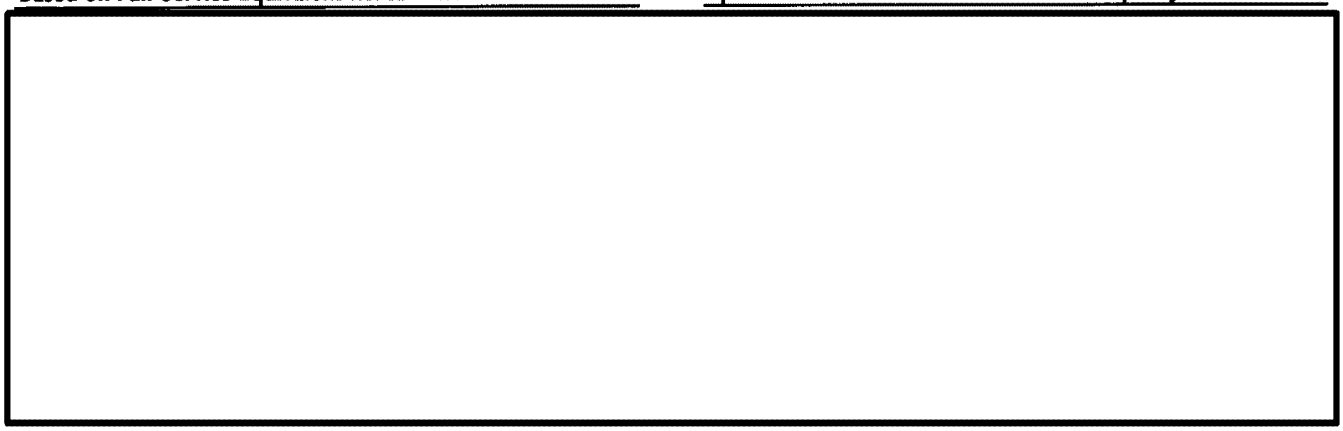
VACANCY BY CLASS

Percent of All Vacant Space by Class

Source: CoStar Property®

U.S. RENTAL RATE COMPARISON

Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*

** Includes Under Construction Spaces* *Source: CoStar Property®*

RALEIGH/DURHAM OFFICE MARKET

LEASING ACTIVITY

SELECT TOP OFFICE LEASES Based on Leased Square Footage For Deals Signed in 2012

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company

Source: CoStar Property®

* Renewal

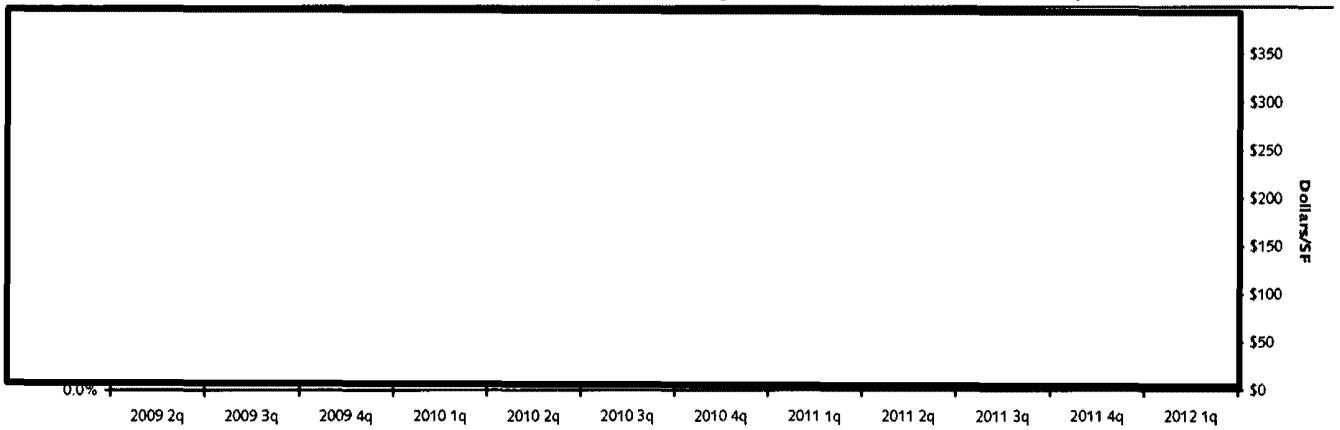
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RALEIGH/DURHAM OFFICE MARKET

SALES ACTIVITY

THE OPTIMIST SALES INDEX

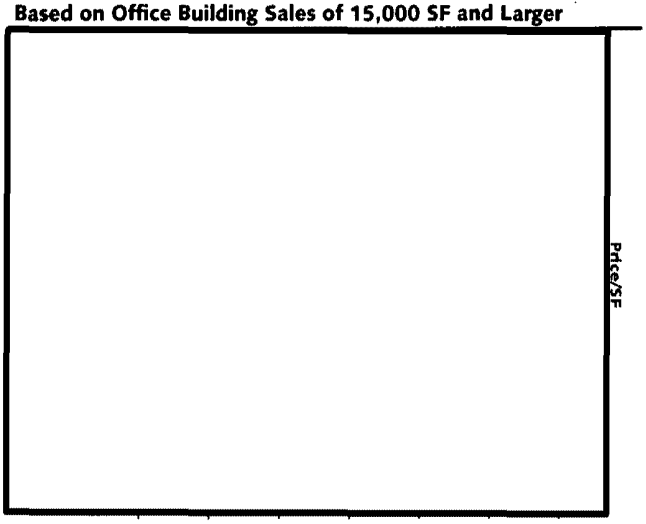
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

SALES VOLUME & PRICE

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

SALES ANALYSIS BY BUILDING SIZE

Based on Office Building Sales From April 2011 - March 2012

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate

Source: CoStar COMPS®

U.S. PRICE/SF COMPARISON

Based on Office Building Sales of 15,000 SF and Larger

Source: CoStar COMPS®

U.S. CAP RATE COMPARISON

Based on Office Building Sales of 15,000 SF and Larger

Source: CoStar COMPS®

RALEIGH/DURHAM OFFICE MARKET

SALES ACTIVITY

SELECT TOP SALES

Based on Sales from April 2011 Through June 2012

Source: CoStar COMPS®

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RALEIGH/DURHAM OFFICE MARKET

SALES ACTIVITY

SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale

SELECT LAND SALES

Based on Commercially Zoned Land Sales Occurring From April 2011 - June 2012

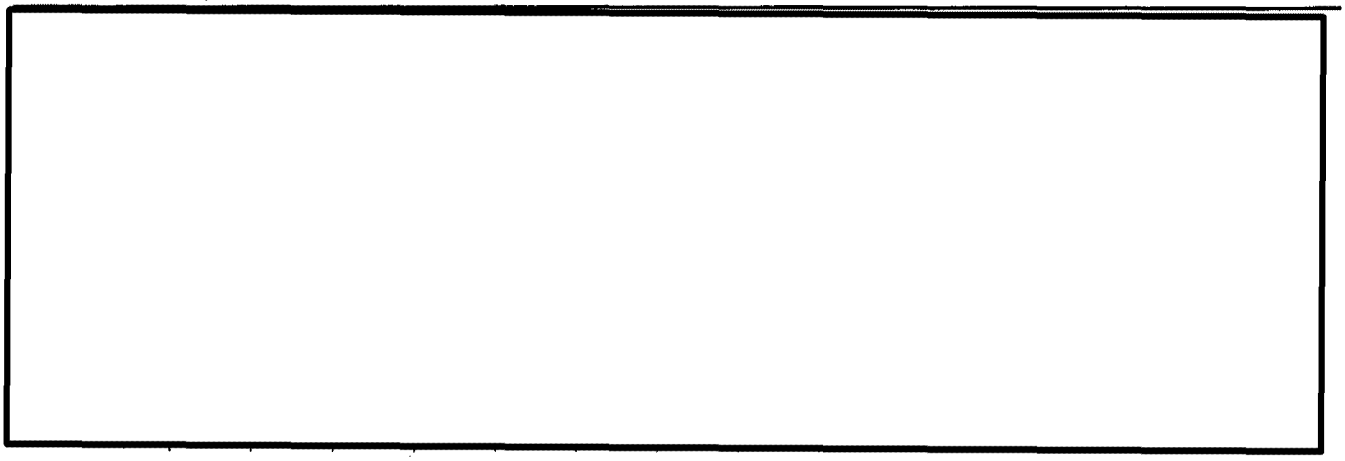
(b)(4)

RALEIGH/DURHAM OFFICE MARKET

CHATHAM COUNTY MARKET

MARKET HIGHLIGHTS - CLASS "A, B & C"

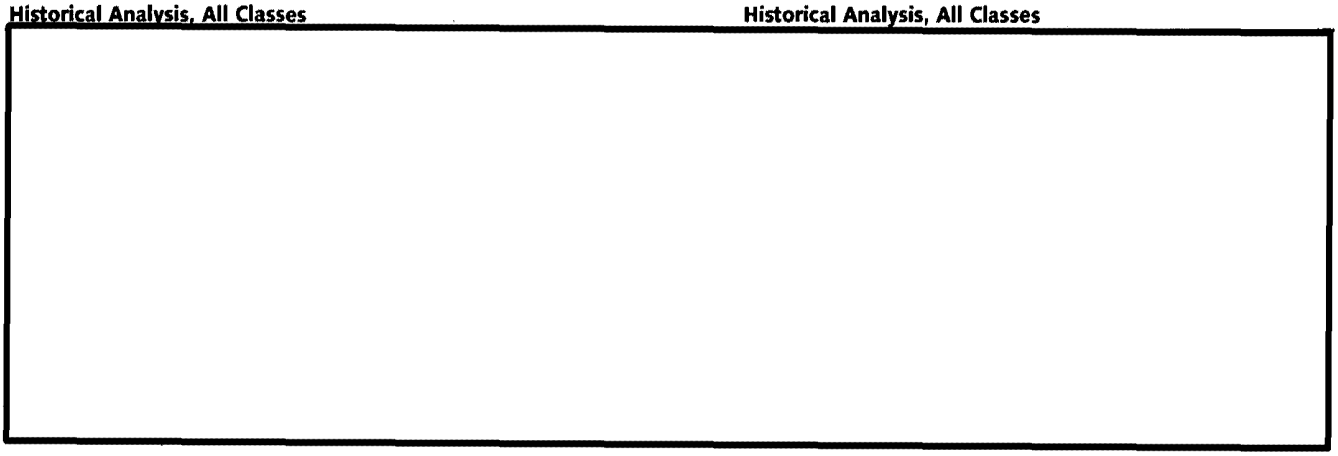
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

(b)(4)

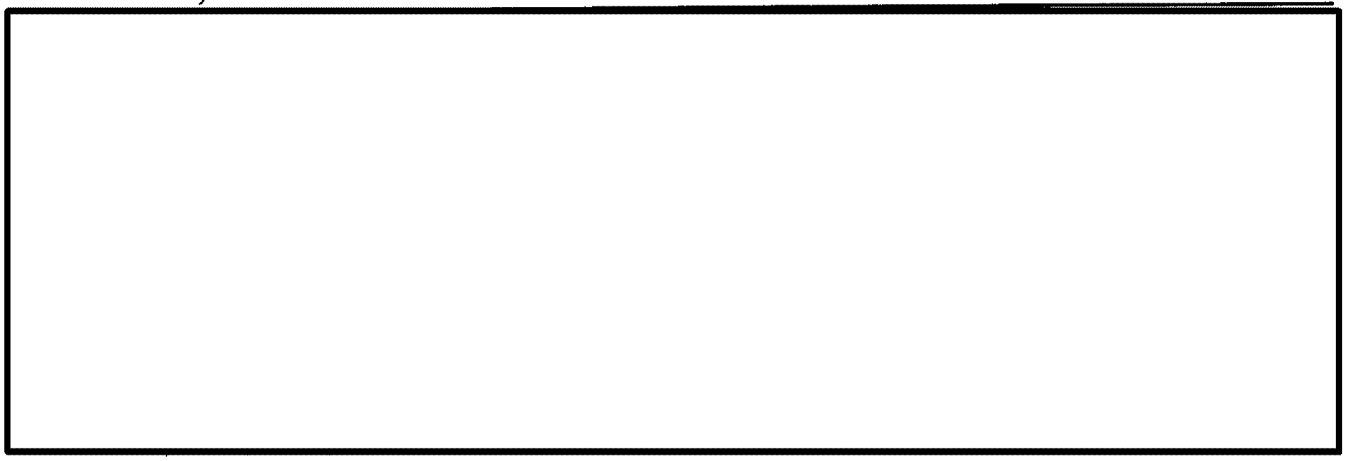
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RALEIGH/DURHAM OFFICE MARKET

DURHAM COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

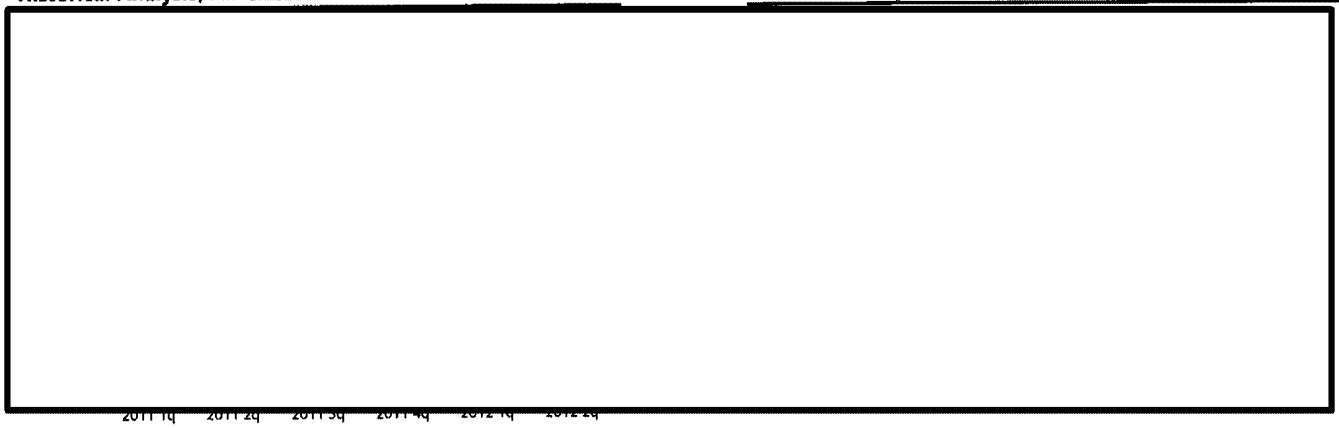
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

(b)(4)

(b)(4)

RALEIGH/DURHAM OFFICE MARKET

EAST WAKE COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

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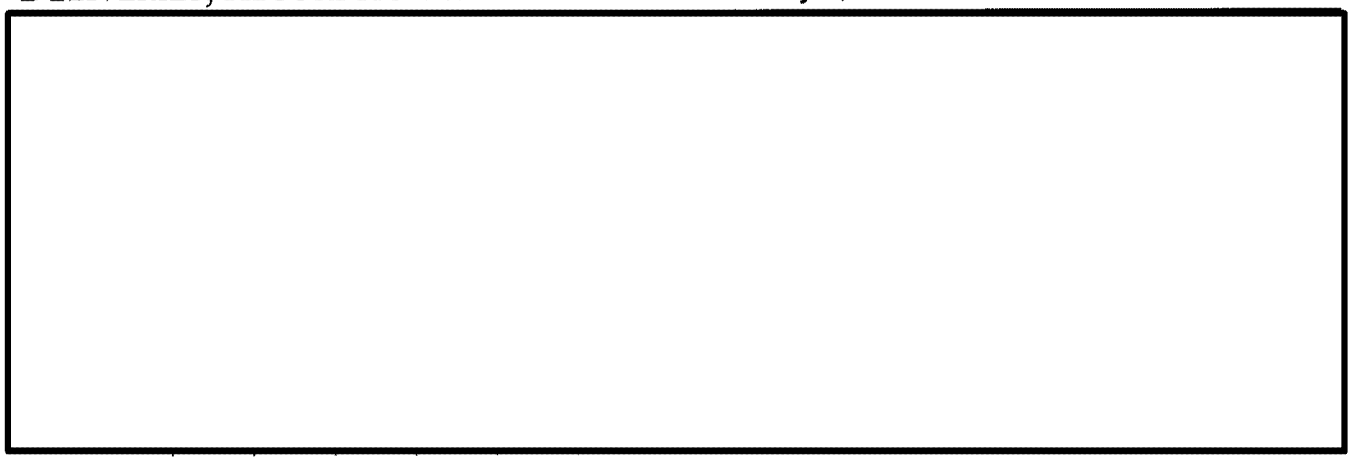
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RALEIGH/DURHAM OFFICE MARKET

FRANKLIN COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

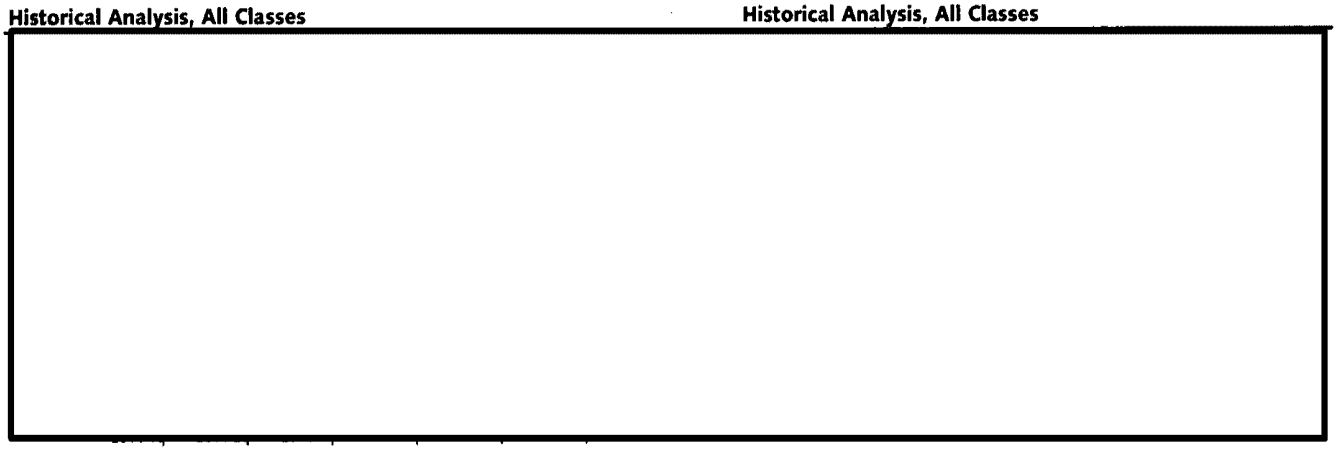
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

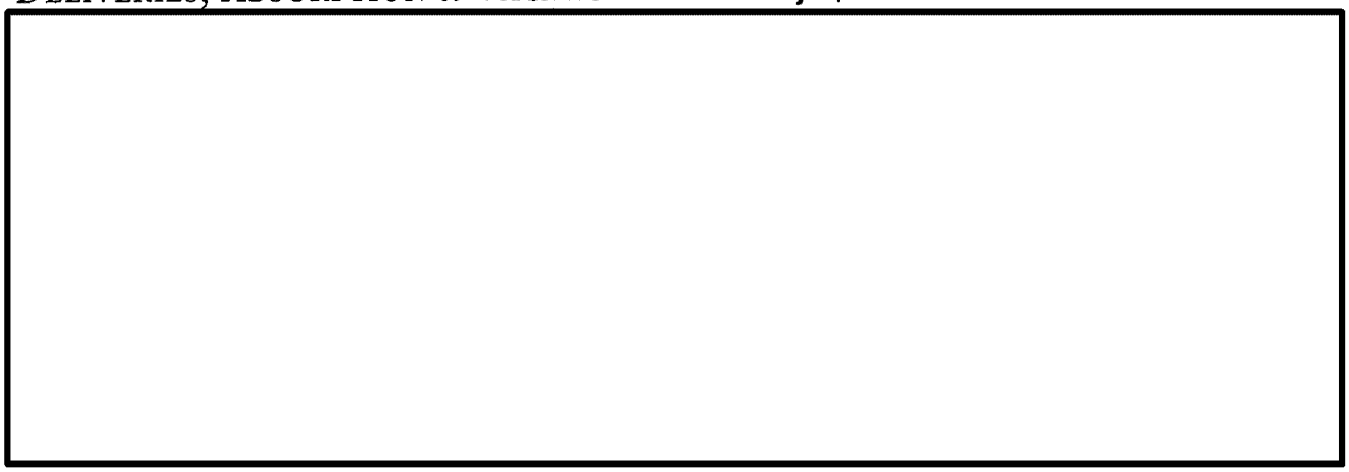
(b)(4)

RALEIGH/DURHAM OFFICE MARKET

GLENWOOD/CREEDMOOR MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

(b)(4)

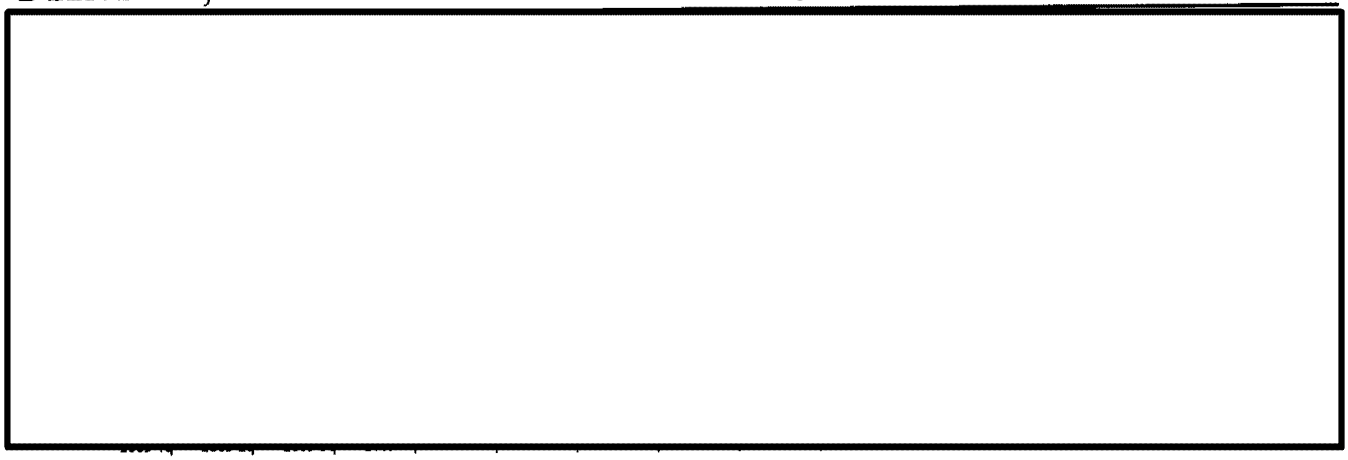
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RALEIGH/DURHAM OFFICE MARKET

JOHNSTON COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

(b)(4)

(b)(4)

RALEIGH/DURHAM OFFICE MARKET

NORTH RALEIGH MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes

Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes

Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

(b)(4)

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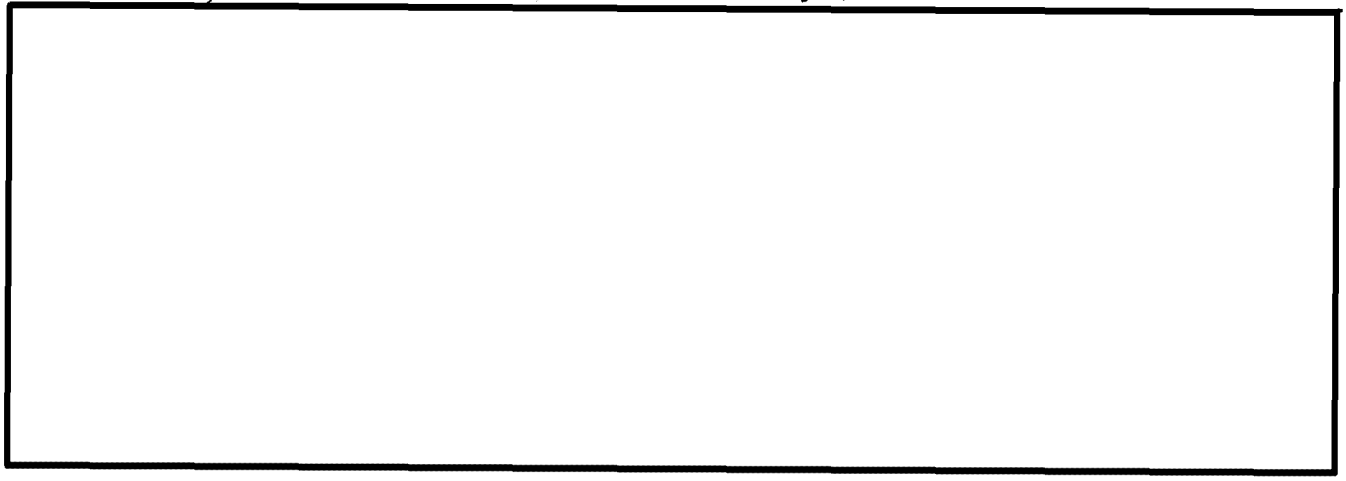
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RALEIGH/DURHAM OFFICE MARKET

ORANGE COUNTY MARKET

MARKET HIGHLIGHTS - CLASS "A, B & C"

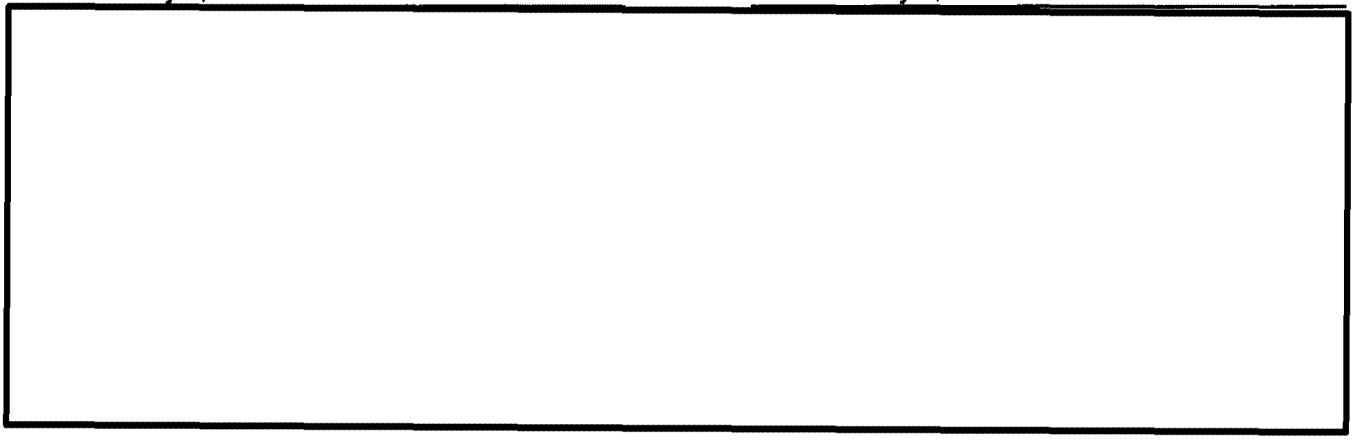
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

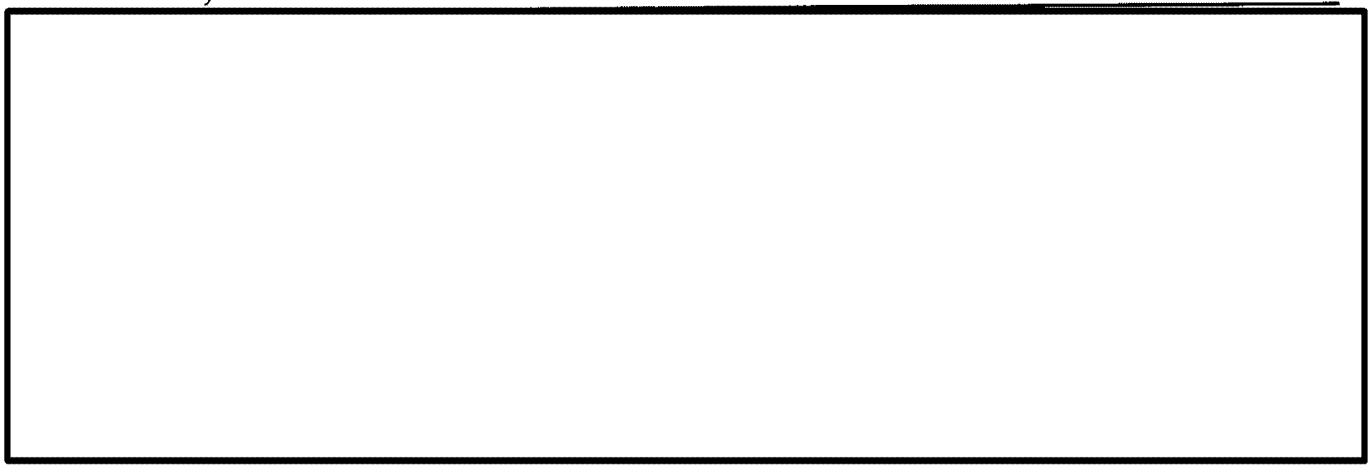
(b)(4)

RALEIGH/DURHAM OFFICE MARKET

PERSON COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

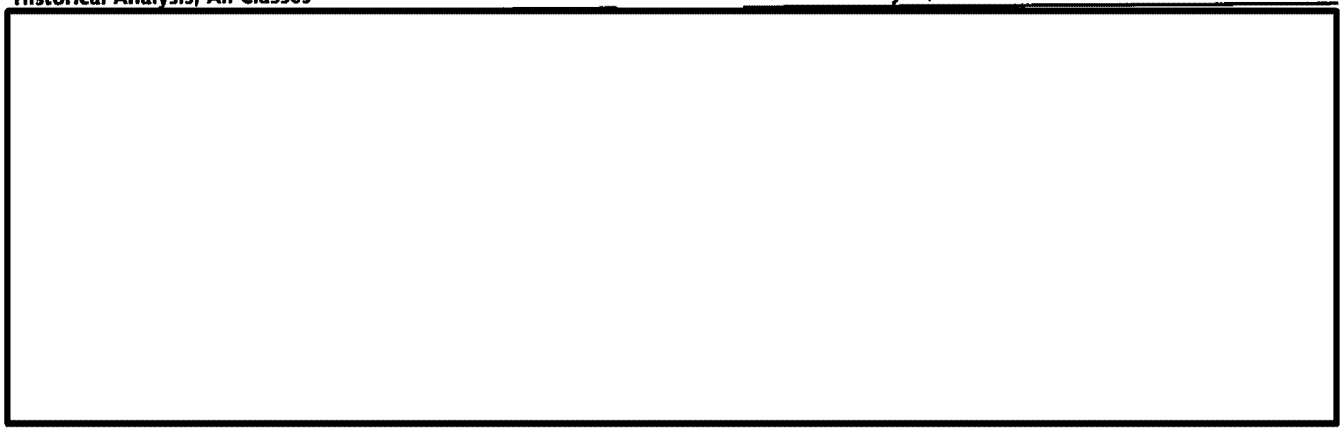
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

(b)(4)

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RALEIGH/DURHAM OFFICE MARKET

RALEIGH MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

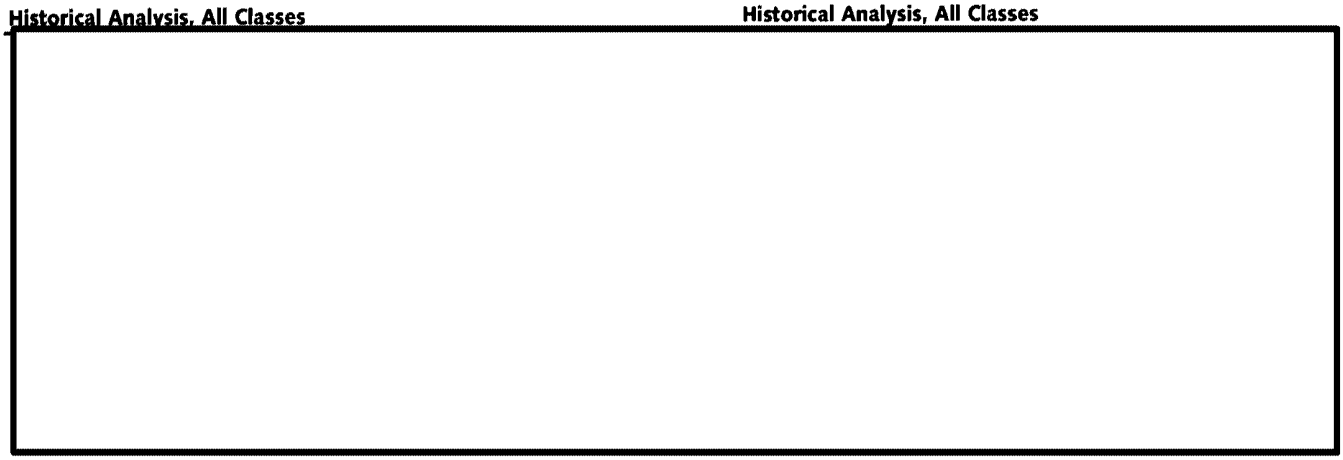
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

(b)(4)

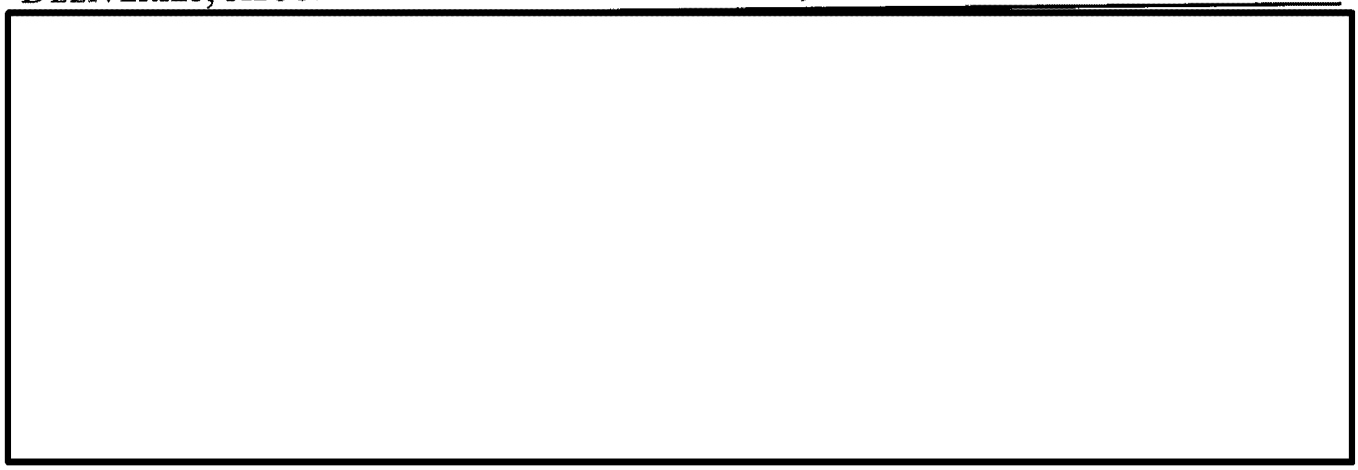
(b)(4)

RALEIGH/DURHAM OFFICE MARKET

RTP/RDU MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
						# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

(b)(4)

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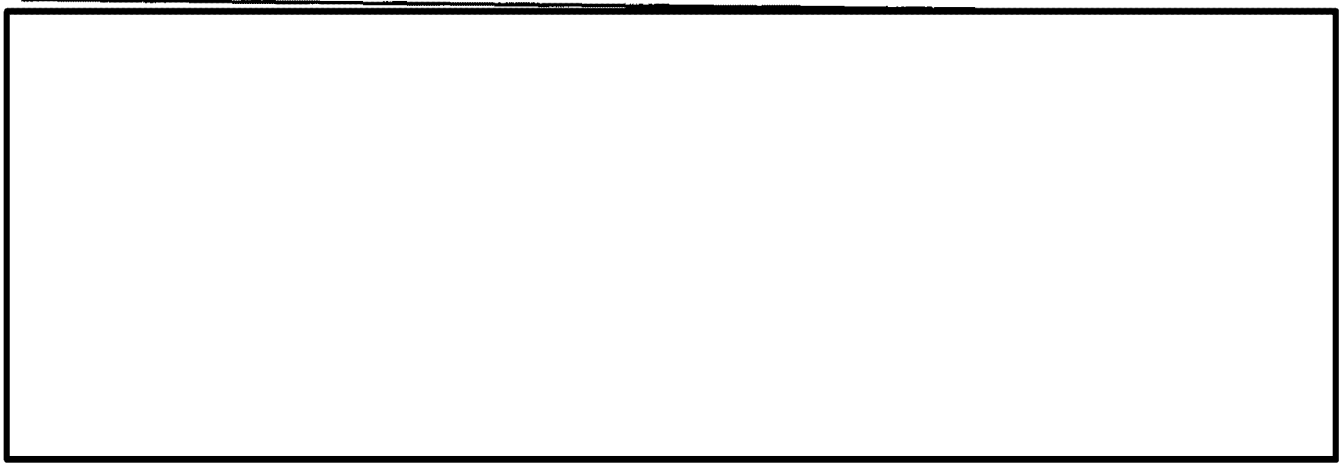
(b)(4)

RALEIGH/DURHAM OFFICE MARKET

WEST WAKE COUNTY MARKET

MARKET HIGHLIGHTS - CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



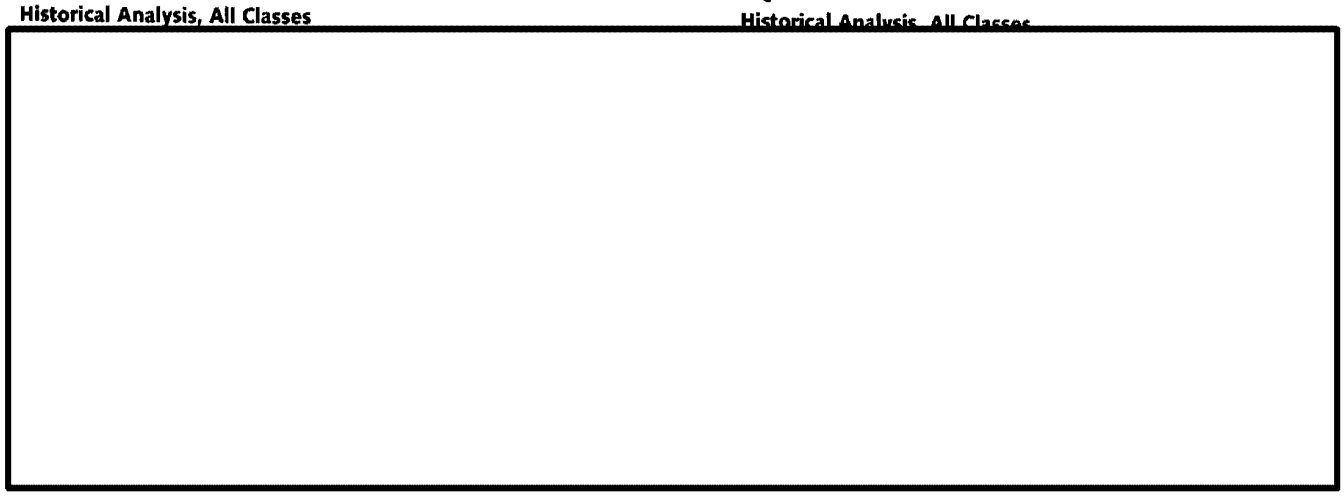
Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes

QUOTED RENTAL RATES

Historical Analysis, All Classes



Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

(b)(4)

Exhibit 2. RS MEANS Construction Costs Per Square-Foot

(b)(4)

Note: RS MEANS costs per square-foot estimator calculates only the construction costs for a single apartment building.

[Attached in following pages.]

Square Foot Cost Estimate Report

Estimate Name: **Raleigh MOB**

Encore Office

(b)(4)

Raleigh

NC

Building Type: **Medical Office, 2 Story with Face Brick with Concrete Block Back-up / Steel Joists**

Location: RALEIGH, NC

Stories Count (L.F.):

Stories Height

Floor Area (S.F.):

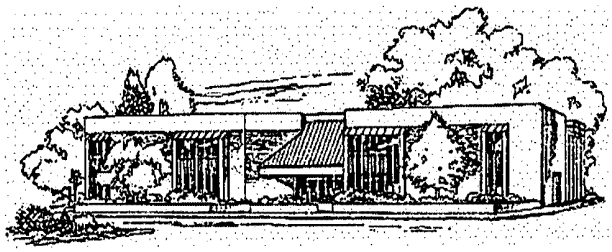
LaborType

Basement Included:

Data Release:

Cost Per Square Foot

Total Building Cost



Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly

(b)(4)

% of Total	Cost Per SF	Cost

(b)(4)

% of Total	Cost Per SF	Cost

® 2012 Reed Construction Data 1-800-334-3509 softwaresupport@rsmeans.com

(b)(4)

% of Total	Cost Per SF	Cost

Exhibit 3. Encore Construction Group Sample Construction Estimate

The following construction estimate is for format purposes only for this analysis. The estimate has been produced using RS MEANS information per square-foot for the Raleigh-Durham market, but for this purpose is used to show the Service how ERDRC will present construction data in the future for transparency.

[Attached in following pages.]

MOB SOG
MOB Budget 06/07/2012 SOG

Project name	MOB SOG
Estimator	Bryan Cerney/Denis C
Labor rate table	[redacted] (b)(4)
Equipment rate table	
Job size	
Duration	
Bid date	6/7/2012 2:00 PM
Report format	Sorted by 'Group phase/Phase' 'Detail' summary Allocate addons

(b)(4)

Total [redacted]

Item	Description	Takeoff Qty	Amount

(b)(4)

Item	Description	Takeoff Qty		Total Amount
5	Restroom Counters 5' L Granite	50.00	SF	4,602

(b)(4)

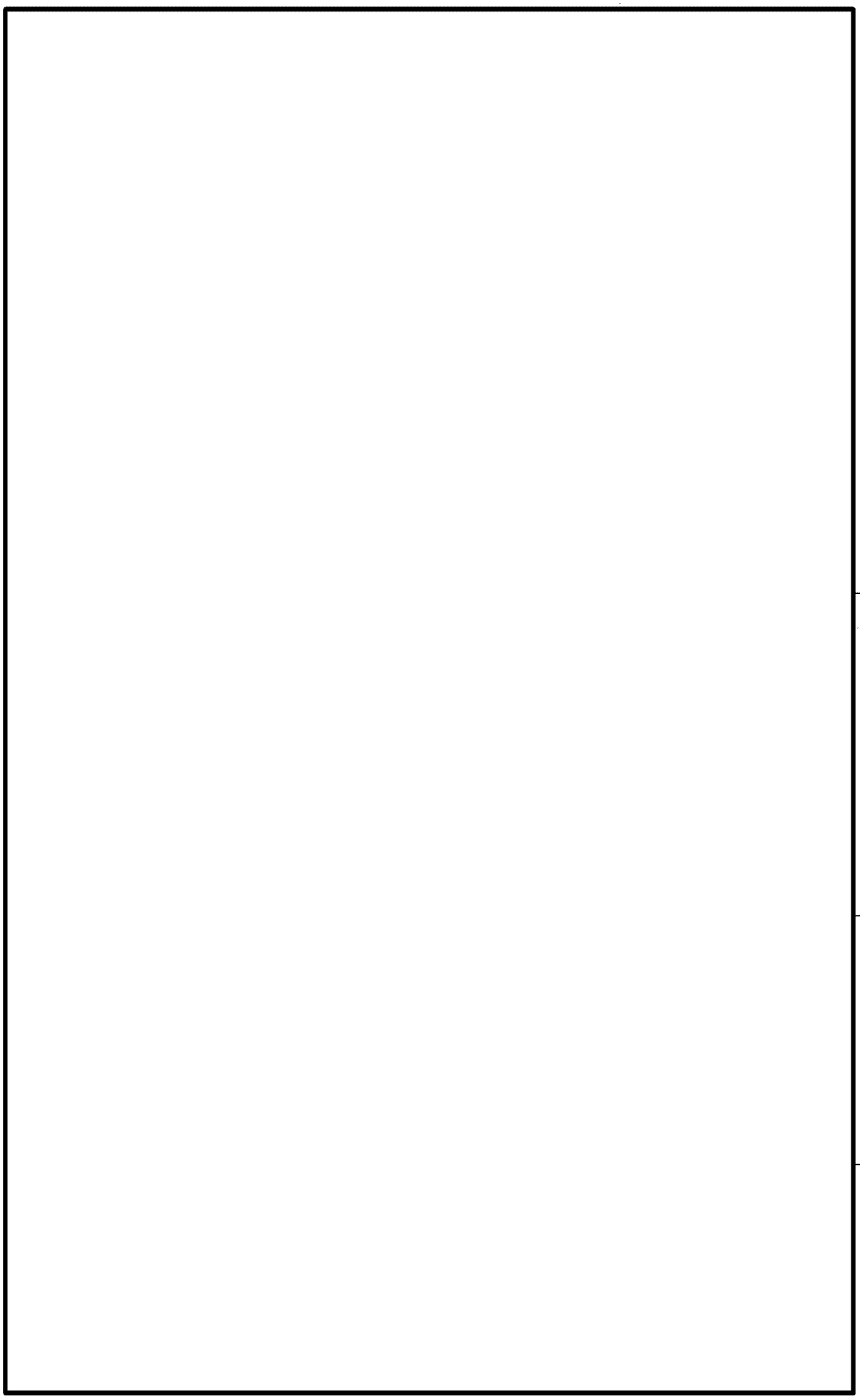
Item	Description	Takeoff Qty	[redacted] Total Amount

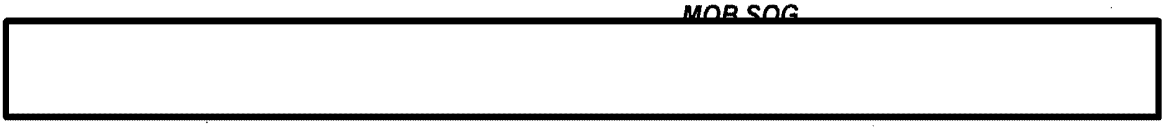
(b)(4)

Total [redacted]

Item	Description	Takeoff Qty	Amount

n



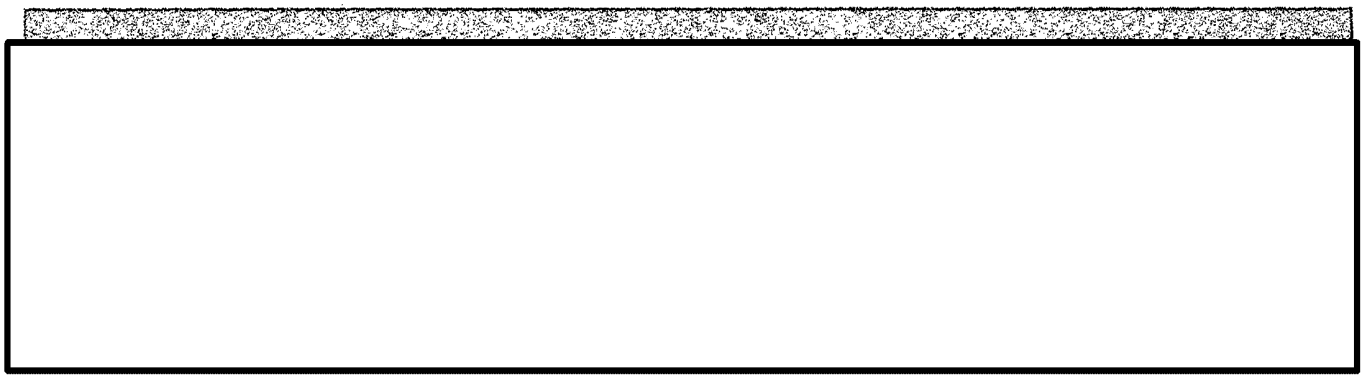


(b)(4)

Item	Description	Takeoff Qty	[redacted]	Total Amount

(b)(4)

Estimate Totals



ENCORE HOSPITALITY LIMITED-SERVICE HOTEL



ENCORE HOSPITALITY, LLC

A HYPOTHETICAL LIMITED-SERVICE HOTEL PROJECT FOR REVIEW BY THE USCIS

(b)(4)

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GLOSSARY OF TERMS

The following definitions and terms shall apply in this Business Review unless otherwise specifically provided to the contrary.

Key Definitions

Company – Encore Hospitality, LLC, a Delaware limited liability company ("Encore Hospitality"). The "Company" and "Encore Hospitality" are one and the same entity and are used interchangeably in this Business Review.

Encore Raleigh-Durham Regional Center – ERC Raleigh/Durham LLC, a Delaware limited liability company, which will function as the Regional Center. Also referred to as ("Raleigh-Durham Regional Center" or "ERDRC").

Encore Global Investment Management, LLC – Encore Global Investment Management, LLC, is a Delaware limited liability company, ("EGIM"), which will own and operate Encore's network of Regional Centers.

Encore Enterprises, Inc. – Encore Enterprises, Inc., the parent corporation of all Encore subsidiaries, is a Mississippi formed corporation, ("Encore"), which wholly owns all subsidiaries mentioned in this Business Review unless stated to the contrary.

Encore Hospitality – Encore Hospitality, LLC, is a Delaware limited liability company, which will own and develop the Raleigh-Durham Hotel Project.

Encore Raleigh-Durham Hotel, LP – Encore Raleigh-Durham Hotel, LP, a Delaware limited partnership whose partners are: Encore Hospitality, LLC as its general partner, and each of the foreign investors as limited partners.

Raleigh-Durham Hotel Project – An undertaking to develop a hotel property in the Region.

Region – Four (4) counties in the Greater Raleigh-Durham Area, centered around Raleigh-Durham, North Carolina (see map in "Executive Summary"). These counties include Orange, Wake, Johnston and Durham Counties.

Encore Raleigh Hotel, LLC – A Delaware limited liability company ("Encore Raleigh Hotel or ERH") designated as the job creating entity for the Encore Raleigh-Durham Hotel project, which will borrow Investor funds from the EB-5 lender, Encore Raleigh-Durham RC Fund I, LP ("ERDRC Fund I, LP"), for job-creating purposes.

Encore Raleigh-Durham RC Fund I, LP – A Delaware limited partnership formed for the purpose of pooling Investor funds into one source for purpose of investment into a USCIS approved hotel development project. ("ERDRC Fund I, LP")

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Other Definitions

EB-5 Investor – An Alien Entrepreneur who is an Investor and is seeking to obtain a visa pursuant to the Immigration Act.

[redacted]

EB-5 Program – There are two distinct EB-5 pathways for an alien investor to gain lawful permanent residence, the Basic Program and the Regional Center Pilot Program. Both programs require that the alien investor make a capital investment of either $500,000 or $1,000,000 (depending on whether the investment is in a TEA or not) in a new commercial enterprise located within the United States. The new commercial enterprise must create or preserve 10 full-time jobs for qualifying U.S. workers within two years of the alien investor's admission to the United States as a Conditional Permanent Resident (CPR). When making an investment in a new commercial enterprise affiliated with an USCIS-designated regional center under the Regional Center Pilot Program, an alien investor may satisfy the job creation requirements of the program through the creation of either direct or indirect jobs. Notably, an alien investing in a new commercial enterprise under the Basic Program may only satisfy the job creation requirements through the creation of direct jobs. If the regional center proposal bases its predictions regarding the number of direct or indirect jobs that will be created through EB-5 investments in the regional center, in whole or in part, by offering investment opportunities to EB-5 investors with the reduced $500,000 threshold, then the Targeted Employment Areas (TEAs), Rural Areas (areas with populations under 20,000 people) and areas of high unemployment (areas with unemployment rates 150% or more of the national rate), should be identified. Note: An alien filing a regional center affiliated Form 1-526 must still establish that the investment will be made in a TEA at the time of filing of the alien's Form 1-526 petition, or at the time of the investment, whichever occurs first, to qualify for the reduced $500,000 capital investment threshold.

[redacted]

High Unemployment Area – A geographical area, which has experienced unemployment of at least 150 percent of the national average rate. See INA § 203(b)(5)(B)(ii).

Immigration Act – The Immigration Act at 8 USC 1153(b)(5)(A)(i)-(iii), (B)(i)-(iii), (C)(i)-(iii) and (D).

[redacted]

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[redacted]

Person – Any individual, firm, partnership, corporation, limited liability company, or any other form of legal entity.

[redacted]

Project Documents – (a) Partnership Agreement; (b) Business Review; and (c) Agreement for Sale and Purchase (together with attached Exhibits). (Full documents provided at I-526 stage for actual project).

ROI – Return on investment.

Rural Area (a "RA") – A geographical area located both outside of a Metropolitan Statistical Area ("MSA") and outside of a city or town having a population of 20,000 or more based on the most recent decennial census of the United States. See INA § 203(b)(5)(B)(iii) and 8 CFR §204.6(j)(6)(i).

Targeted Employment Area (a "TEA") – A Rural Area, a defined term, or an area designated by the state as a High Unemployment Area, a defined term.

[redacted]

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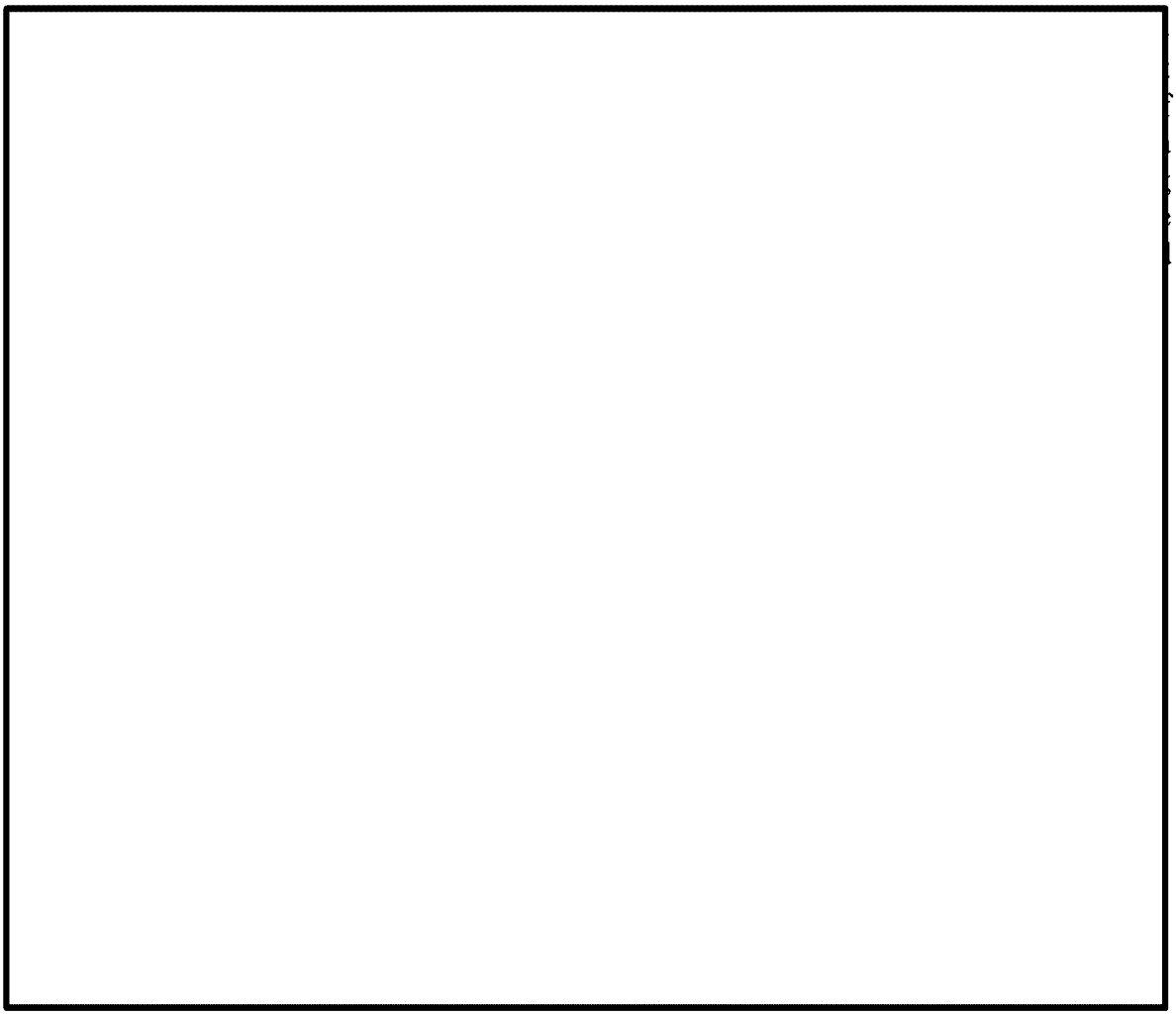
1.0 EXECUTIVE SUMMARY

The Project	
Business Plan Summary	
Project Costs and Capitalizations	
Project Development & Schedule	
TEA Designation	The project, if developed within a Targeted Employment Area (TEA), would require each EB-5 investor to invest $500,000. If the project is not within a TEA, each EB-5 investor would be required to invest $1,000,000.
Job Creation Sufficiency	This project would create [redacted] which visa vie would support [redacted] EB-5 investors in or outside of a TEA.

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1.1 Description of the Company



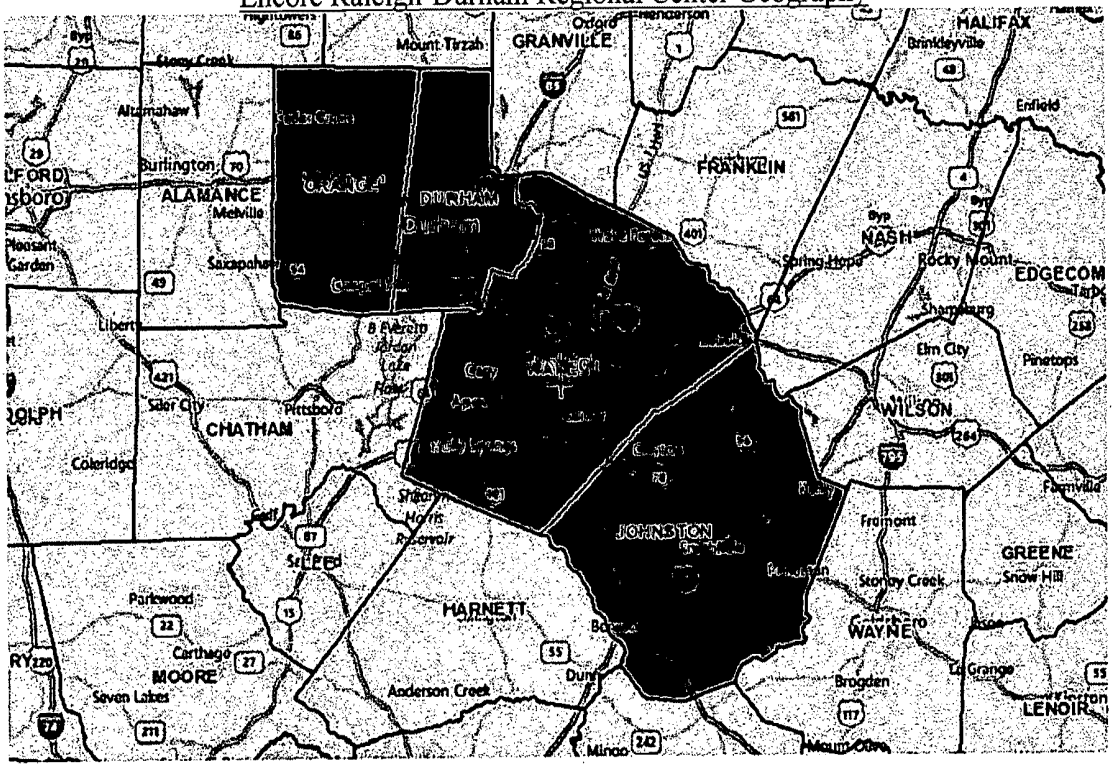
1.2 Venture Overview



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Encore Raleigh-Durham Regional Center Geography



1.3 Corporate Structure

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1.4 Path of Funds

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1.5 Mission Statement

Encore Hospitality, LLC is a subsidiary of Encore Enterprises, Inc. Encore Hospitality was founded in 1999 as a fully integrated hotel developer, owner and operator. The company is involved in all aspects of limited- and full-service hotel development projects and acquisitions including, ground-up developments, joint ventures and mixed-use developments.

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1.6 Implementation of Business Plan



1.7 Financial



1.8 Sources of Proceeds



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1.9 Use of Proceeds

1.10 Management, Staff, and Employees

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2.0 ENCORE HYPOTHETICAL RALEIGH-DURHAM HOTEL

PROJECT SPECIFICATIONS
Limited-Service Hotel

2.1 Comparable Historical Project Overview (Courtyard by Marriott, D'Iberville, MS)

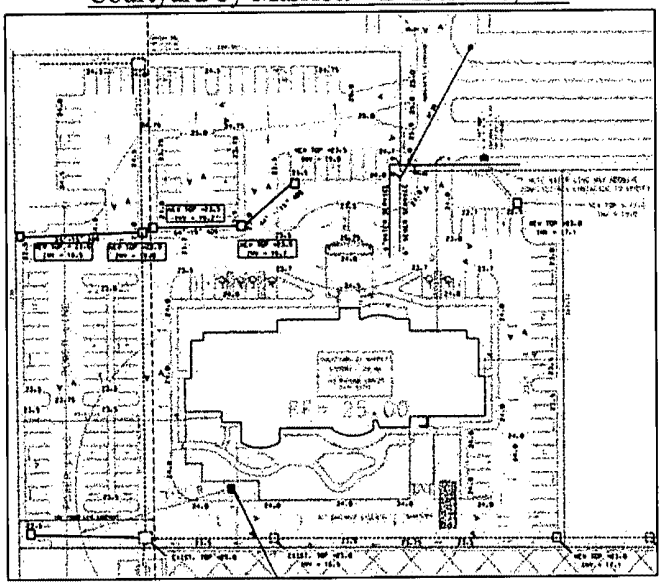
Encore owns and is currently operating the Courtyard by Marriott located in D'Iberville, Mississippi. The hotel consists of a 101 room limited-service hotel.

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Courtyard by Marriott – D'Iberville, MS



The D'Iberville Courtyard by Marriott was developed in 2009-2010 and is a 101-room, five (5) floor limited-service hotel developed in the Lakeview Village Shopping Center located in D'Iberville, Mississippi along the Interstate 10 and Interstate 110 intersection. The development includes approximately 72,000 square feet of hotel rooms along with small conference spaces and dining spaces

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3.0 MARKET ANALYSIS

3.1 Overview

3.2 Market Selection

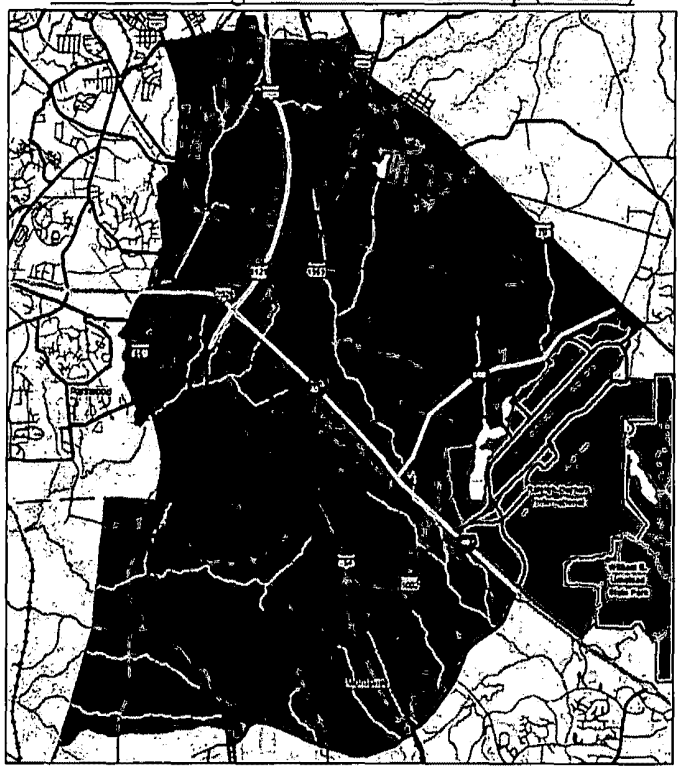
3.3 Submarket Selection

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3.4 Research Triangle Park Submarket (RTP)

Research Triangle Park Submarket Map (CoStar)



The above map shows the Research Triangle Park submarket near the Raleigh-Durham Airport. The Research Triangle Park is an epicenter of innovation in more than a dozen industries. Companies represented in RTP include IBM, GlaxoSmithKline, RTI International, Cisco Systems, NetApp, BASF, Eisai, Cree, Biogen IDEC, United Therapeutics, Bayer Crop Science, Duport, Credit Suisse, Fidelity Investments and Syngenta. In addition, a number of U.S. Federal Agencies have a presence in the Park, including the U.S. Environmental Protection Agency, the National Institute of Environmental Health Sciences, and the U.S. Forestry Service.

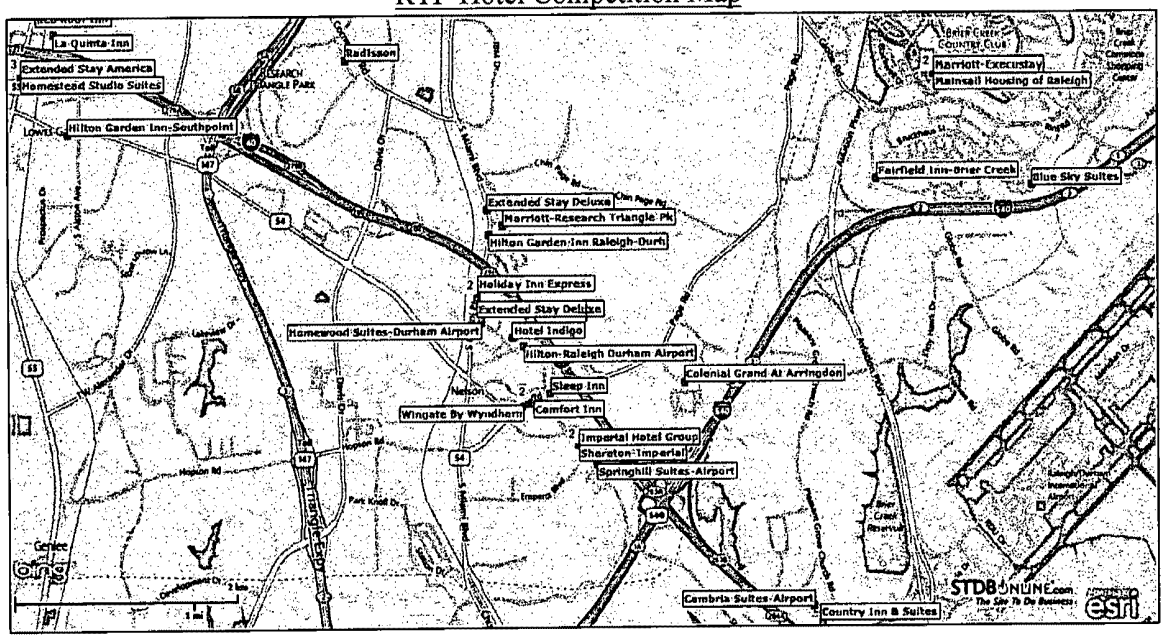
Industry clusters located in RTP reflect the research strengths at the region's renowned learning institutions—UNC-Chapel Hill, Duke University and N.C. State University. Established clusters such as biotechnology (including agriculture-related biotechnology and pharmaceuticals) and information technology as well as emerging ones such as advanced gaming, green and nanotechnology have strong roots in and are competitive because of the research at these universities and the confluence of academic disciplines that each provides. Many RTP-based companies have spun out of the universities.

RTP also offers an established network of support organizations and technology infrastructure located within the Park to support a diverse range of companies. From the North Carolina Biotechnology Center to Sigma Xi, The Scientific Research Society, a host of organizations and networks exist to complement and catalyze activities around a number of cluster industries.

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3.5 Research Triangle Park ("RTP") Submarket Competition

RTP-Hotel Competition Map



Summary:

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3.6 Hotel Brand Selection



3.7 RTP Submarket Competitive Analysis

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3.8 **Summary of Critical Assumptions**

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3.6 Hotel Brand Selection



3.7 RTP Submarket Competitive Analysis

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[redacted]

3.8 Summary of Critical Assumptions

Critical assumptions are summarized as follows, with the market history and projection analysis following on the preceding pages.

1. Projections of the local Research Triangle Park (RTP)[1] Raleigh-Durham Area reflect a mixture of old properties and newer competitive hotels.

[redacted]

Smith Travel Research Trend Report Excerpt

[redacted]

Summary: [redacted]

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3.9 Smith Travel Comparable Hotel Properties

Morrisville, NC (Research Triangle Park) Comparable Hotel Properties

Summary:

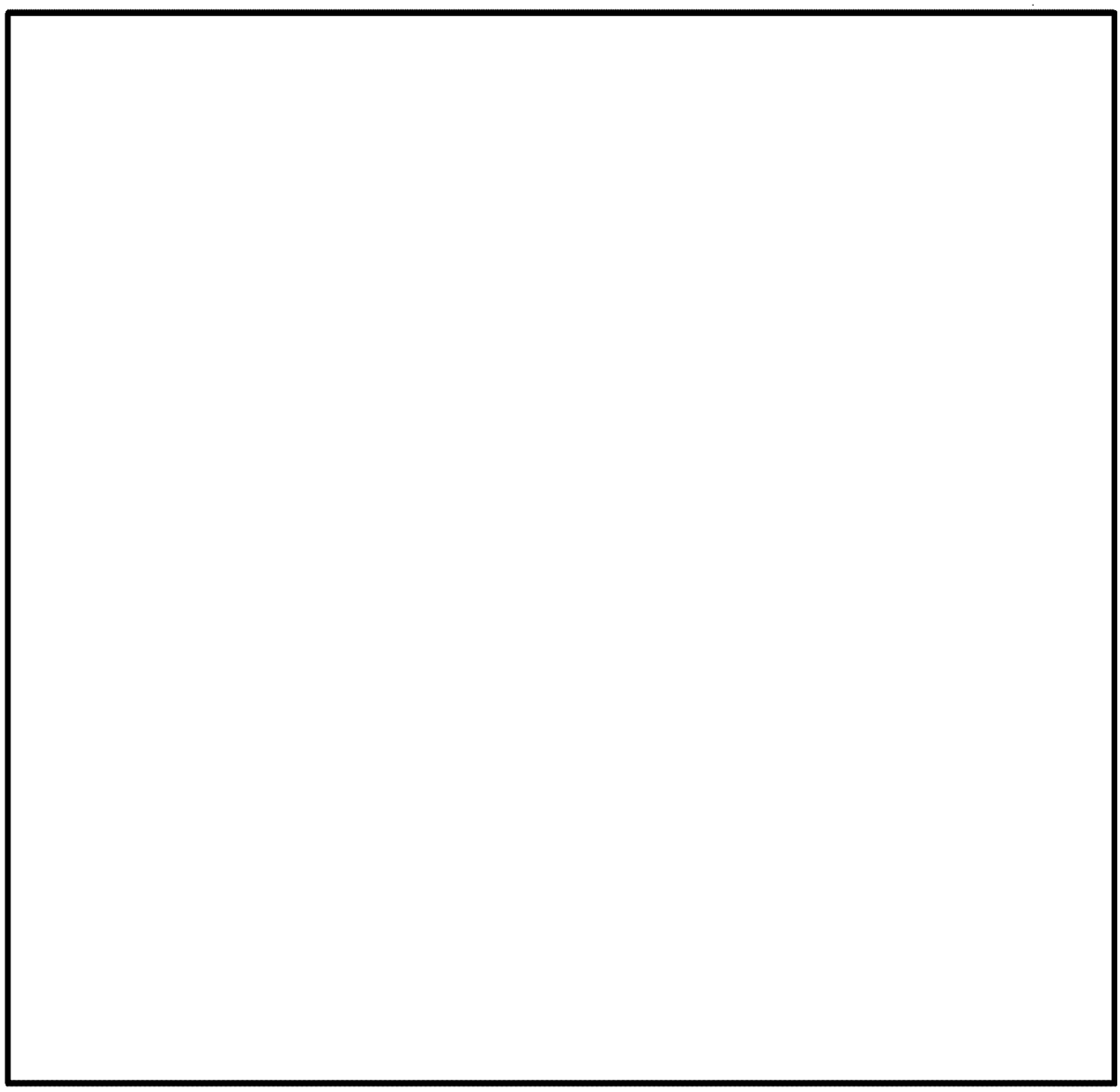
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4.0 RALEIGH-DURHAM HOTEL

Contained in the "Financial" section of this Confidential Business Review is a detailed description of the financial projects for a hotel project being considered for development by the Encore Hospitality, which details costs, profits, and other financial metrics.

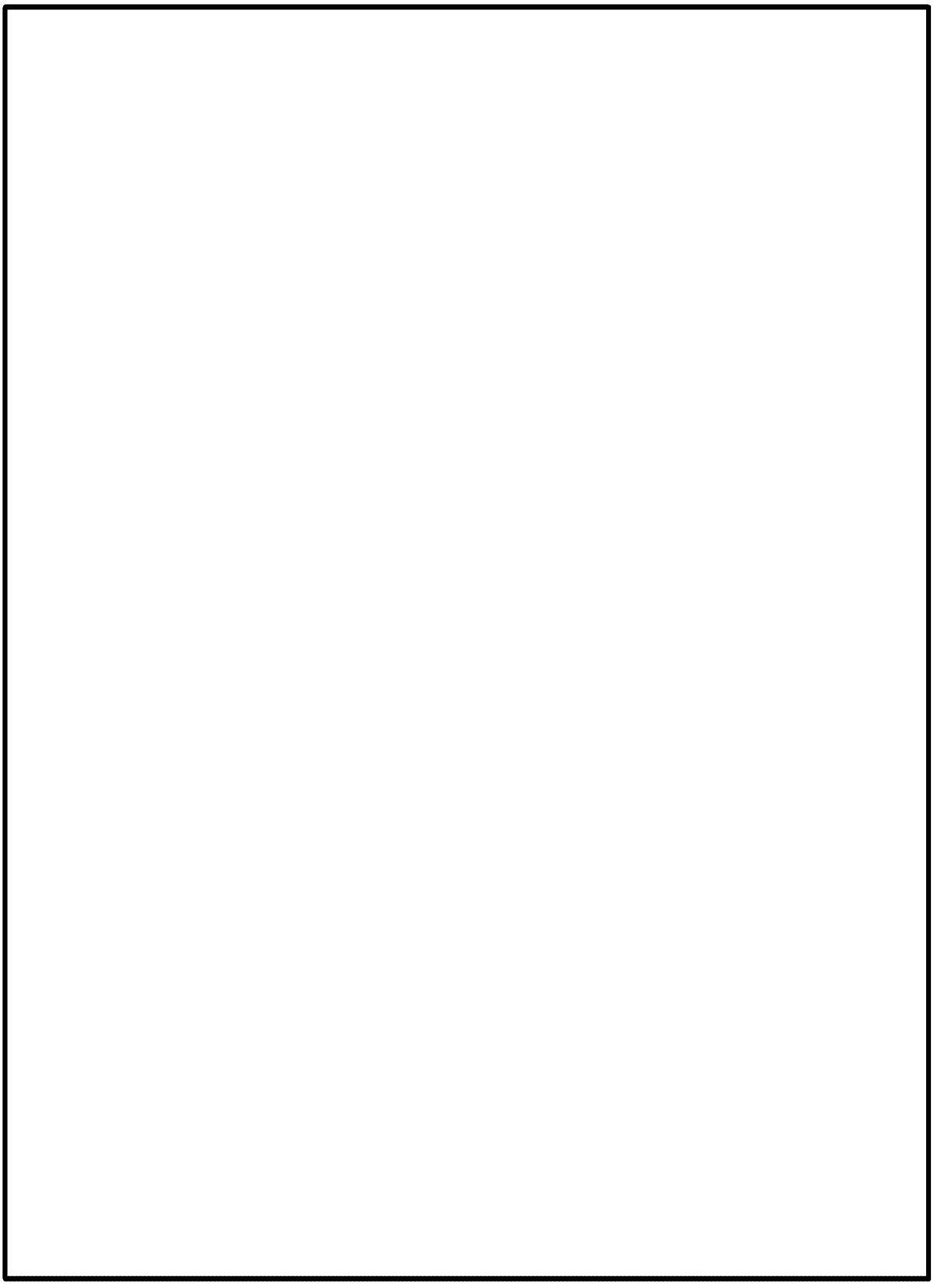
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4.1 Project Overview



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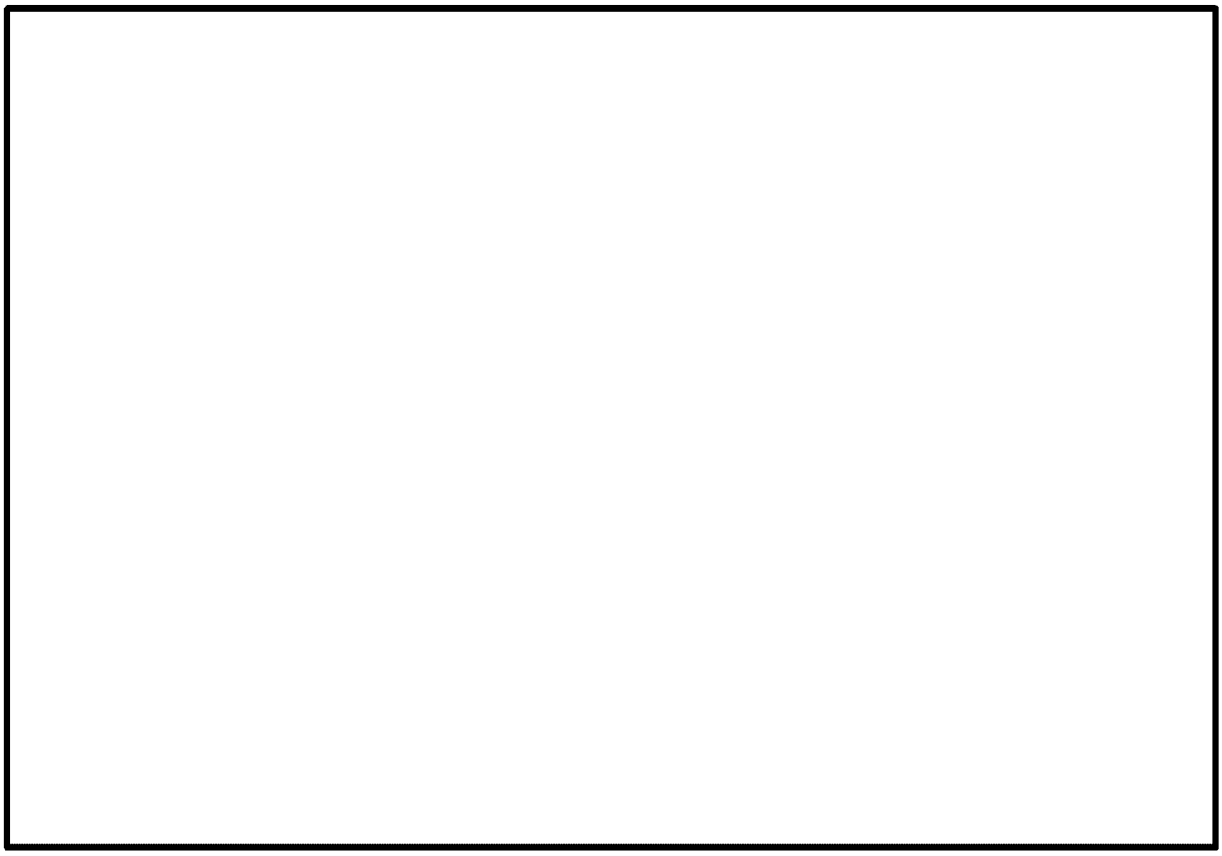
4.2 Project Description



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4.3 Proposed Raleigh-Durham Hotel Project Site



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5.0 FINANCIAL ANALYSIS

5.1 General

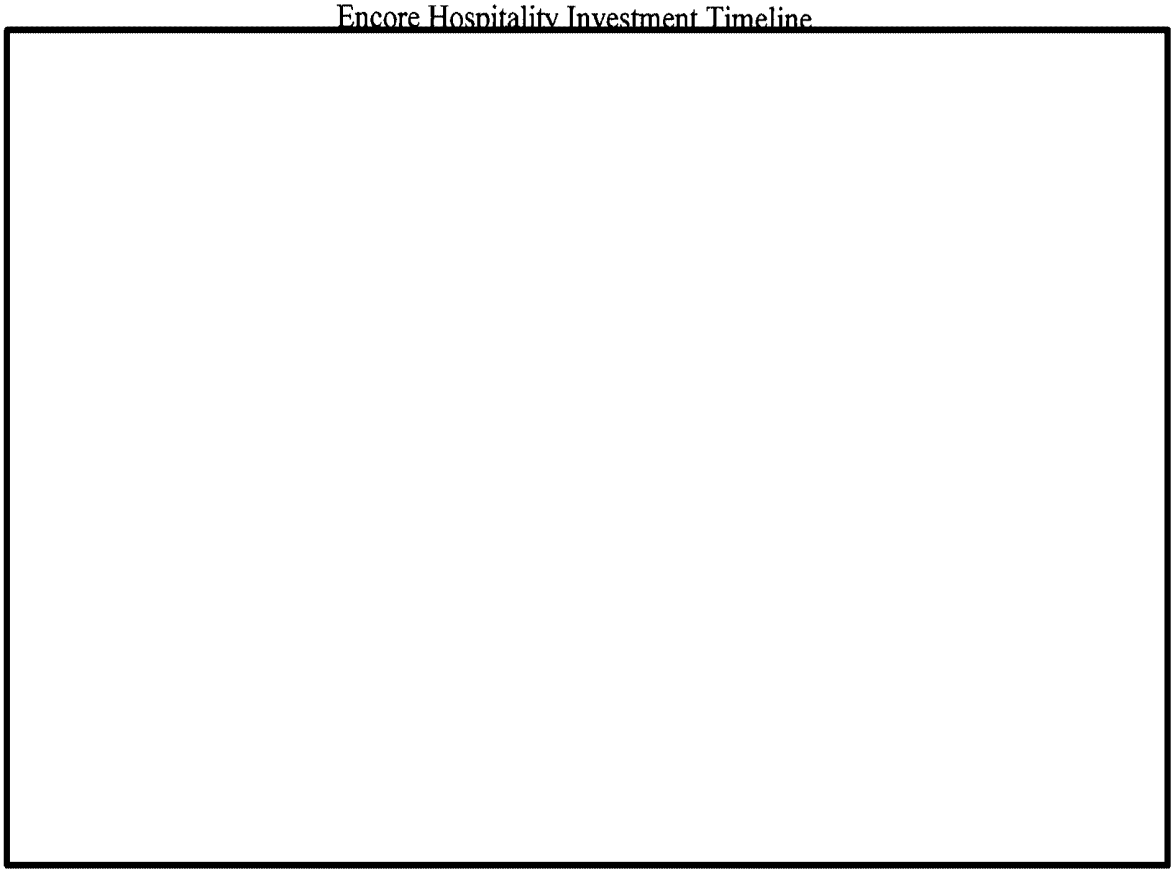
5.2 Investment Summary

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5.3 Investment Timeline

Encore Hospitality Investment Timeline



5.4 Sources of Proceeds



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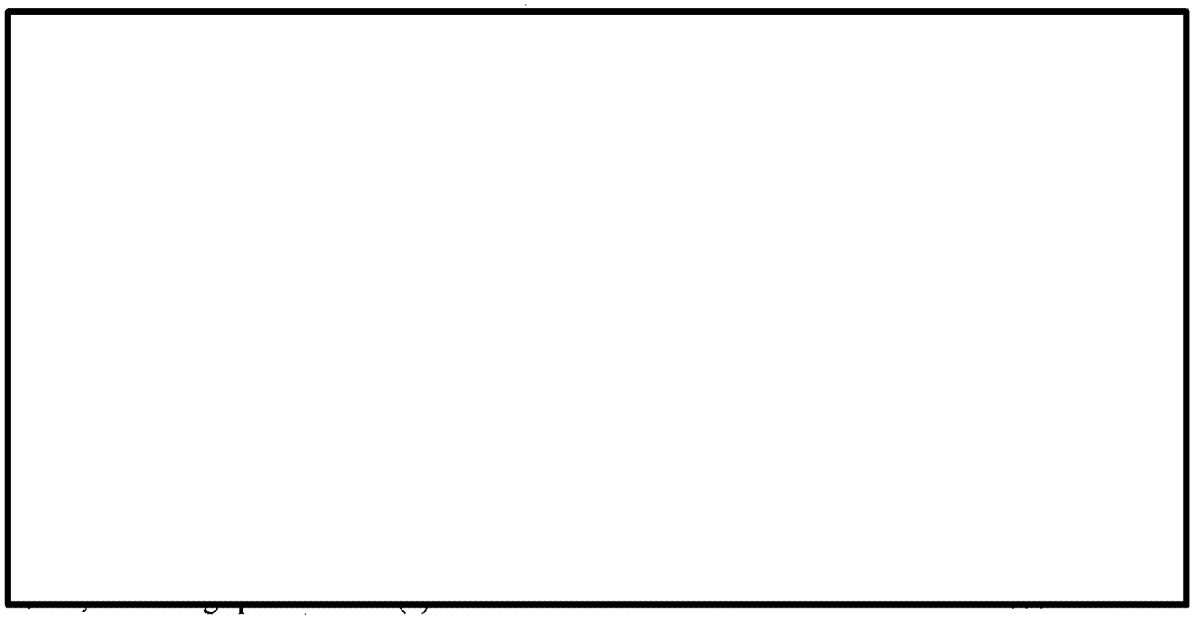
Summary:

5.5 Use of Proceeds

Use of Funds for the Raleigh-Durham Hotel

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Loopnet.com Land Sale Comps

Land Sale Comps (Loopnet)	Total Price	Total Acres	Price Per Acre	Price Per SF

5.6 Construction and Development Costs



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Encore Construction Group is a licensed general contractor in the state of North Carolina. *See* Exhibit 3 for the sample construction estimate, which details how Encore will present future actual projects for review.

The calculation and methodology is explained in detail in the economic analysis attached to the ERDRC business plan as Appendix B.

Construction Budget for Raleigh-Durham Hotel

Construction Budget	Total Costs	Per Room Costs

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5.7 Industry Comparables

RS MEANS Limited-Service Hotel Average SF Construction Cost

Summary:

[2] Construction costs based upon www.meanscostworks.com "Square Foot Estimator" 2012 year data by RS Means

Below is a screenshot of the RS MEANS website input screen and output results for purpose of transparency. If the USCIS would like to recreate these results, a trial membership is available at the www.meanscostworks.com website. A free trial account can be created and follow the steps below to recreate the project findings.

RS MEANS Square Foot Estimator Online Summary (LIMITED-SERVICE HOTEL)

The following steps and information are provided for the USCIS to validate and easily recreate Encore's results from the RS MEANS online construction costs calculator. A free trial is available with full access to use. Please visit www.meanscostworks.com to create a login and follow the steps below to recreate Encore's results.

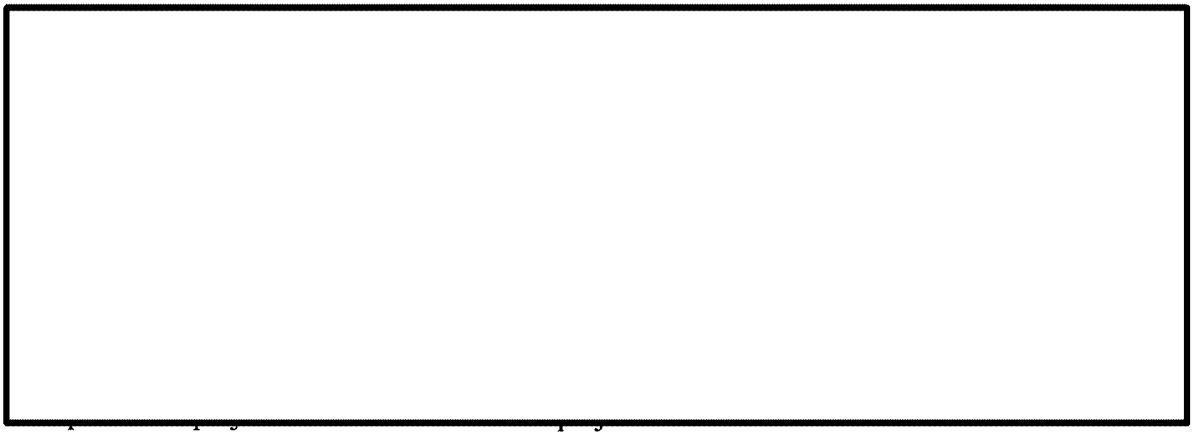
Summary:

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multiplier tables. To repeat the Encore Hospitality conclusions for construction cost estimates per square-foot for the Raleigh-Durham market for this specific project.

5.8 Financial Pro Forma

Based upon the pro forma financial projections (included on the following pages), it is anticipated that the hotel project will generate positive returns on investment.



The next table provides a complete listing of projected revenues for the Raleigh-Durham Hotel:

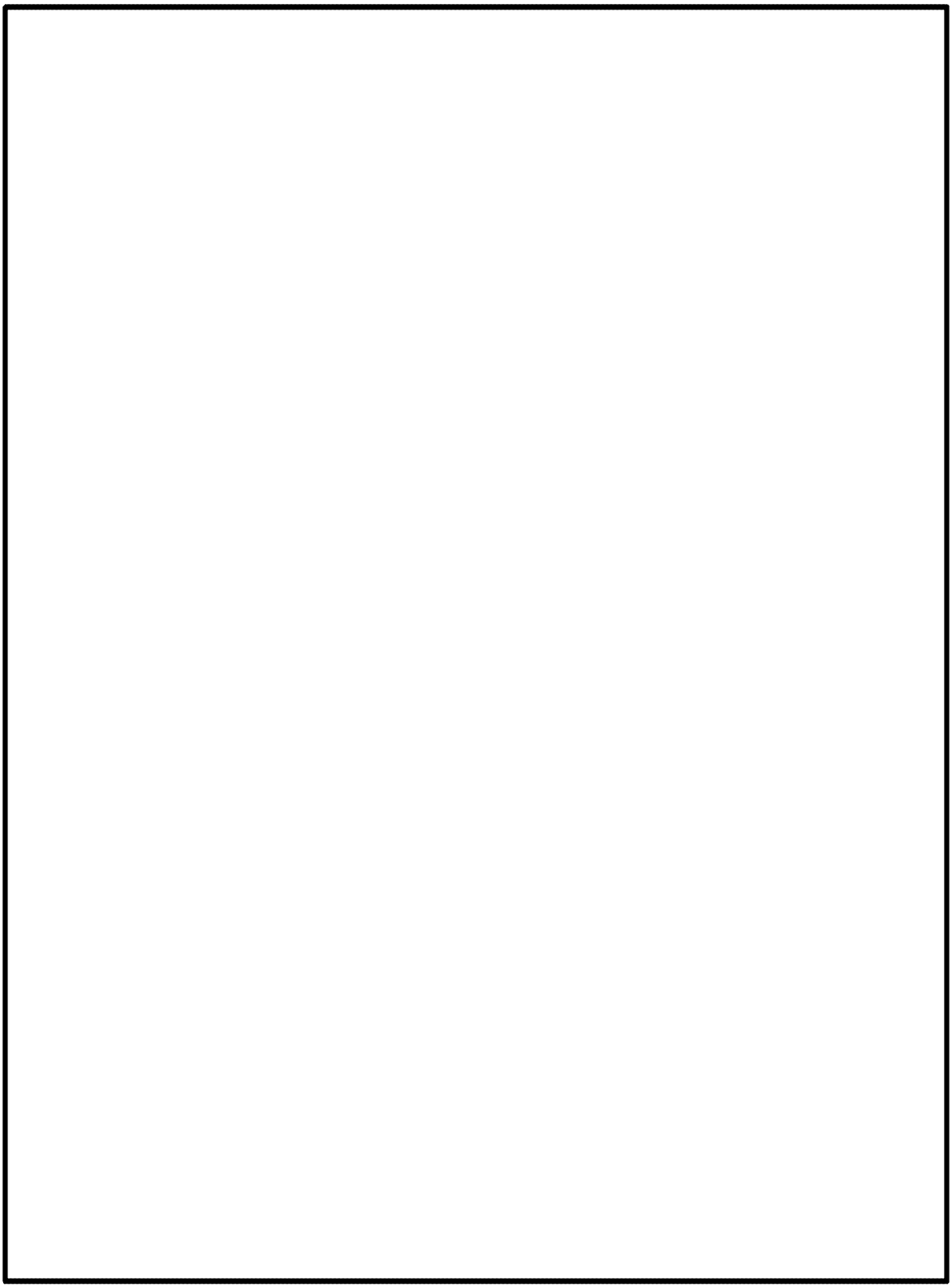
Hotel Operations Revenues



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Hotel Operations Expenses



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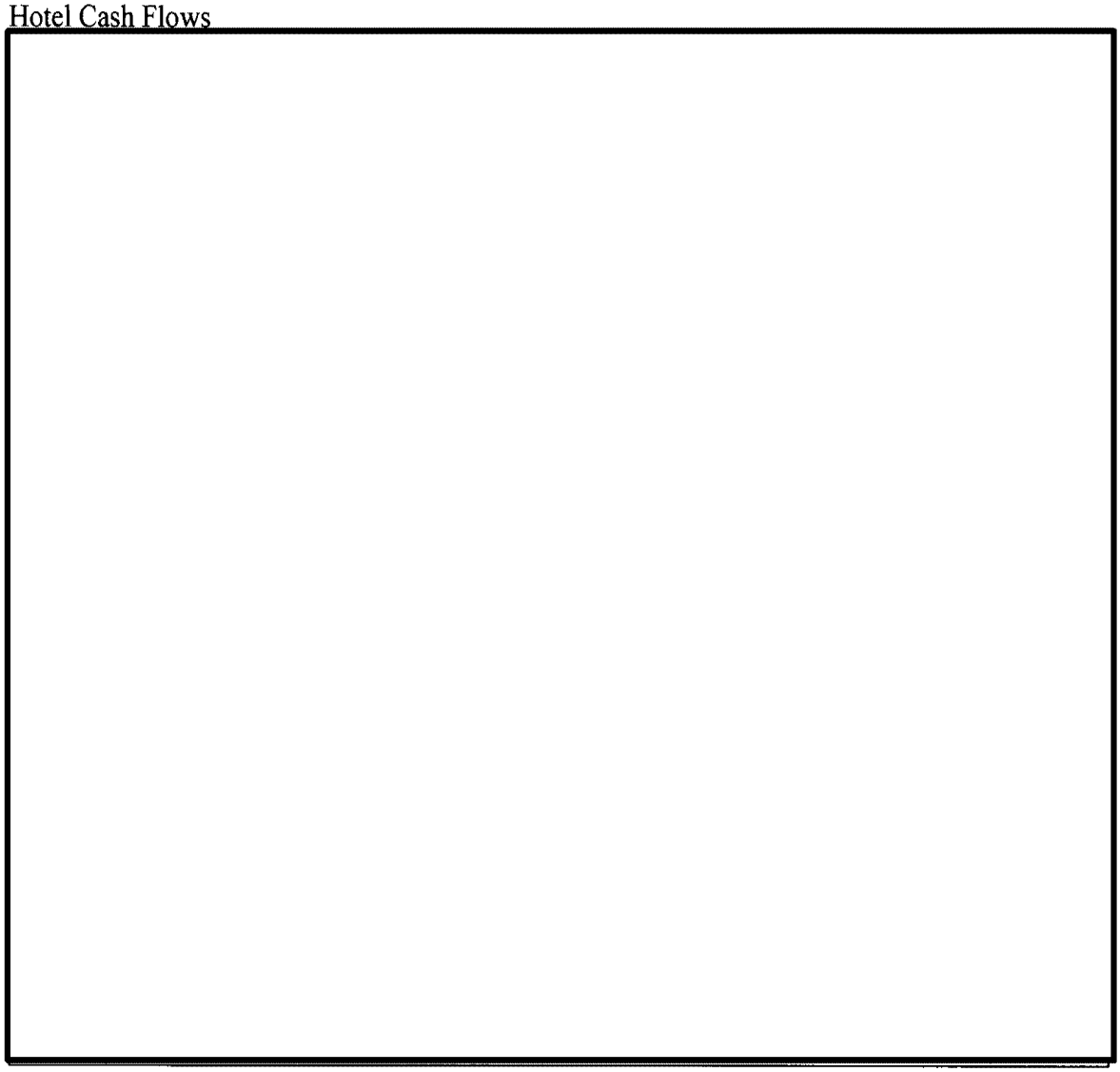
Hotel Projected Expenses

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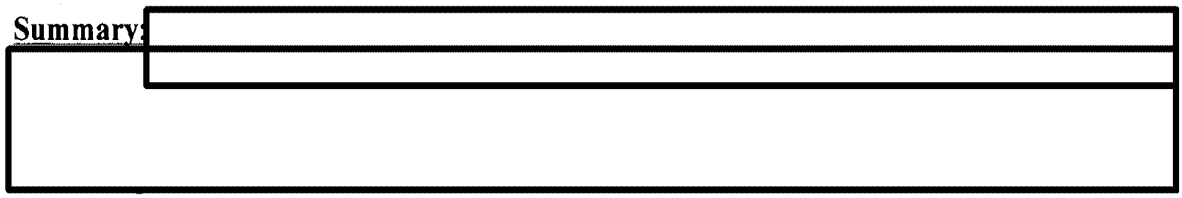
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Schedule of Prospective Cash Flows

Hotel Cash Flows



Summary:



Loan and Debt Service Summary



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Hotel Loan and Debt Summary

Resale of the Project

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Hotel Resale Analysis and IRR Summary



Summary:

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5.9 Financial Summary and Analysis

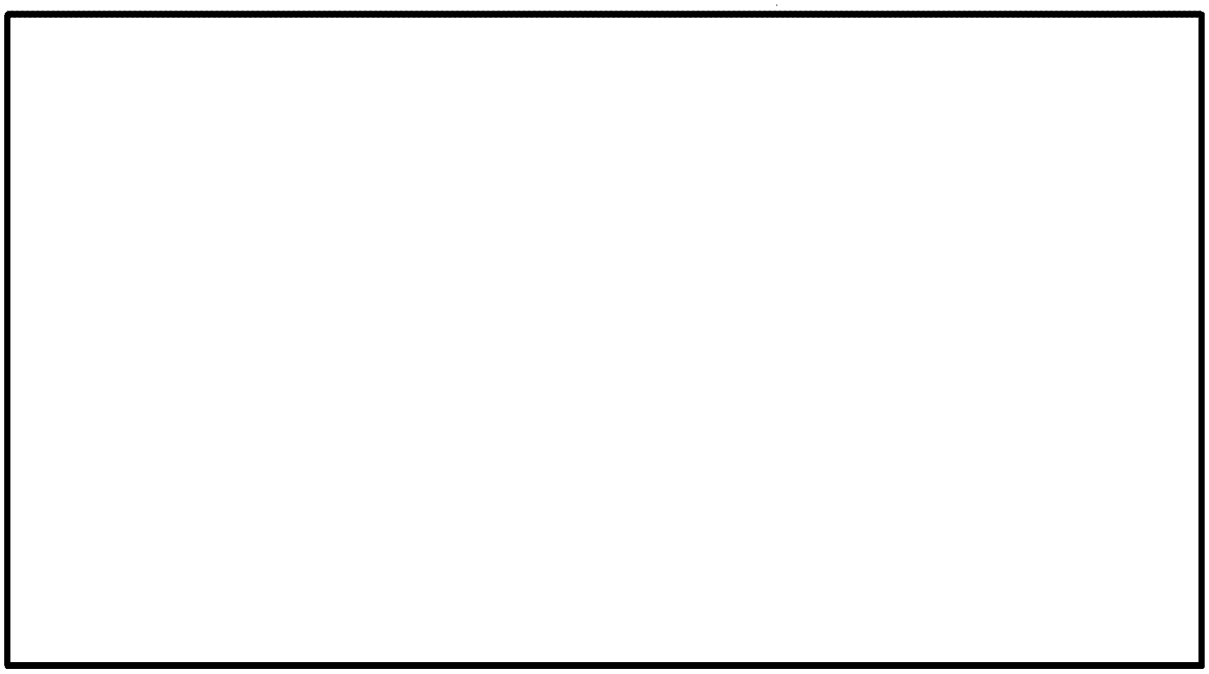
Below is the summary development and financial information for the Raleigh-Durham Hotel:

ENCORE HOSPITALITY, LLC
RALEIGH DURHAM HOTEL DEVELOPMENT
SUMMARY REPORT

Summary:

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Encore Raleigh-Durham Hotel Financial Analysis Summary



5.10 Foreign Investor Return on Investment



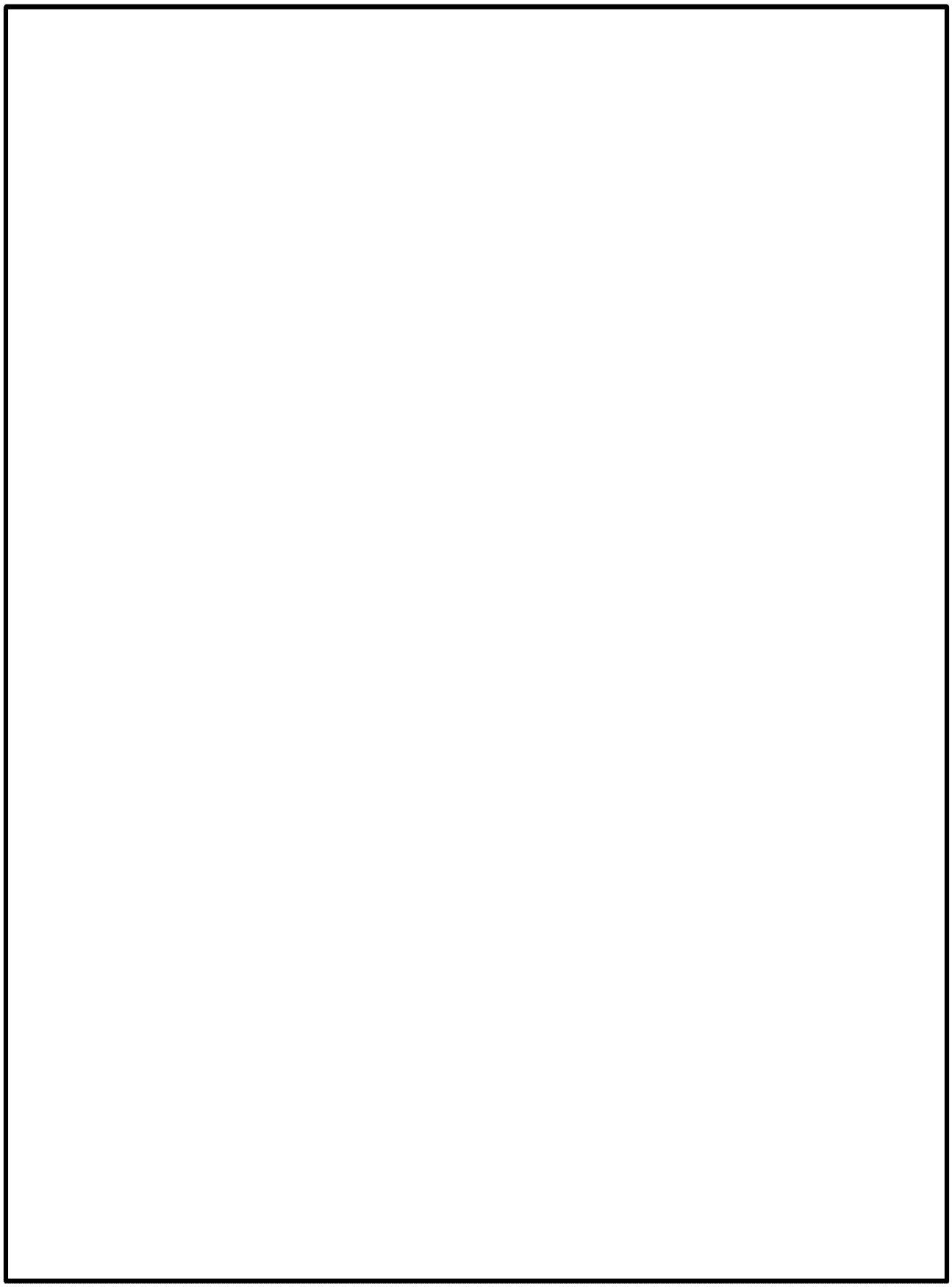
Exit Strategy



5.11 Method of Financing



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5.12 Cautionary Statements Regarding Projections

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6.0 EMPLOYMENT AND STAFFING

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[redacted]

6.1 Job Descriptions

NOTE: *(The information contained herein in Section 5.1 is provided, not as a means to count direct jobs, rather to demonstrate property expenses for transparency of parameters. The payroll expenses are shown to support the property expenses provided in the FINANCIAL ANALYSIS section of this Business Review.)*

The full time and part time jobs are broken down among the Project's components as follows:

The Encore Raleigh-Durham Hotel intends to employ approximately [redacted] full-time employees by the end of [redacted] consisting of the following:

Full-time Direct Job Positions

[redacted]

Summary: [redacted] e

[redacted]

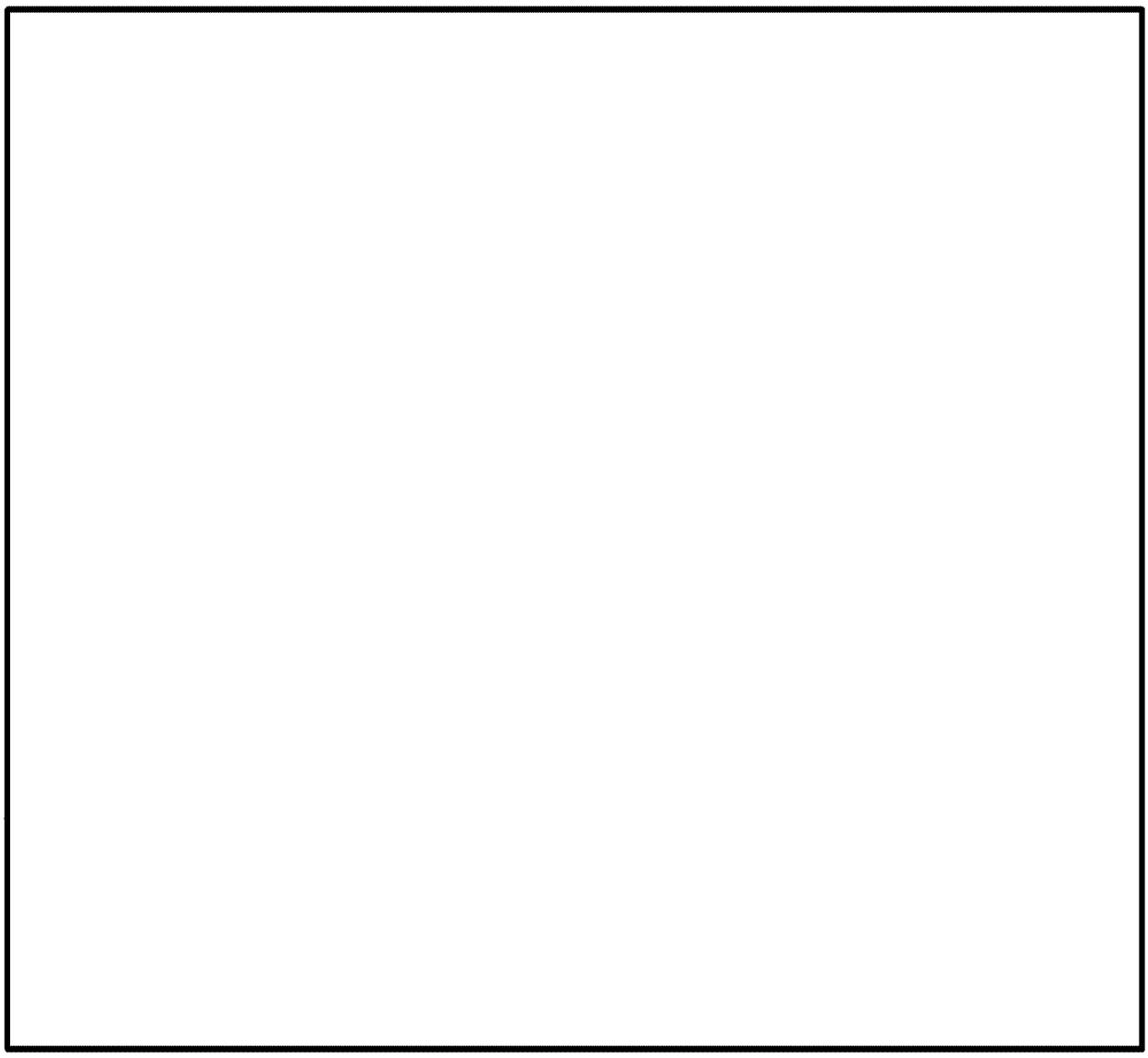
Further information on indirect and induced jobs is included in the economic analysis.

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Further detail about each position is listed on the following pages.

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JOB TITLE: General Manager

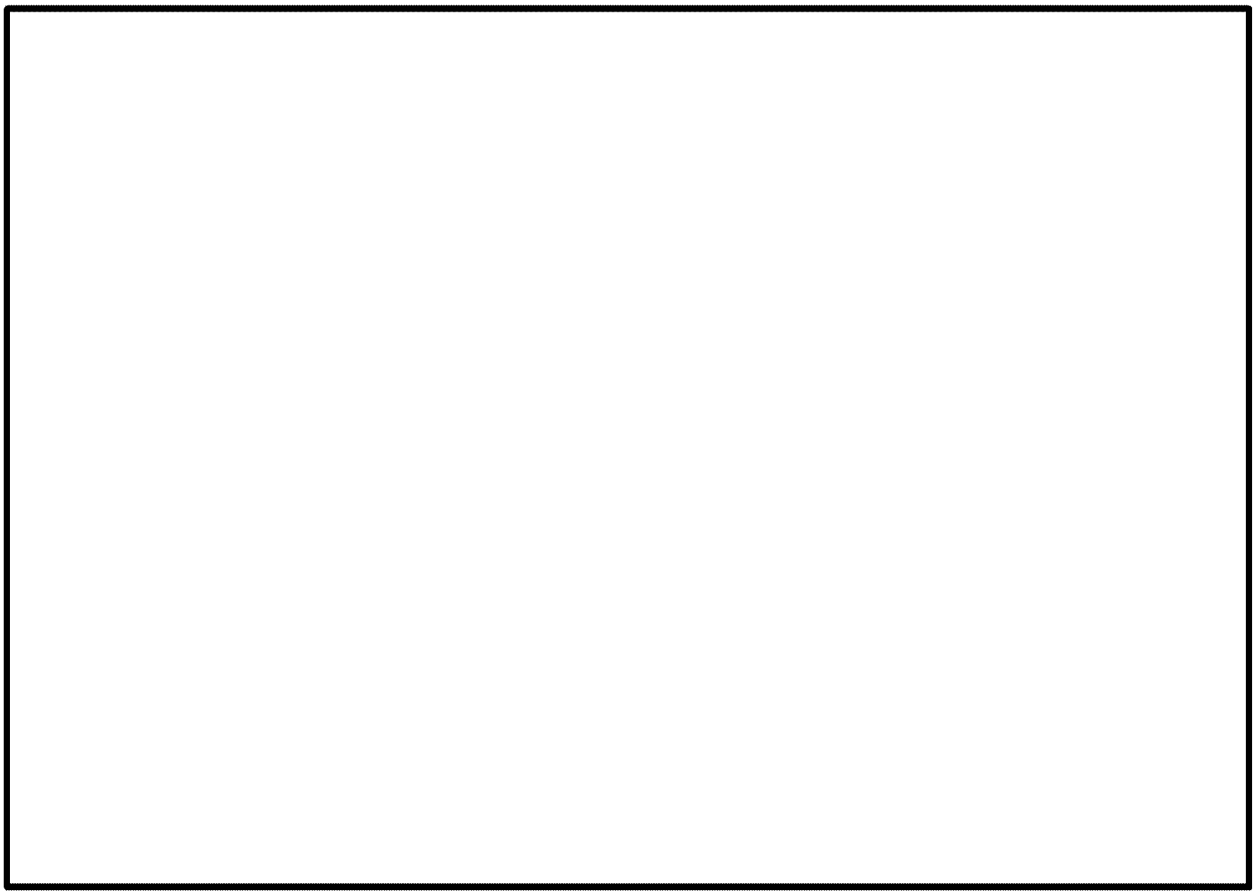


JOB TITLE: Director of Operations/General Manager

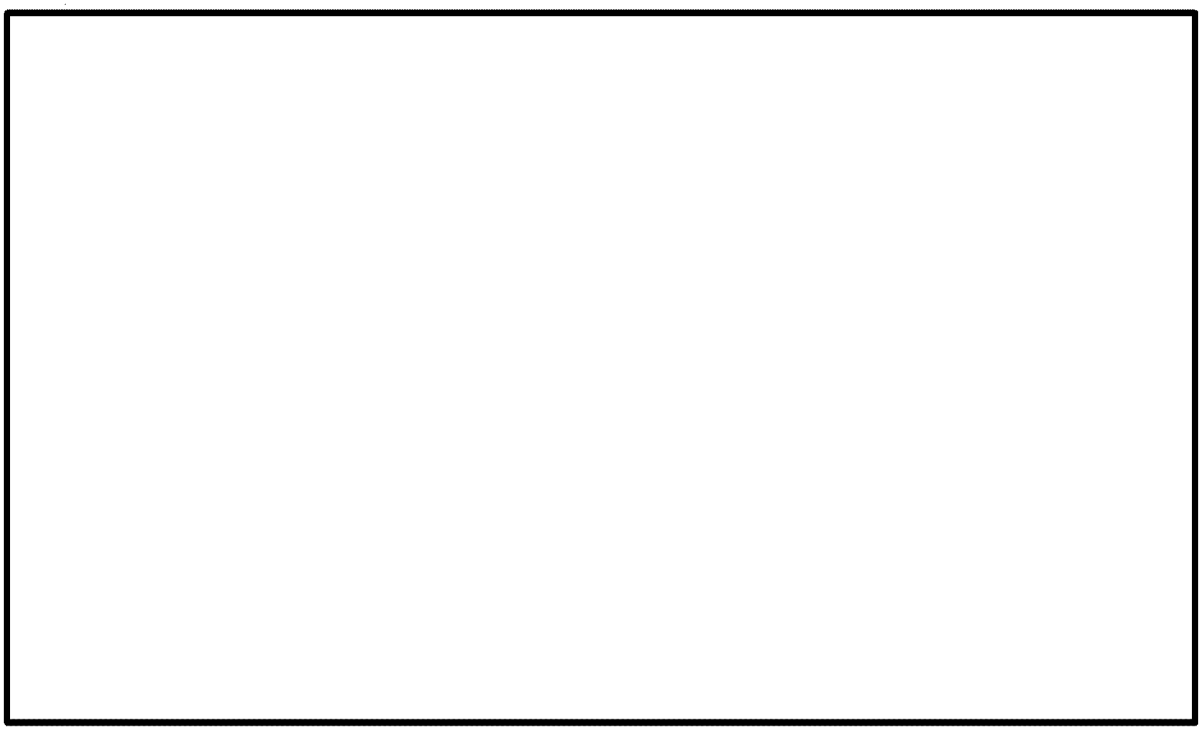


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JOB TITLE: Executive Housekeeper



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JOB TITLE: Room Attendant / Housekeeper



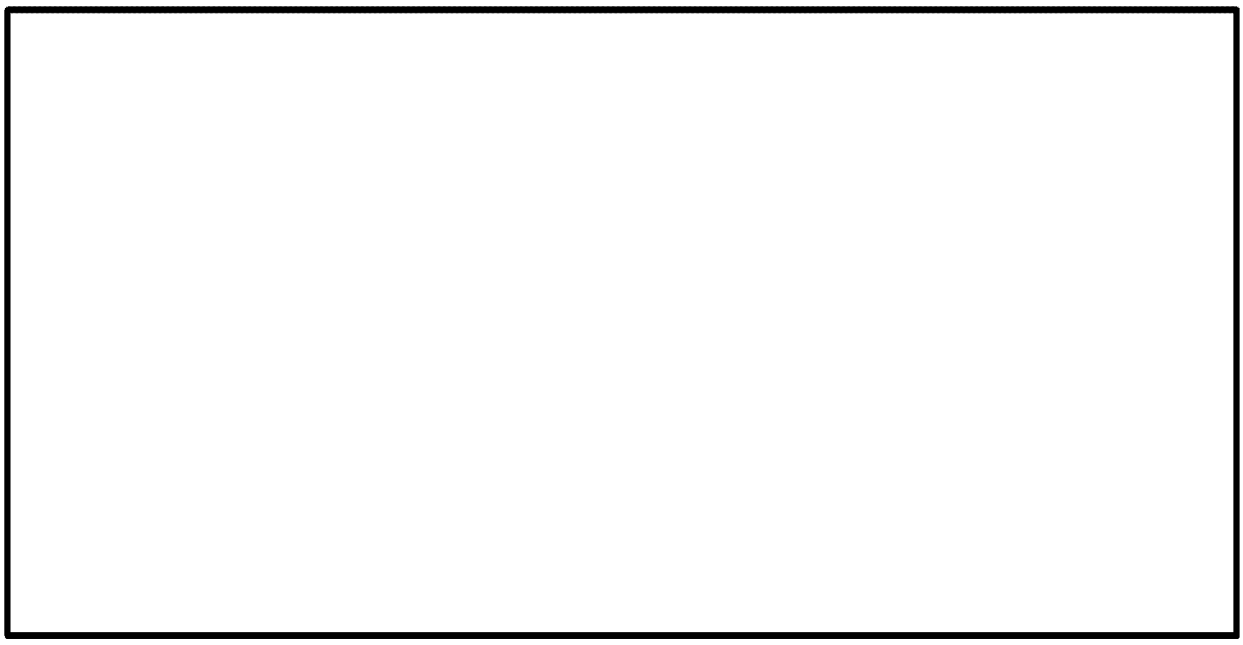
JOB TITLE: Laundry Attendant



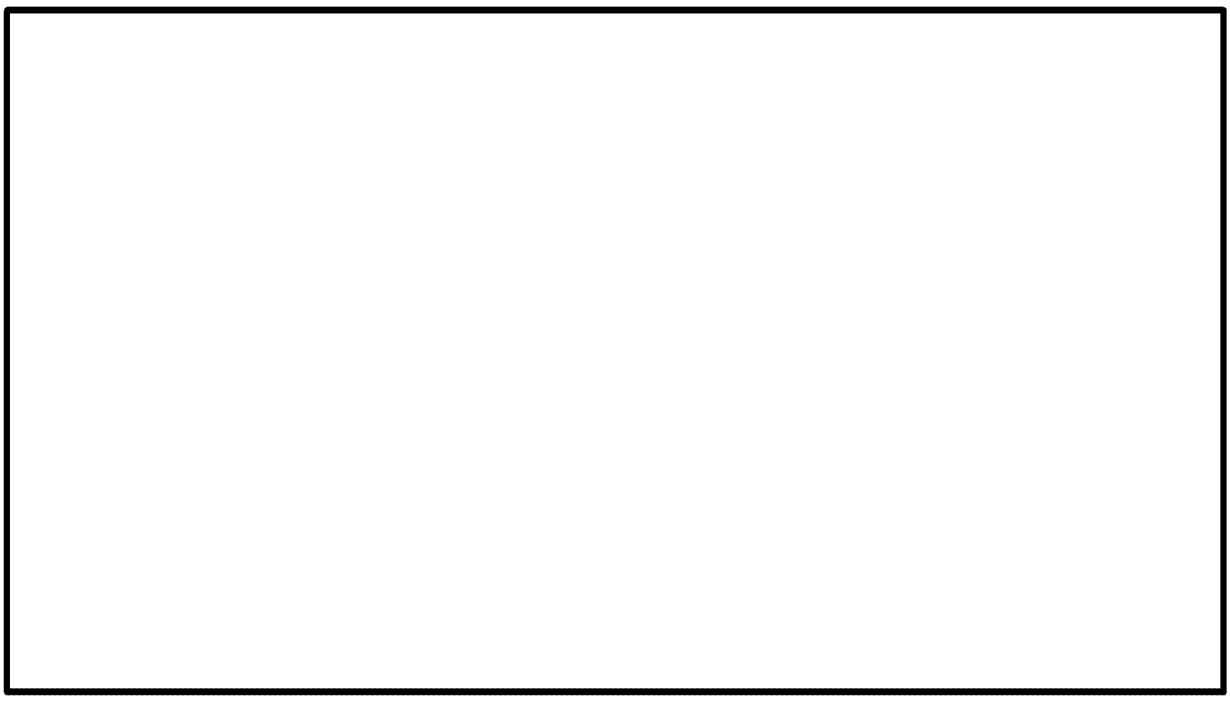
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JOB TITLE: Lobby Attendant



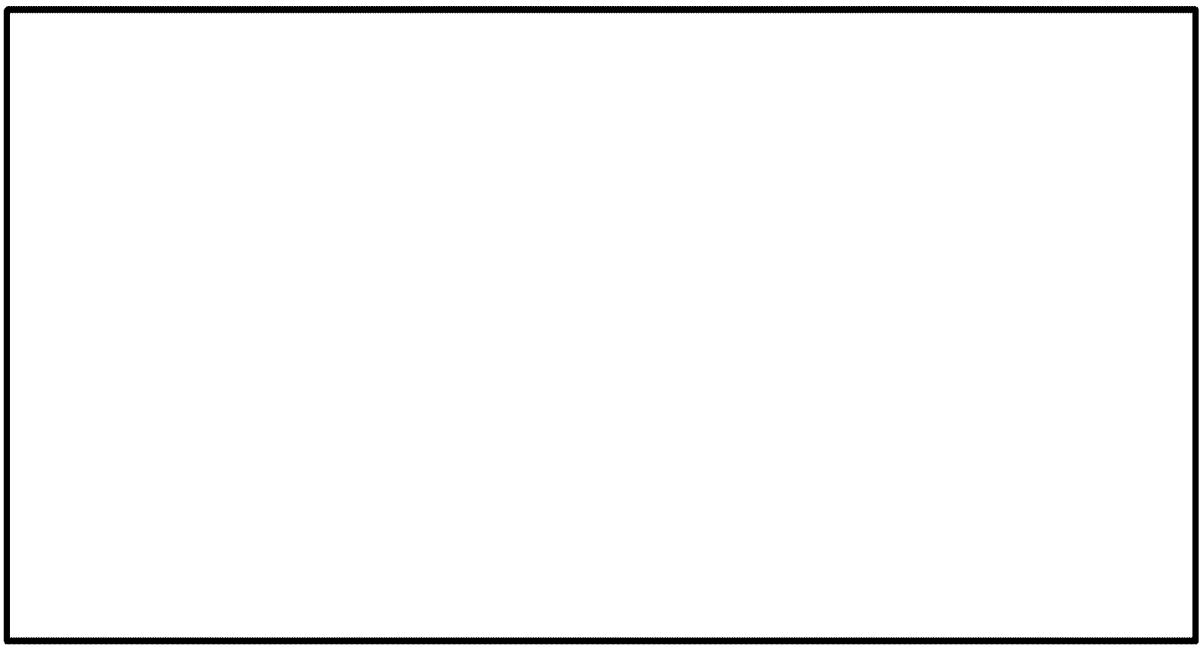
JOB TITLE: Front Desk Supervisor



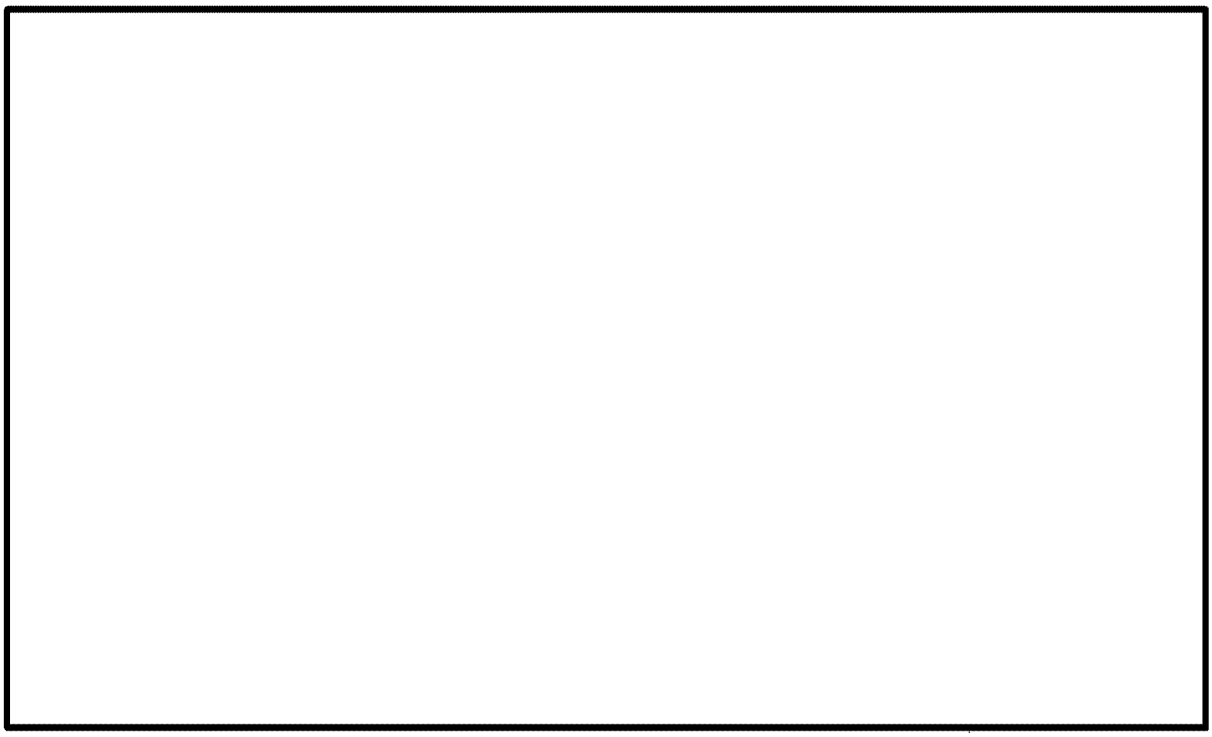
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JOB TITLE: Front Desk Clerk



JOB TITLE: Night Auditor



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JOB TITLE: Restaurant / Lounge Manager

JOB TITLE: Restaurant Server

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[redacted]

JOB TITLE: Cook

[redacted]

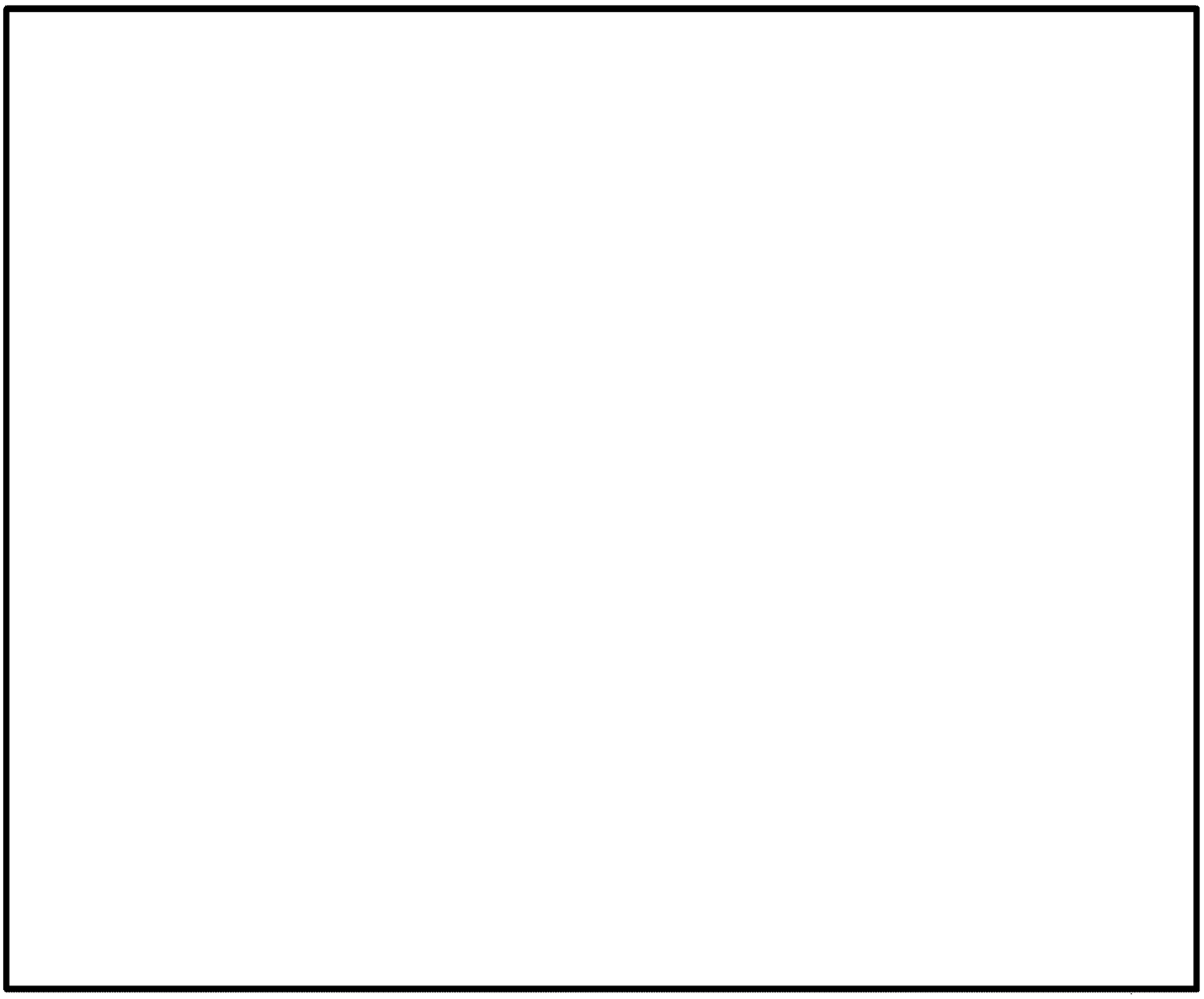
JOB TITLE: Engineer II

[redacted]

(b)(4)

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JOB TITLE: Sales Manager



7.0 MANAGEMENT

7.1 Encore Raleigh-Durham Regional Center Management Team

The management team of EGIM and each Encore sponsored real estate project undertaken by the Regional Center will have hands on management from the executive management team of Encore Enterprises, Inc., and the presidents of the affiliated Encore companies.

Bharat Sangani, MD, Chairman and Founder of Encore Enterprises
When he founded Encore Enterprises, Inc. in 1999, Dr. Bharat Sangani's vision was to create a vertically integrated commercial real estate investment corporation comprised of specialized companies designed to address specific real estate sectors. His plan was to leverage the expertise of seasoned professionals with proven real estate development and acquisition track records, as well as deep sector-specific insights and relevant market knowledge. Today, Encore offers an end-to-end approach, with services ranging from development and construction to management and investments. Dr. Sangani is a Fellow of the American College of Cardiology and the American College of Chest Physicians, as well as a member of nine other organizations in the United States, England and India.

Patrick Barber, President and CEO of Encore Enterprises
Patrick Barber brings more than 30 years and $4 billion of commercial real estate experience to his position as a board member, president and CEO of Encore Enterprises, Inc. In this role, Mr. Barber manages Encore's day-to-day focus on growth opportunities through acquisition, development, equity and finance. Under his leadership over the past decade, Encore acquired more than $1.2 billion in properties, and developed and re-developed over 80 hospitality, multifamily and retail properties. Mr. Barber is an advisory board member with the Urban Land Institute.

Mahesh Shetty, Chief Operating Officer and Chief Financial Officer of Encore Enterprises
Mahesh Shetty has management oversight and responsibility for all of Encore's financial functions, overseeing all revenues, costs and capital expenditures. With more than 25 years of experience as a senior finance executive, including 11 years of experience in the hospitality and commercial real estate industry, Mr. Shetty served in leadership roles at PricewaterhouseCoopers, LLP. Mr. Shetty is a Certified Public Accountant, a Certified Information Technology Professional and a chartered accountant (FCA). He holds a bachelor's degree from Osmania University, India, and received his M.B.A. from the University of Texas at Dallas.

Alan Murray, General Counsel of Encore Enterprises
Alan Murray has over 30 years of experience in managing the legal and administrative aspects of commercial real estate. Before joining Encore, he spent six years with Dave and Busters, Inc., where he helped guide the company through a tax-free spin-off from its NYSE parent to become an independent NYSE company. In addition, Mr. Murray served more than five years as vice president and general counsel for TGI Fridays, Inc., where he played a critical role in company expansion and revenue growth.

Rick Chess, President of Encore Equities

Rick Chess brings 28 years of securities and commercial real estate experience as the president of Encore Equities. In his career, Mr. Chess has closed $2 billion in real estate transactions and raised $270 million in equity for (United Dominion Realty, ManEquity, Triple Net and ARCM). In his role with Encore, Mr. Chess oversees the equity placement for all of Encore's real estate investments and manages Encore's Diversified Income Fund operations.

Prior to Encore, Mr. Chess was president of American Realty Capital Markets where he oversaw all operations of the managing broker-dealer. Mr. Chess was previously director of 1031 transactions for Triple Net Properties where he raised over $100 million of equity for Reg. D offerings and non-traded REITs. He has also served as real estate manager for Winstar Wireless where Mr. Chess oversaw the negotiation and installation of wireless communications technology inside urban areas, and was an associate with CB/Richard Ellis. Mr. Chess has held positions with United Dominion Realty, ManEquity (Manufacturers Life Insurance), Anderson & Strudwick, the Richmond Chamber of Commerce, the Pennsylvania General Assembly and the Allegheny County Law Department.

Mr. Chess attended the University of Richmond Law School where he received a Juris Doctorate of Law, and he attended the University of Pittsburgh where he earned his Bachelor of Science in Psychology and Economics. Mr. Chess holds the following FINRA securities licenses: 7; 63; and 39.

Nicholas Barber, President of Encore Retail

Nic Barber joined Encore in 2000 as the director of development and acquisitions and has quickly become a key member of the executive management team. He has been responsible for many facets of Encore's real estate transaction operations, including management of the day-to-day sourcing of all of the company's future acquisition and development projects, providing oversight to Encore's financial analyst staffing and presenting projects for approval to the investment committee and board of directors.

He has also been responsible for overseeing the due diligence, pre-development, acquisition and development processes, and assisting with sourcing and structuring of new debt and equity for approved projects. Since joining Encore, Mr. Barber has successfully closed over $1.2 billion of real estate underwriting, negotiating, financing and development transactions.

In January 2008, Mr. Barber was named president of Encore's newly formed Retail division. In this role, he is focused on continuing the company's management philosophies to lead a dynamic portfolio growth strategy of developing and acquiring profitable retail properties. His experience in closing complicated real estate transactions with Encore Enterprises provides an added advantage in determining the proper deal structure and analyzing financing options that are available in the marketplace. Mr. Barber holds a Bachelor of Science in Accounting from the University of Louisiana.

Glenn Pedersen, President of Encore Hospitality

Glenn Pedersen began his career as president of Pineapple Management Services in 1994. His responsibilities are to oversee hotel development, construction, design and management,

including contract negotiations, guest and employee satisfaction, capital expenditure planning, budgeting and the day-to-day operations of all hotels. Mr. Pedersen has been involved in the hotel industry for over 34 years, starting out his career as a front office manager of the Royal Sonesta Hotel in New Orleans, Louisiana in 1976. Through his hard work, dedication and design for achievement, he has been a picture of success throughout his career.

Mr. Pedersen began working for Marriott International in 1980 where he was assigned to the New Orleans Marriott full service hotel. After four years in the full service hotel division he was given the responsibility of opening his first Marriott hotel in Columbus, Georgia. He was completely responsible for the operation of the hotel and was proud to produce $2.5 million dollars in annual sales in the first year. Having proven his ability to succeed, Mr. Pedersen was promoted to the Marriott Corporation/Courtyard division regional director of rooms in 1987, where, during the course of 14 months, oversaw the opening of 25 hotels.

In November of 1987, Mr. Pedersen was promoted again to regional manager of the Courtyard/Fairfield Inn division in Georgia and Alabama, where he supervised the complete strategic and operational responsibility of 29 Courtyard and Fairfield Inns, representing over $75 million dollars in sales. At that time, Mr. Pedersen achieved the highest market share and yield goals in the Southeastern United States, and was one out of only four managers to qualify for Courtyard Division Achievement Forum recognition program seven straight years.

In 1994 Mr. Pedersen left Marriott International and started Pineapple Management Services where he developed, built and opened 20 Marriott hotels in three-and-a-half years.

Brad Miller, President of Encore Multi-Family

Brad Miller has over 25 years of multifamily development and investment experience. He is a senior executive with a distinguished career in building relationships, and leading investment and management teams in the real estate and software industries. His decisive and pro-active management style is one of the many assets he brings to Encore Multi-Family, LLC. Over his prestigious career, he has overseen the development and acquisition of over 20,000 multifamily units.

Prior to joining Encore Multi-Family, LLC, Mr. Miller served as a national partner for Fore Property Company where he oversaw development activities in multiple markets, including Florida, Arizona, Nevada and Texas. He also was directly responsible for developing the first ever LEED Certified multifamily community in North Texas.

Mr. Miller's prestigious career also includes service as CEO for a subsidiary of Olympus Real Estate Partners, a former affiliate and real estate investment arm of Hicks, Muse, Tate & Furst. He also served as managing director of the Investments Division where he oversaw development of approximately 3,000 residential lots and 20-plus investments comprising $350 million in asset value. In addition, he was a 17-year residential partner with Lincoln Property Company and oversaw development and investment activities for a division of Archstone Smith. Mr. Miller has a Bachelor of Business Administration in Accounting from Texas Christian University and is a Certified Public Accountant in Texas. He also is a Certified Class "A" General Contractor in Florida.

Mark Cypert, President of Encore Office

Mark Cypert brings to Encore Enterprises more than two decades of expertise and a proven track record in managing commercial real estate investments completing approximately $1.8 billion in commercial office investments and acquiring, developing and managing over 15 million square-feet of commercial office space during his career.

As a member of Encore's senior leadership team, Mr. Cypert is focused on the day-to-day operations of the office division, as well as raising institutional investor equity and managing Encore's research and underwriting programs. Prior to joining Encore, he was managing director and principal of Cawley Partners where he oversaw the firm's commercial real estate investment funds. Mr. Cypert previously served as senior vice president of CRT Properties (NYSE office REIT) where he oversaw the firms Southwestern and Mid-Atlantic regions. He also was the director of asset management for UBS Realty Investors, where he was responsible for an office investment portfolio in the Central U.S.

Mr. Cypert is a senior instructor for the CCIM Institute with a specialty in commercial real estate market analysis. Mr. Cypert has a Bachelor of Science in Construction Engineering Technology from Texas Tech University.

Brad Markoff, General Counsel of Encore Asia

Brad Markoff has 30 years of legal experience that he brings to Encore Asia as the company's general counsel. Mr. Markoff oversees the legal activities of Encore Asia and all of Encore's operations pertaining to the company's foreign investor programs and real estate operations.

Mr. Markoff continues to serve as managing partner of Locke Lord's Hong Kong office, Chair of its Asia Practice and a principal in its Capital Markets, REIT and International practice groups. He is well known for his experience in complex financing transactions, including business rollups and strategic investments in a wide variety of industry segments, including real estate investment trusts, technology and financial institutions. In his practice, Mr. Markoff regularly handles a wide range of corporate and real estate finance, securities, corporate governance and mergers and acquisitions matters, and he has worked closely with many of the world's major investment banking firms. His clients include National Governments and governmental agencies, public and private Real Estate Companies (including developers, operators, investors, brokerages and service companies), REITs, Investment and Commercial Banks, Private Equity Funds and Trust Companies.

He has been active as a Board Member of both the National Association of Real Estate Investment Trusts (NAREIT) and the Asia Pacific Real Estate Association (APREA).

He is a frequent speaker on topics related to cross border finance, REITs, innovative financing structures and mergers and acquisitions, having spoken at numerous conferences and university programs around the world, including the United States, Australia, Hong Kong, the People's Republic of China, Vietnam, South Korea, Singapore, the Philippines, South Africa and the United Kingdom.

Locke Lord Bissell & Liddell (HK) LLP is a part of Locke Lord LLP (USA), an international law firm with offices in Atlanta, Austin, Chicago, Dallas, Hong Kong, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco and Washington, D.C. The firm consistently ranks among American Lawyer's top 100 U.S. law firms.

Specialties

In addition to his capital markets practice, Mr. Markoff has been active in legislative initiatives in the REIT and finance industry in the US and Asia, including drafting of NAREIT's responses to the initiatives proposed in the wake of the accounting irregularities of Enron & WorldCom; the Philippine REIT framework; and Mainland China's (PRC) ABS/Securitization law. He has also advised study groups and other interested parties in the PRC on the adoption of a REIT scheme.

8.0 RALEIGH-DURHAM

8.1 Raleigh-Durham

The Research Triangle, also known as Raleigh-Durham or Raleigh-Durham-Chapel Hill, and commonly referred to as simply "The Triangle", is a region in the Piedmont of North Carolina in the United States, anchored by North Carolina State University, Duke University, University of North Carolina at Chapel Hill, and cities of Raleigh, Durham, and Chapel Hill respectively. The eight-county region, officially named the Raleigh-Durham-Cary CSA, comprises the Raleigh-Cary and Durham-Chapel Hill metropolitan areas and the Dunn Micropolitan Statistical Area. A 2009 Census Estimate put the population at 1,742,816. The Raleigh-Durham television market includes a broader 23-county area, which includes Fayetteville, and has a population of 2,726,000 persons.

The "Triangle" name was cemented in the public consciousness in the 1950s with the creation of Research Triangle Park, home to numerous high-tech companies and enterprises. Although the name is now used to refer to the geographic region, "The Triangle" originally referred to the universities, whose research facilities, and the educated workforce they provide, have historically served as a major attraction for businesses located in the region. The region should not be confused with "The Triad", which is a North Carolina region adjacent to and directly west of the Triangle comprising Greensboro, Winston-Salem, and High Point, among other cities. Most of the Triangle is represented by, and closely associated with, the second, fourth and thirteenth congressional districts. *(Source: Wikipedia.org)*

8.2 Demographics

Some population and median household income figures for areas within a 1-mile, 3-mile, and 5-mile radius from the proposed project site in Durham, North Carolina:

	1-mile radius	3-mile radius	5-mile radius
2010 Population:	4,947	35,497	82,587
2010 Median HH Income:	$66,210	$63,158	$56,649

Source: Loopnet.com property site demographics

8.3 Research Triangle

It is one of the most prominent high-tech research and development centers in the United States. It was created in 1959 by state and local governments, nearby universities, and local business interests. Karl Robbins bought the land where the park is now built. The park is 7,000 acres (2,833 ha) situated in a pine forest with approximately 630 acres (255 ha) for development. The park is adjacent to Interstate 40 and the Durham Freeway. It is managed by the Research Triangle Foundation, a private non-profit organization. The park is home to the second largest IBM operation in the world, dwarfed only by the one in India; the company has around 11,000 employees in RTP. The park hosts one of GlaxoSmithKline's largest R&D centers with approximately 5,000 employees. *(Source: Wikipedia.org)*

(b)(4)

9.0 REGIONAL INFORMATION

The counties that comprise the Region were selected due to their proximity and the similar nature of their geographical, demographic, and economic statistics. These four (4) contiguous counties constitute a portion of a natural region in North Carolina, and are centered on Raleigh-Durham, North Carolina. The area around Raleigh-Durham is generally defined Raleigh-Durham-Cary, NC Combined Statistical Area (CSA). These counties are a mix of urban and rural areas, and are dominated by similar industries, similar in demographic makeup, and economically interconnected.

9.1 Raleigh-Durham Regional Center Demographics (RC Geography Demographics)

Population

Household Summary

Housing Summary

Households by Income Summary

(b)(4)

(b)(4)

Population by Education Summary

Population by Employment Summary

(b)(4)

(b)(4)

10.0 PARTNERSHIP INFORMATION

10.1 Office of the Partnership

The contact address of the Partnership is as listed on the cover page.

10.2 Structure of the Partnership

10.3 Advantages of a Limited Partnership

A limited partnership is a limited liability entity, much like a corporation or limited liability company. The primary advantage of a limited partnership is that the owners of limited partnership interests in a limited partnership are not personally liable for the debts or obligations of the entity.

(b)(4)

10.4 Flexible Profit Distribution

A limited partnership enjoys certain flexibility regarding the distribution of profits and/or cash flow that is not necessarily the same as the ownership of interests in the Partnership.

10.5 Key Features

- The Partnership is a limited partnership thereby utilizing a form of business entity offering flexibility and limited liability to the limited partners.
- [redacted]
- [redacted]

10.6 Flow-Through Taxation

[redacted]

10.7 Independent Advice

[redacted]

(b)(4)

11.0 EB-5 INVESTOR AND REGIONAL CENTER INFORMATION

The immigrant EB-5 Program is a highly beneficial permanent residence option for the wealthy individual. Since there is no quota waiting list in this preference category, it enables a foreign national to obtain permanent residence status more expeditiously than with most other options.

The EB-5 category requires an investment of $1 million (or $500,000 in a high unemployment or rural area TEA) in a job creating commercial enterprise that will employ 10 full-time U.S. workers per investor. Although the investor's role cannot be completely passive, he or she does not have to be involved in any way in the day-to-day management of the business unless he or she wants to do so. It is critically important that the investor be able to document the lawful source of investment funds and whether his or her own or funds were given to him or her as a gift.

The permanent residence obtained by the investor is conditional for two (2) years or twenty-four (24) months and can be made permanent upon satisfying USCIS that the investment proceeds have not been withdrawn and the requisite jobs have been created at the end of the two-year period.

11.1 Regional Centers

The investor may invest in his or her own commercial enterprise or in a commercial enterprise owned by other parties. The investor may also choose to invest in a pre-approved "regional center." Regional centers are geographical areas for which USCIS has determined that investments will create the necessary 10 jobs per investor, whether directly or indirectly, in the regional center's approved geographical area. Virtually all of the regional centers are in geographical areas that include Targeted Employment Areas or TEAs with high unemployment where $500,000 is the required amount of investment. Most of the regional centers involve limited partnership investments for which having the rights of a limited partner is considered sufficient to make the investor not completely passive. The business plan functions as a proposal to act as a regional center for the Region.

11.2 Immigrant Investors: Two Choices, One Goal

Foreign nationals seeking permanent resident status in the U.S. are relying on the investment route more frequently than ever before. Various reasons might be surmised for the increase in popularity of the investment option, including the increasing unavailability of other options under U.S. immigration laws and the significantly decreased value of the U.S. dollar. The result is that the required amount of investment—either $500,000 or $1,000,000—translates into smaller equivalent amounts to foreign nationals using currencies with greatly enhanced value in conversions to dollars.

The foreign national who wishes to use the investment option for permanent residence has two basic choices. One choice is to find his or her own individual investment vehicle in which he or she will invest and play a role in management or policymaking. The second option is a

government-approved "regional center" investment. Both options have advantages and disadvantages that will be discussed in further detail.

As an overview, the major advantage of the individual investment option is that the foreign national accomplishes not only an immigration purpose, but also a purpose of investing in a business that may provide significant returns as well as a source of income and a livelihood on an ongoing basis. However, there are far more immigration law hurdles to be overcome than with the regional center investment.

The regional center investment is often the quickest and most secure option (assuming the investment is made in a regional center with a strong immigration track record). The immigration process is often quicker and there are far fewer legal issues to be confronted. However, the investor is not running his or her own business and the rate of return may be lower than in a successful individual investment.

11.3 What is the Minimum Investment?

With either option, the amount of the investment is $1,000,000, unless the investor can prove that the investment is in a "rural area," or in an area that has experienced unemployment of at least 150% of the national average rate. If so, the amount of the required investment is $500,000. Most (but not all) of the regional centers are located in such $500,000 "Targeted Employment Areas."

11.4 Job Creation Requirement

Both options require the investor to prove that his or her investment has resulted in the creation of "full-time employment" of 10 U.S. workers. The big difference is that individual investors must prove direct employment of the 10 employees. With regional centers, U.S. Citizenship and Immigration Services (USCIS) has pre-approved the employment creation using a standard that allows a combination of direct, indirect and induced employment using various accepted econometric models. In the case of Encore, RIMS II TYPE II multipliers were used to perform the job creation calculations, and is the preferred and accepted methodology of the USCIS.

11.5 Role of Foreign Investors as Limited Partners

Both investment options prohibit purely passive investment. In other words, the investor must be engaged in the "management" of the enterprise. In this regard, it should be noted that most of the regional centers organize limited partnerships into which the foreign investors invest. The limited partnerships invest into an EB-5 approved enterprise, usually in the form of a loan. Pursuant to regulation, if the petitioning investor is a limited partner and the limited partnership agreement provides the petitioner with the rights, powers and duties normally granted to limited partners under the Uniform Limited Partnership Act, the investor will be considered sufficiently engaged in the management of the enterprise. As a practical and legal matter, this requirement can be met by a limited partner without the necessity of the investor committing to any specific amount of time or engaging in any day-to-day management, since such activities are performed by the general partner.

11.6 Potential Investment Hurdles & Risk Mitigation

One of the biggest stumbling blocks for the individual investor is proving that the investment has been made in a "new commercial enterprise." This issue can be resolved in advance if the project has been pre-approved for foreign investments through a regional center. A "new commercial enterprise" can be created by an individual investor in one of three ways:

- Establishing a brand new business;
- Acquiring an existing business and engaging in significant "restructuring or reorganization" (although this alternative is rarely used and has not been defined); or,
- Expanding an existing business.

This option requires the investor to prove not only the creation of 10 new jobs but also the expansion of either net worth or the number of employees of the business by at least 40%. If the investor invests in a "troubled business" (a business with substantial losses as quantified by the regulations), there may be an opportunity to qualify based on preserving existing employees as opposed to adding new ones.

Another significant issue for both the individual and the regional center investor is proving the "lawful source of funds." Substantial documentation is required to prove that the investor did not acquire the funds through unlawful means. If the funds are the result of a gift, this requirement must be met for the giftor as well. Similarly, if the funds are the result of a loan from an individual, this requirement is applicable to the creditor. Documentation utilized to meet this requirement may include tax returns, real estate transactions, securities transactions, inheritance documentation, stock dividends, employment records, bank records, etc.

Related to—but separate from—the lawful source of funds requirement is the requirement to trace the funds from the individual investor to the new commercial enterprise. In some cases this is as simple as a wire transfer document from an individual's bank account to the investment enterprise. In other cases involving countries with restrictions on outbound currency transfers, this can be extremely complex, often involving transfers to multiple parties. It is important to note that the investment must come from the individual investor. An investment from a corporate entity, including a wholly owned corporate entity, will not qualify.

11.7 Qualifying for Green Card Status

With both the individual and the regional center investor, upon approval of the permanent resident application, the foreign national receives "conditional permanent resident status." This means that the "green card" that the investor receives is valid for two years. During the 21- to 24-month window after approval, the investor must file an application to remove conditions on residence. As part of this process, the investor must prove that the investment funds have not been withdrawn and that the requisite jobs have been created. For individual investors, this can be highly problematic if the vicissitudes of business are such that a downturn in the economy has resulted in a reduction in the workforce. For the regional center investor, although indirect

employment creation in the community is allowed and although USCIS has pre-approved the employment creation element for purposes of approval of the original investor petition, the regional center has the burden to prove two years later that the actual projected employment has occurred. For this reason, even though all of the regional centers have been pre-approved, the choice of regional center is a critical one. As of the date of this article, only a small number of the regional centers have actually gone through the entire process resulting in successful permanent green cards for their investors.

While the immigrant investor options are not the panacea for all foreign nationals seeking permanent residence status in the U.S., it has provided a solution for many during times when other traditional paths have been blocked. For the investors who choose this option, it is important to put together a team including not only the immigration lawyer, but also business, tax, and/or securities counsel, to advise on the multiplicity of issues that go into determining whether the investor option is a good decision for a particular client.

12.0 EXHIBITS

The following Exhibits are attached as references to this Business Review for a hypothetical hotel project to be developed in the Raleigh-Durham area as part of the ERC Raleigh-Durham, LLC or Encore Raleigh-Durham Regional Center.

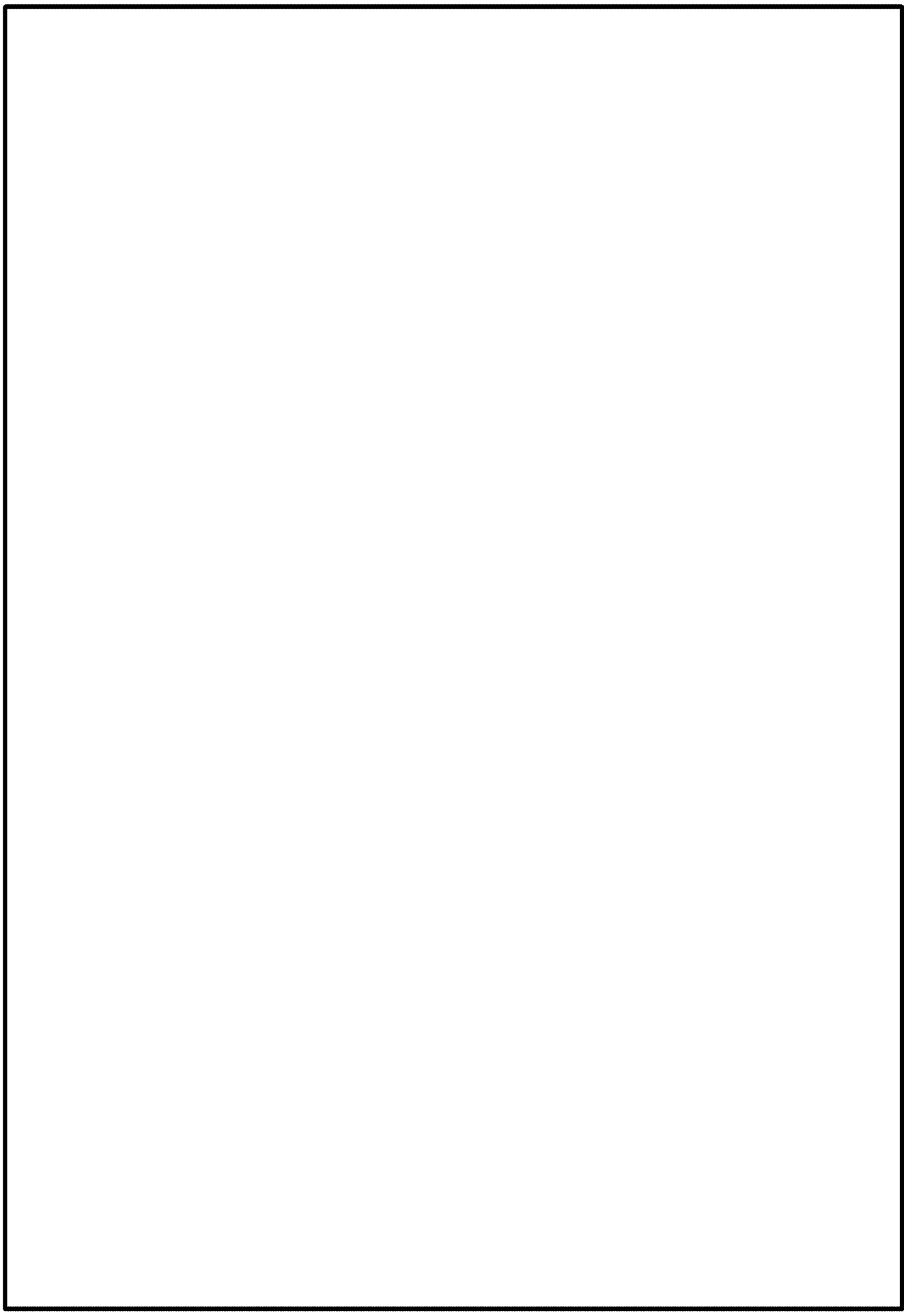
Exhibit 1. Springhill Suites Development Package

[See attached pages.]

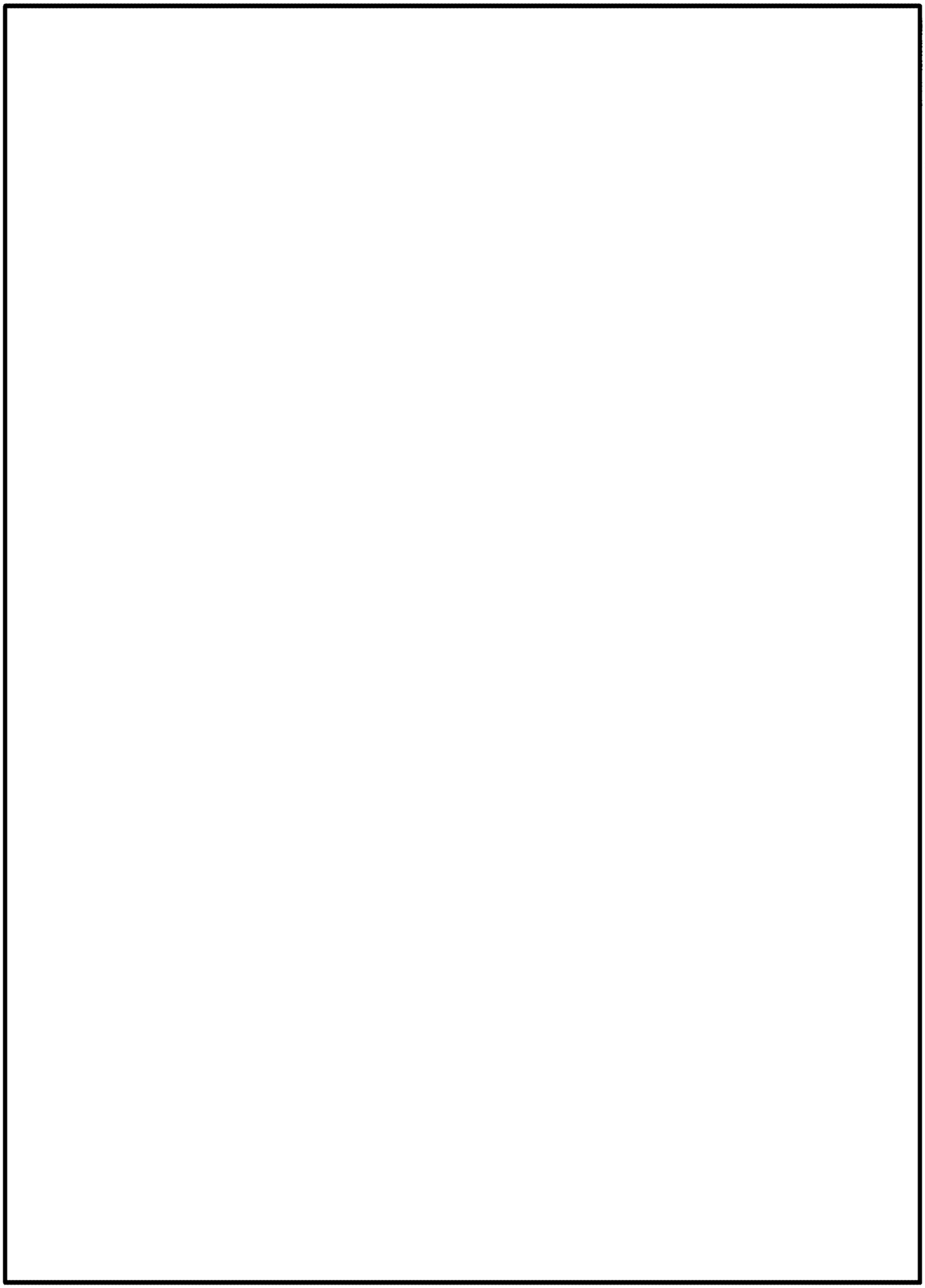
Proto-Model Design

ARCHITECTURE AND CONSTRUCTION

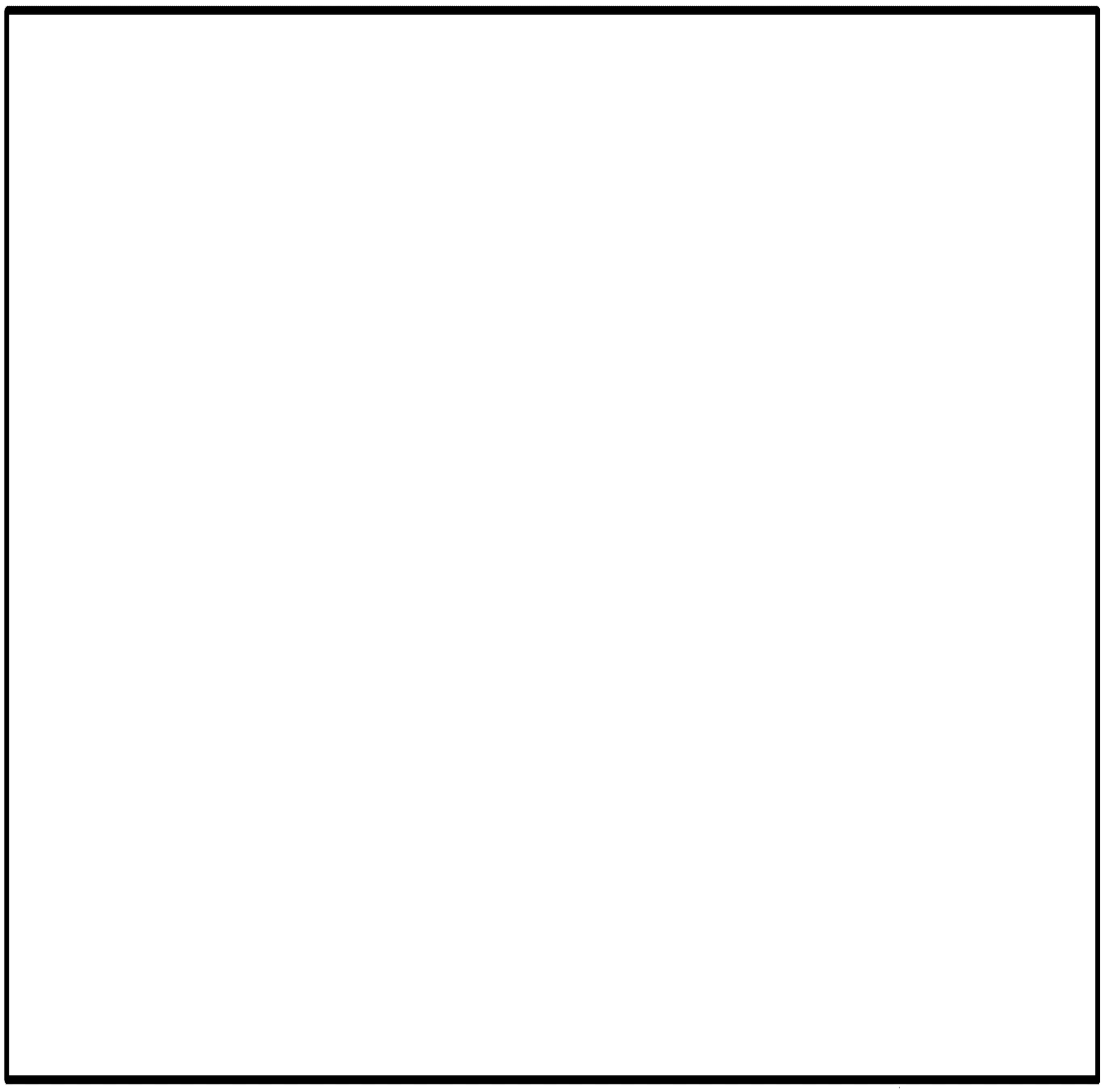
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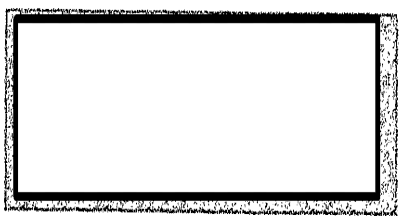
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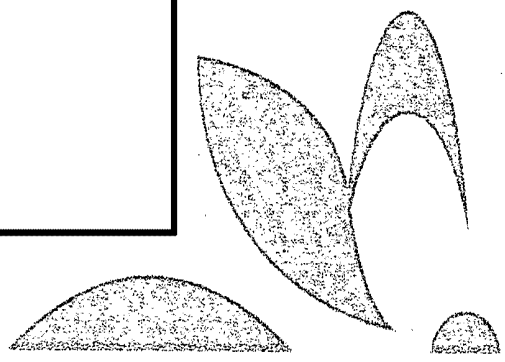
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BRAND POSITIONING

TARGET DEMOGRAPHICS

SHS GUEST: THE INSPIRATION SEEKER

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Exhibit 2. RS MEANS Hotel Construction Costs Averages

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% of Total	Cost Per SF	Cost

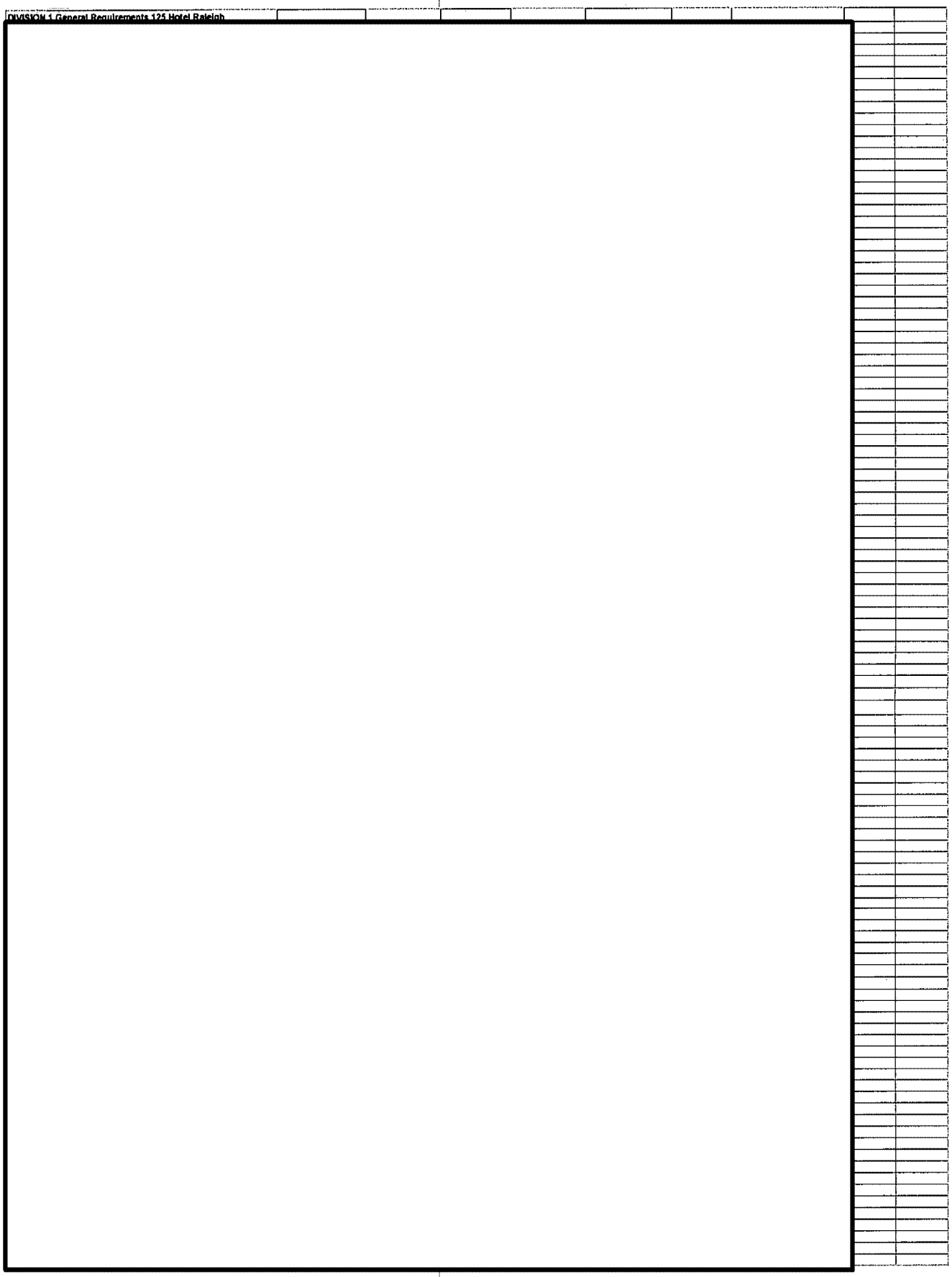
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% of Total	Cost Per SF	Cost

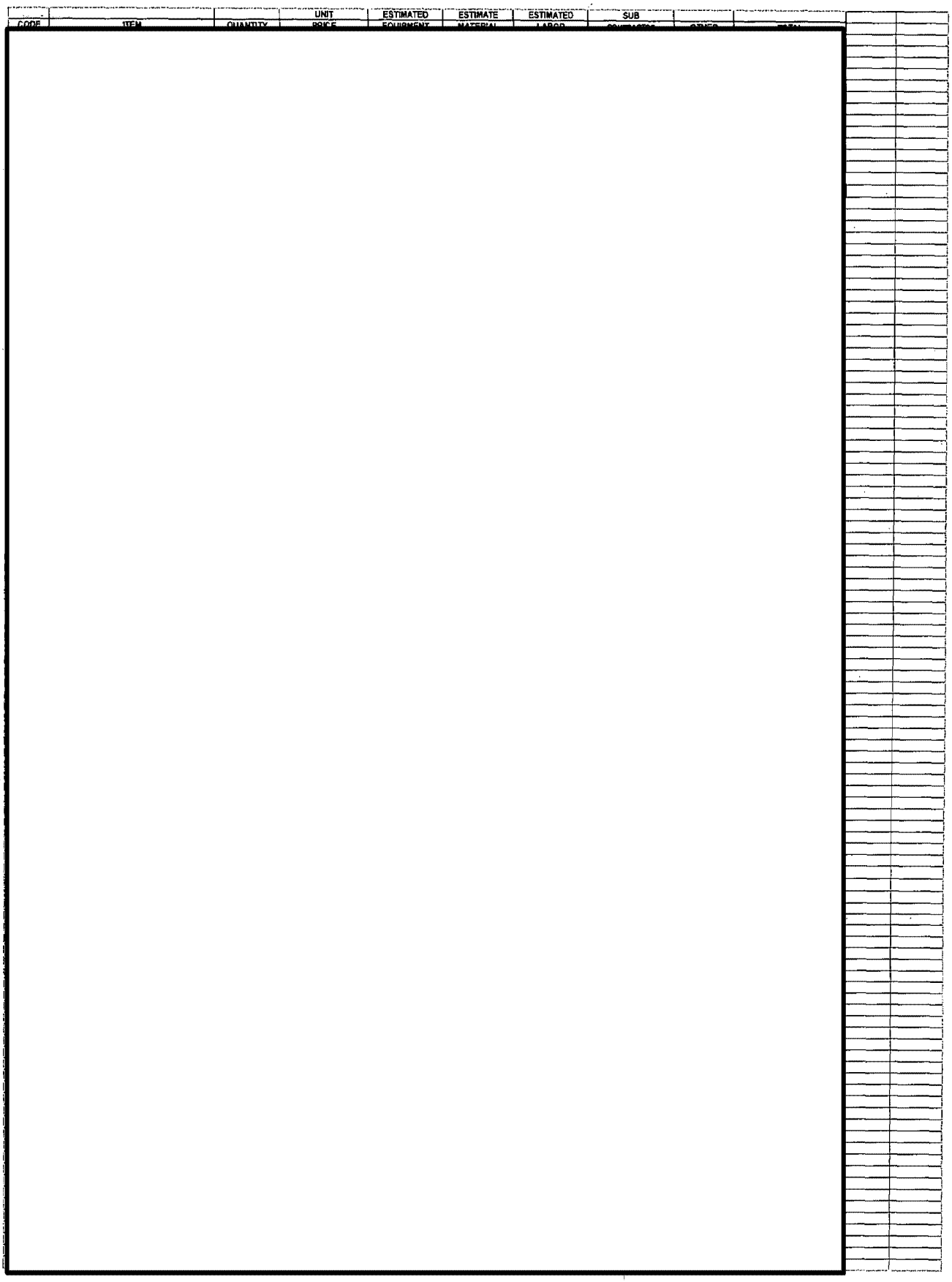
Exhibit 3. General Contractor Sample Project Estimation

For purposes of this business plan, Encore has included the site plan used to total the square feet of the proposed hypothetical hotel to be built in Raleigh-Durham. The original center developed using this site plan is owned and operated by Encore Hospitality.

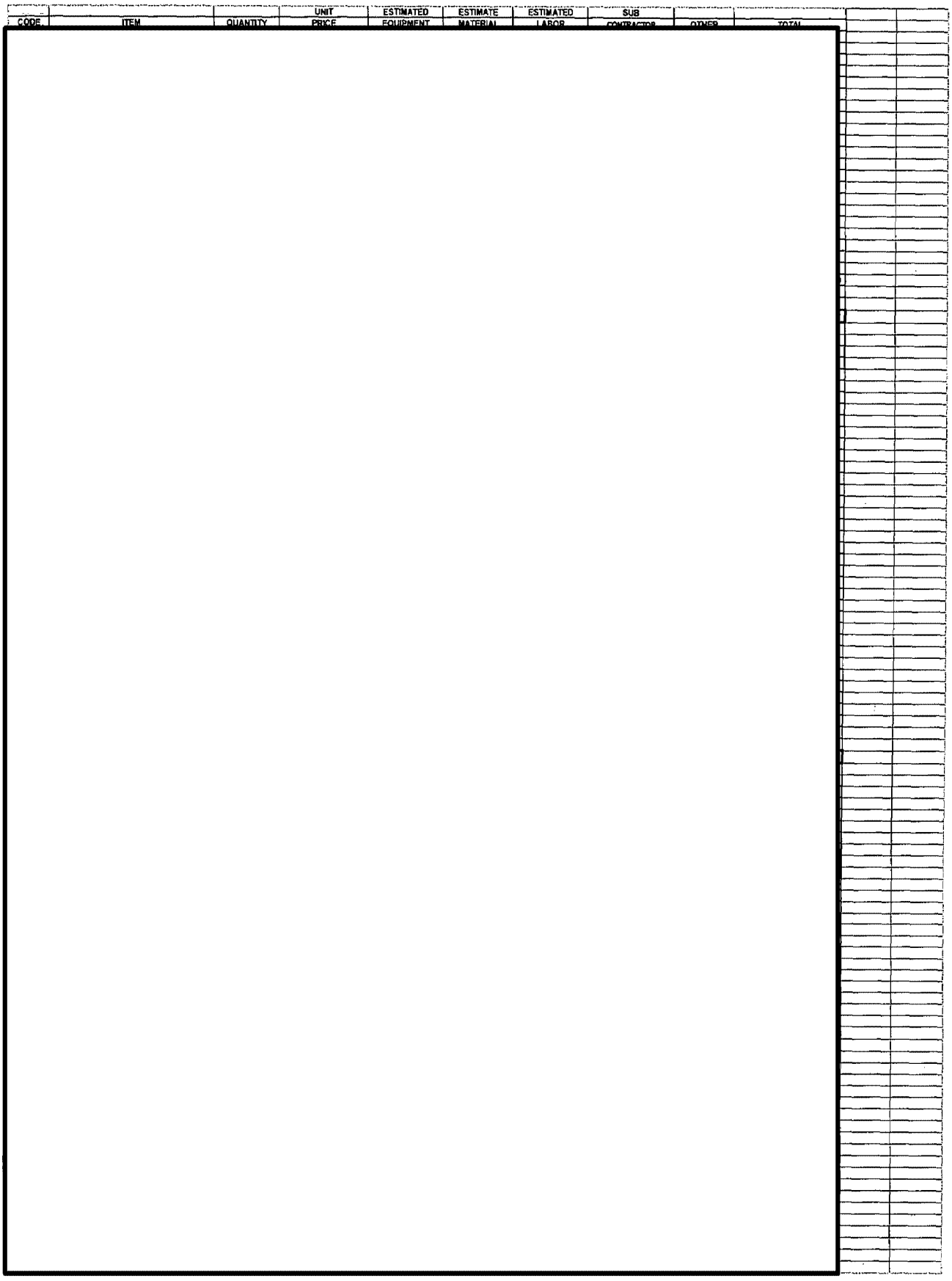
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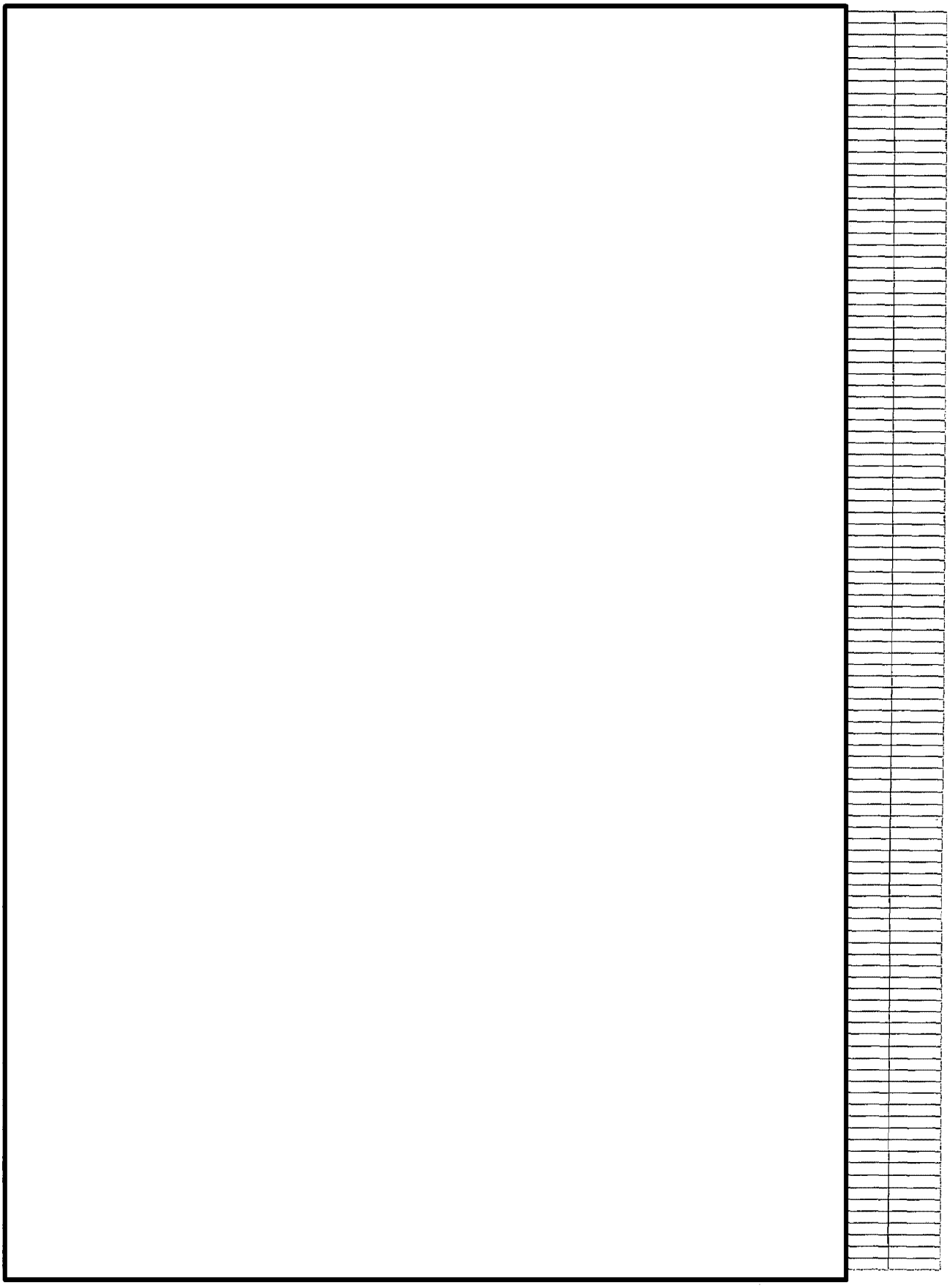
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CODE
ITEM
QUANTITY
UNIT PRICE
ESTIMATED EQUIPMENT
ESTIMATE MATERIAL
ESTIMATED LABOR
SUB

(b)(4)


CODE
ITEM
QUANTITY
UNIT PRICE
ESTIMATED EQUIPMENT
ESTIMATE MATERIAL
ESTIMATED LABOR
SUB CONTRACTOR
OTHER
TOTAL

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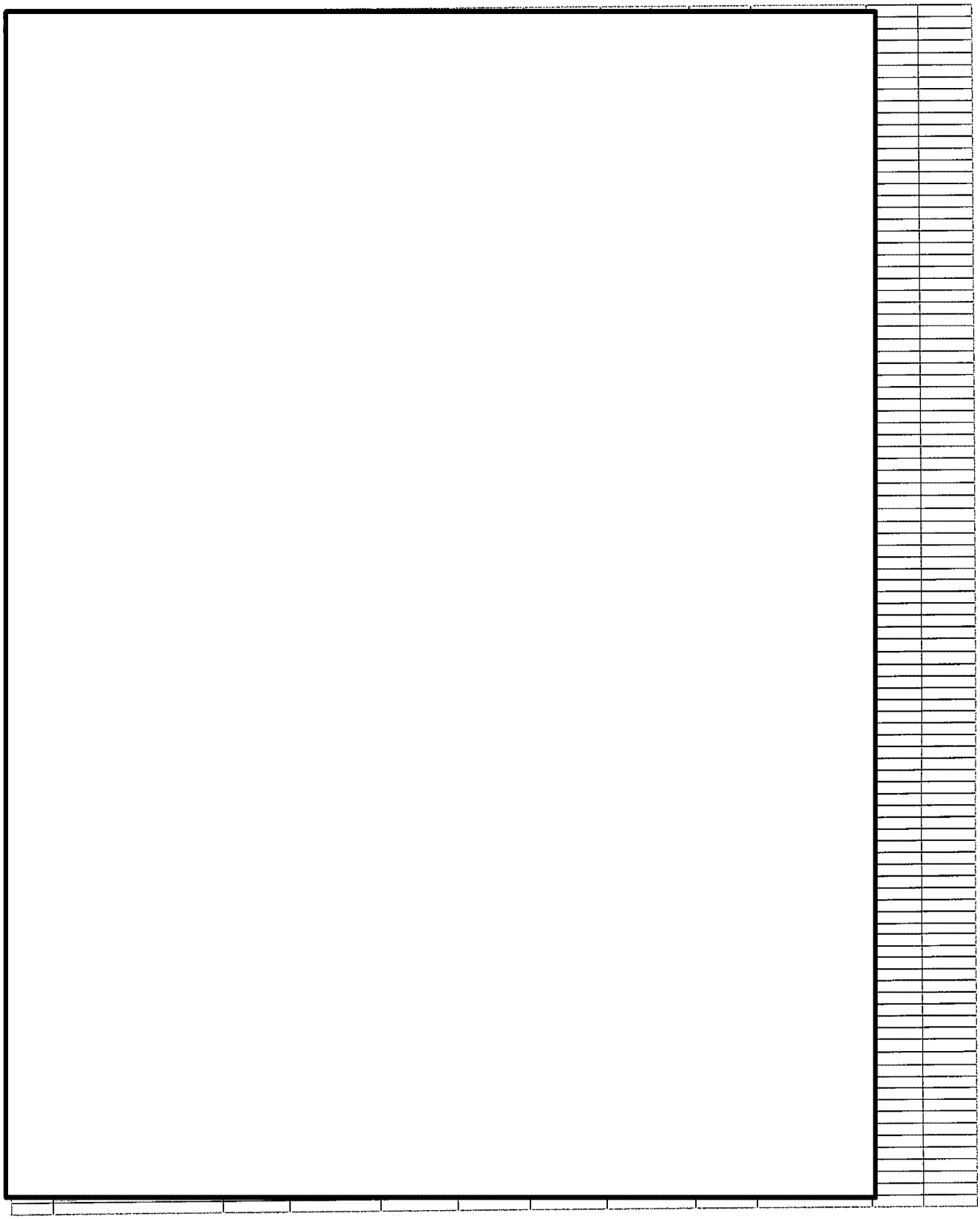


Exhibit 4. Smith Travel Research Reports

Smith Travel Research is a leader in the hospitality industry regarding market analysis reporting and industry practices. The hotel project utilizes a Smith Travel Research Compset Report to analysis specific market indicators for the Raleigh-Durham market in Section 3.0 of this Business Review.

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Morrisville, NC Area Selected Properties

January 2006 to August 2012 Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

Currency: USD - US Dollar

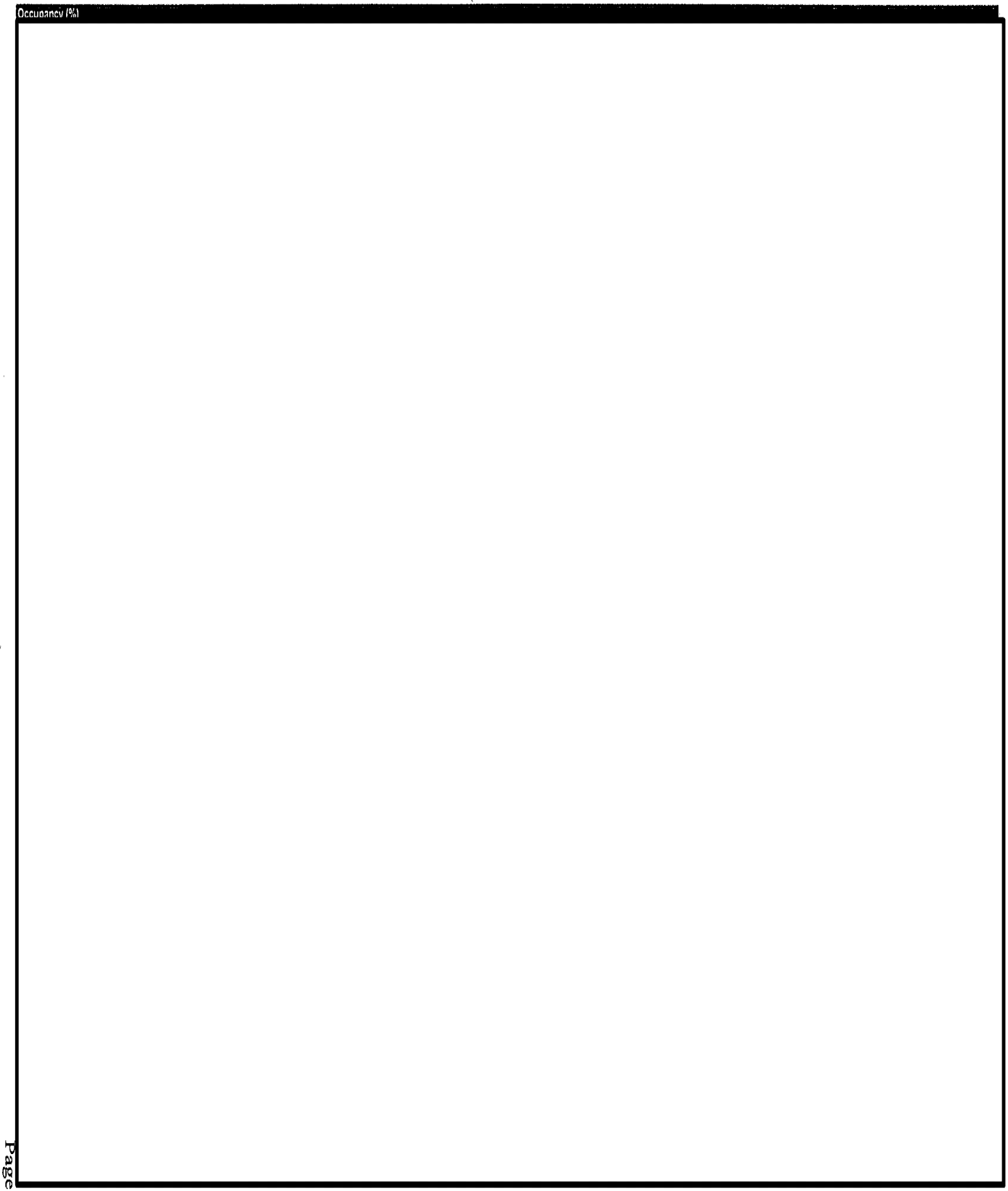
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Tab 2 - Data by Measure

(b)(4)

Morrisville, NC Area Selected Properties
Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

Occupancy (%)



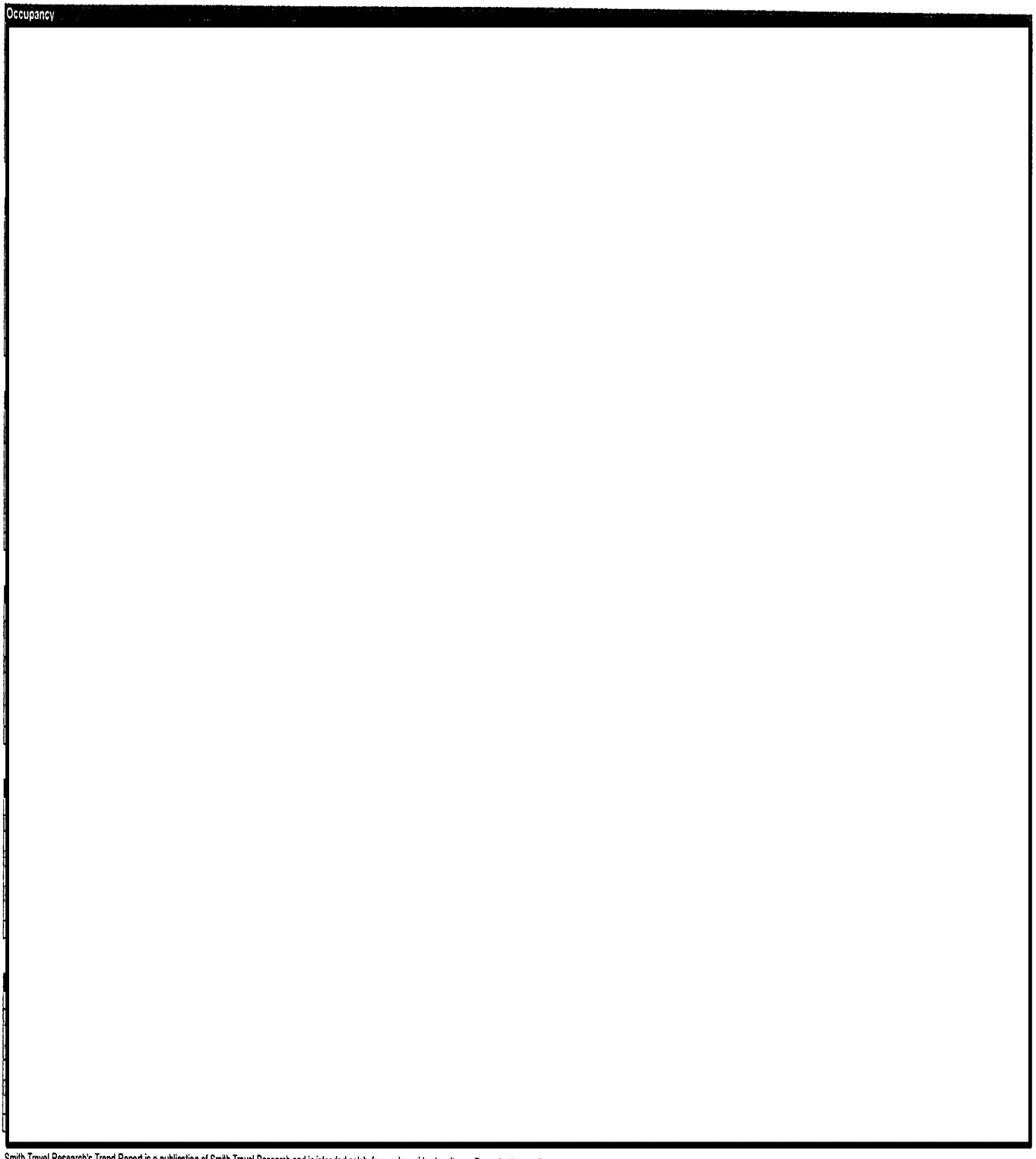
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Tab 3 - Percent Change from Previous Year - Detail by Measure (b)(4)

Morrisville, NC Area Selected Properties

Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

Occupancy



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Tab 4 - Percent Change from Previous Year - Detail by Year (b)(4)

Morrisville, NC Area Selected Properties

Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Total Year	Aug YTD

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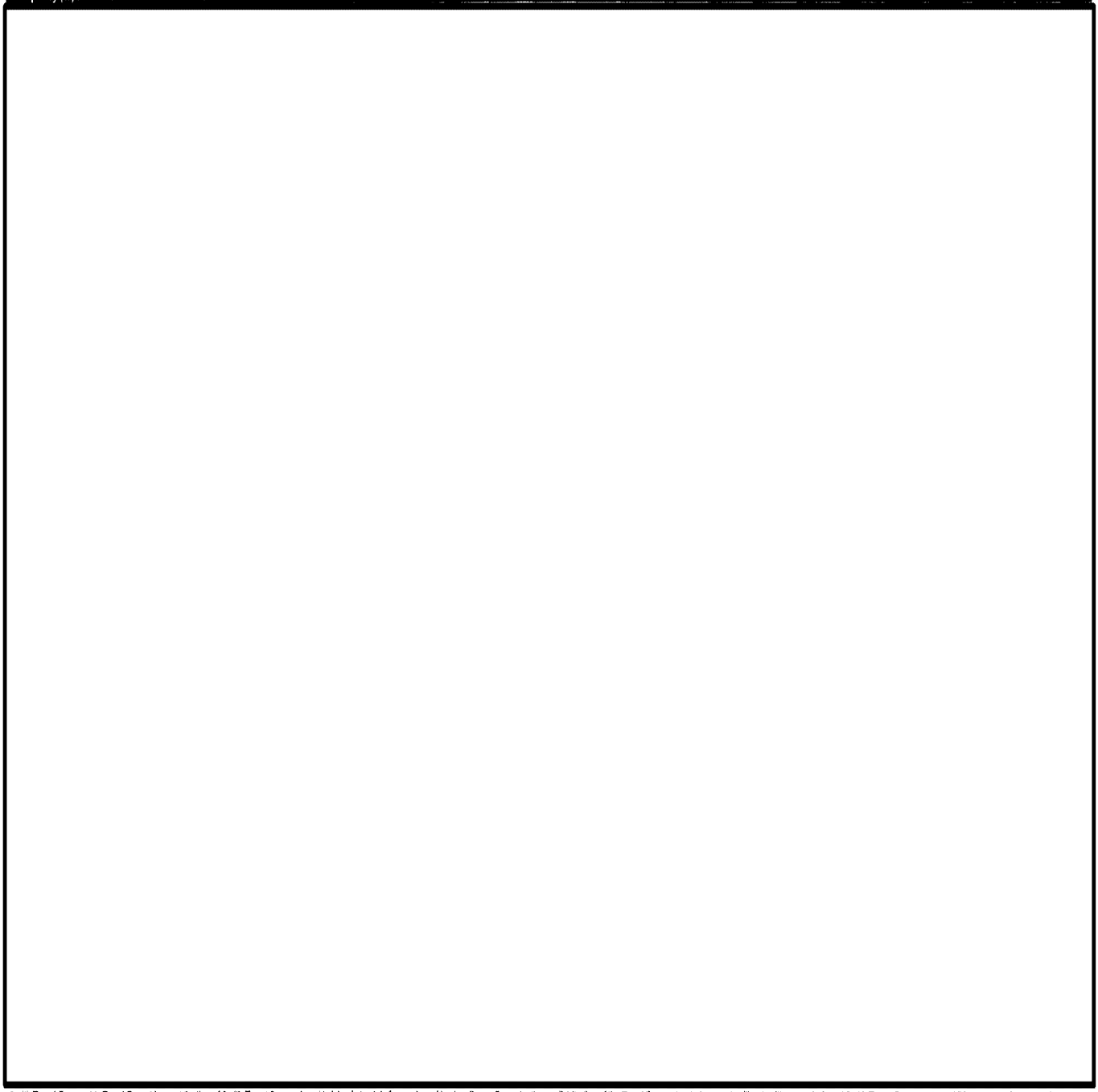
Tab 5 - Twelve Month Moving Average

(b)(4)

Morrisville, NC Area Selected Properties

Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

Occupancy (%)



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(b)(4)

Tab 6 - Day of Week Analysis

Morrisville, NC Area Selected Properties

Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

Occupancy (%)



Three Year Occupancy (%)



ADR



Three Year ADR



RevPAR



Three Year RevPAR



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(b)(4)

Tab 7 - Raw Data

(b)(4)

Morrisville, NC Area Selected Properties
Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

Date	Occupancy	ADR	RevPar	Supply	Demand	Revenue	Census & Sample %

(b)(4)

Tab 7 - Raw Data

Morrisville, NC Area Selected Properties
Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

Date	Occupancy	ADR	RevPar	Supply	Demand	Revenue	Census & Sample %

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Tab 8 - Classic

(b)(4)

Morrisville, NC Area Selected Properties
Job Number: 448882_SADIM Staff: KD Created: October 09, 2012

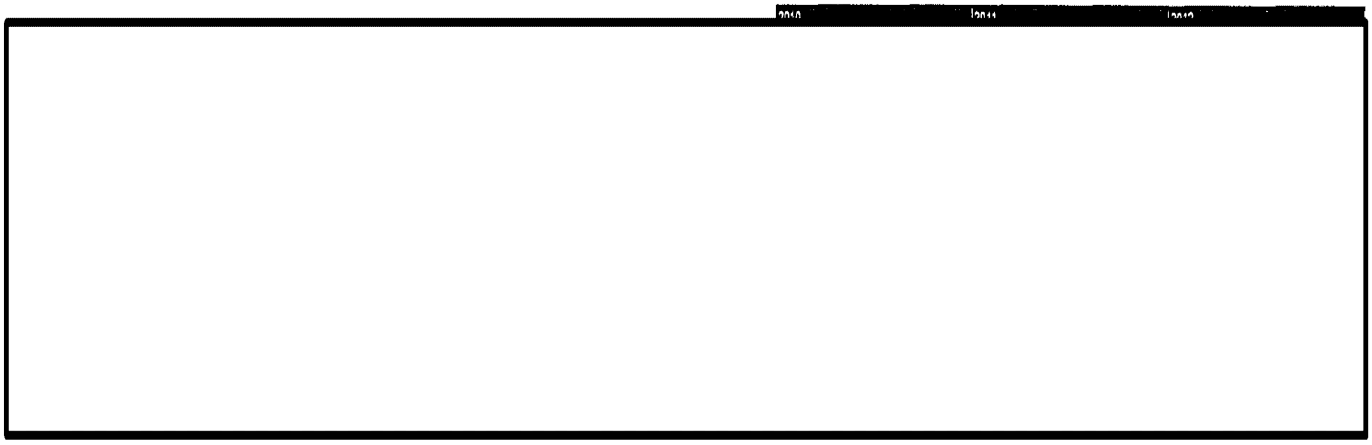
Date	Occupancy	ADR	RevPar	Supply	Demand	Revenue

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Tab 9 - Response Report

(b)(4)

Morrisville, NC Area Selected Properties
Job Number: 448882_SADIM Staff: KD Created: October 09, 2012



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Tab 10 - Help

Methodology

While virtually every chain in the United States provides STR with data on almost all of their properties, there are still some hotels that don't submit data. But we've got you covered.

Every year we examine guidebook listings and hotel directories for information on hotels that don't provide us with data. We don't stop there. We call each hotel in our database every year to obtain "published" rates for multiple categories. Based on this information we group all hotels - those that report data and those that don't - into groupings based off of price level and geographic proximity. We then estimate the non-respondents based off of nearby hotels with similar price levels.

Similarly, we sometimes obtain monthly data from a property, but not daily data. We use a similar process. We take the monthly data that the property has provided, and distribute it to the individual days based on the revenue and demand distribution patterns of similar hotels in the same location.

We believe it imperative to perform this analysis in order to provide interested parties with our best estimate of total lodging demand and room revenue on their areas of interest. Armed with this information a more informed decision can be made.

Glossary

ADR (Average Daily Rate)

Room revenue divided by rooms sold, displayed as the average rental rate for a single room.

Affiliation Date

Date the property affiliated with current chain/flag

Census (Properties and Rooms)

The number of properties and rooms that exist within the selected property set or segment.

Change in Rooms

Indicator of whether or not an individual hotel has added or removed rooms from their inventory.

Exchange Rate

The factor used to convert revenue from U.S. Dollars to the local currency. The exchange rate data is obtained from Oanda.com. Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Extended Historical Trend

Data on selected properties or segments starting in 2000.

Demand (Rooms Sold)

The number of rooms sold (excludes complimentary rooms).

Full Historical Trend

Data on selected properties or segments starting in 1987.

Occupancy

Rooms sold divided by rooms available. Occupancy is always displayed as a percentage of rooms occupied.

Open Date

Date the property opened as a lodging establishment.

Percent Change

Amount of growth, up, flat, or down from the same period last year (month, ytd, three months, twelve months). Calculated as ((TY-LY)/LY) * "100".

Revenue (Room Revenue)

Total room revenue generated from the sale or rental of rooms.

RevPAR (Revenue Per Available Room)

Room revenue divided by rooms available

Sample % (Rooms)

The % of rooms from which STR receives data. Calculated as (Sample Rooms/Census Rooms) * "100".

Standard Historical Trend

Data on selected properties or segments starting in 2005.

STR Code

Smith Travel Research's proprietary numbering system. Each hotel in the lodging census has a unique STR code.

Supply (Rooms Available)

The number of rooms times the number of days in the period.

Twelve Month Moving Average

The value of any given month is computed by taking the value of that month and the values of the eleven preceding months, adding them together and dividing by twelve.

Year to Date

Tab 11 - Terms and Conditions

Before purchasing this product you agreed to the following terms and conditions.

In consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Smith Travel Research, Inc. ("STR") and purchaser of this product ("Licensee") agree as follows:

1. LICENSE

1.1 Definitions.

(a) "Agreement" means these Standard Terms and Conditions and any additional terms specifically set out in writing in the document(s) (if any) to which these Standard Terms and Conditions are attached or in which they are incorporated by reference, and, if applicable, any additional terms specifically set out in writing in any Schedule attached hereto.

(b) "Licensed Materials" means the newsletters, reports, databases or other information resources, and all lodging industry data contained therein, provided to Licensee hereunder.

1.2 Grant of License. Subject to the terms and conditions of this Agreement, and except as may be expressly permitted elsewhere in this Agreement, STR hereby grants to Licensee a non-exclusive, non-transferable, indivisible, non-sublicensable license to use, copy, manipulate and extract data from the Licensed Materials for its own INTERNAL business purposes only.

1.3 Copies. Except as expressly permitted elsewhere in this Agreement, Licensee may make and maintain no more than two (2) copies of any Licensed Materials.

1.4 No Service Bureau Use. Licensee is prohibited from using the Licensed Materials in any way in connection with any service bureau or similar services. "Service bureau" means the processing of input data that is supplied by one or more third parties and the generation of output data (in the form of reports, charts, graphs or other pictorial representations, or the like) that is sold or licensed to any third parties.

1.5 No Distribution to Third Parties. Except as expressly permitted in this Agreement, Licensee is prohibited from distributing, republishing or otherwise making the Licensed Materials or any part thereof (including any excerpts of the data and any manipulations of the data) available in any form whatsoever to any third party, other than Licensee's accountants, attorneys, marketing professionals or other professional advisors who are bound by a duty of confidentiality not to disclose such information.

1.6 Security. Licensee shall use commercially reasonable efforts to protect against unauthorized access to the Licensed Materials.

1.7 Reservation of Rights. Licensee has no rights in connection with the Licensed Materials other than those rights expressly granted herein. All rights to the Licensed Materials not expressly granted herein are reserved to STR.

2. DISCLAIMERS AND LIMITATIONS OF LIABILITY

2.1 Disclaimer of Warranties. The licensed materials are provided to the licensee on an "as is" and "as available" basis. STR makes no representations or warranties of any kind, express or implied, with respect to the licensed materials, the services provided or the results of use thereof. Without limiting the foregoing, STR does not warrant that the licensed materials, the services provided or the use thereof are or will be accurate, error-free or uninterrupted. STR makes no implied warranties, including without limitation, any implied warranty of merchantability, noninfringement or fitness for any particular purpose or arising by usage of trade, course of dealing, course of performance or otherwise.

2.2 Disclaimers. STR shall have no liability with respect to its obligations under this agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages even if STR has been advised of the possibility of such damages. Furthermore, STR shall have no liability whatsoever for any claim relating in any way to any decision made or action taken by licensee in reliance upon the licensed materials.

2.3 Limitation of Liability. STR's total liability to licensee for any reason and upon any cause of action including without limitation, infringement, breach of contract, negligence, strict liability, misrepresentations, and other torts, shall be limited to all fees paid to STR by the licensee during the twelve month period preceding the date on which such cause of action first arose.

3. MISCELLANEOUS

3.1 Liquidated Damages. In the event of a violation of Section 1.5 of these Standard Terms and Conditions, Licensee shall be required to pay STR an amount equal to the sum of (i) the highest aggregate price that STR, in accordance with its then-current published prices, could have charged the unauthorized recipients for the Licensed Materials that are the subject of the violation, and (ii) the full price of the lowest level of republishing rights that Licensee would have been required to purchase from STR in order to have the right to make the unauthorized distribution, regardless of whether Licensee has previously paid for any lower level of republishing rights, and (iii) fifteen percent (15%) of the total of the previous two items. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

STR's option, all copies of the Licensed Materials and all other information relating thereto in Licensee's possession or control as of the such date. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

3.2 Governing Law; Jurisdiction and Venue. This agreement shall be governed by the substantive laws of the State of Tennessee, without regard to its or any other jurisdiction's choice of law principles governing contracts or law. Any claims or actions regarding or arising out of this Agreement shall be brought exclusively in a court of competent jurisdiction located in Nashville, Tennessee, and the parties expressly consent to personal jurisdiction thereof. The parties also expressly waive any objections to venue.

3.3 Assignment. Licensee is prohibited from assigning this Agreement or delegating any of its duties under this Agreement without the prior written consent of STR.

3.4 Relationship. Nothing in this Agreement shall be construed to create any agency, partnership or joint venture relationship.

3.5 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given i) when delivered in person, at the time of such delivery, ii) when delivered by facsimile transmission or e-mail, at the time of transmission (provided, however, that notice delivered by facsimile transmission shall only be effective if such notice is also delivered by hand or deposited in the United States mail, postage prepaid, registered, certified or express mail or by courier service within two (2) business days after its delivery by facsimile transmission); iii) when delivered by a courier service or by express mail, at the time of receipt; or iv) five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, addressed (in any such case) to the addresses listed on the first page of this Agreement or to such other address as either party may notify the other in writing.

3.7 Waiver. No waiver of any breach of this Agreement will be deemed to constitute a waiver of any subsequent breach of the same or any other provision.

3.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the matters described herein, superseding in all respects any and all prior proposals, negotiations, understandings and other agreements, oral or written, between the parties.

3.9 Amendment. This Agreement may be amended only by the written agreement of both parties.

3.10 Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

3.11 Injunctive Relief. The parties agree that, in addition to any other rights or remedies which the other or STR may have, any party alleging breach or threatened breach of this Agreement will be entitled to such equitable and injunctive relief as may be available from any court of competent jurisdiction to restrain the other from breaching or threatening to breach any of the provisions of this Section, without posting bond or other surety.

3.12 Notice of Unauthorized Access. Licensee shall notify STR immediately upon Licensee's becoming aware of any facts indicating that a third party may have obtained or may be about to obtain unauthorized access to the Licensed Materials, and shall fully cooperate with STR in its efforts to mitigate the damages caused by any such breach or potential breach.

3.13 Conflicting Provisions. In the event that any provision of these Standard Terms and Conditions directly conflicts with any other provision of the Agreement, the conflicting terms of such other provision shall control.

3.14 Remedies. In addition to any other rights or remedies that STR may have, in the event of any termination by STR on account of a breach by Licensee, STR may, without refund, immediately terminate and discontinue any right of Licensee to receive additional Licensed Materials from STR.

(b)(4)

Exhibit 5. Marriott Hotels Franchise Agreement



Executed Version

COURTYARD BY MARRIOTT

FRANCHISE AGREEMENT

between

MARRIOTT INTERNATIONAL, INC.
Franchisor

and

ENCORE D'IBERVILLE HOTEL, LLC
Franchisee

Location: Northeast Quadrant of Interstate 10 and Interstate 110, D'Iberville, MS 39540

Dated as of: January 18, 2008

COURTYARD BY MARRIOTT
FRANCHISE AGREEMENT

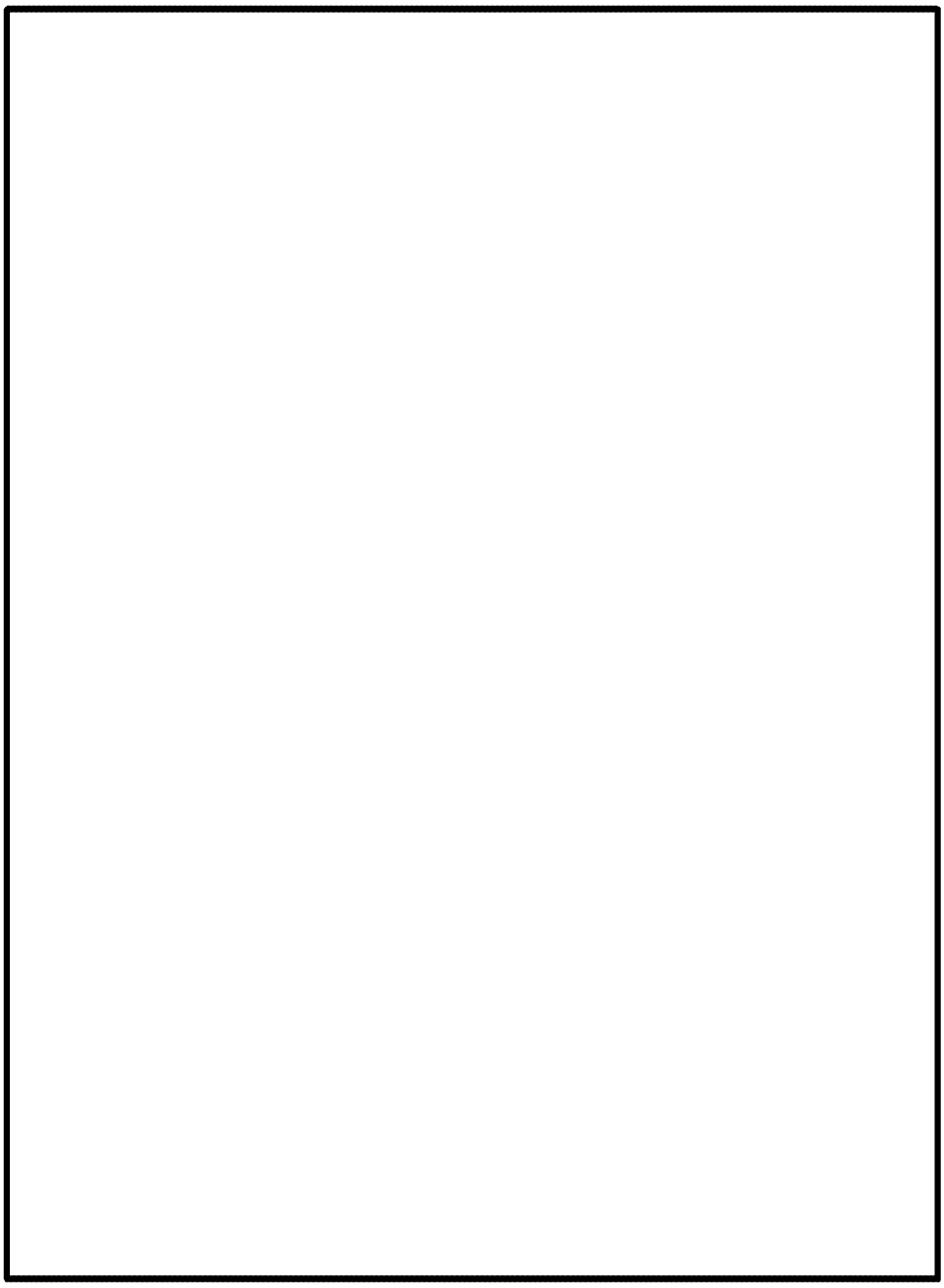
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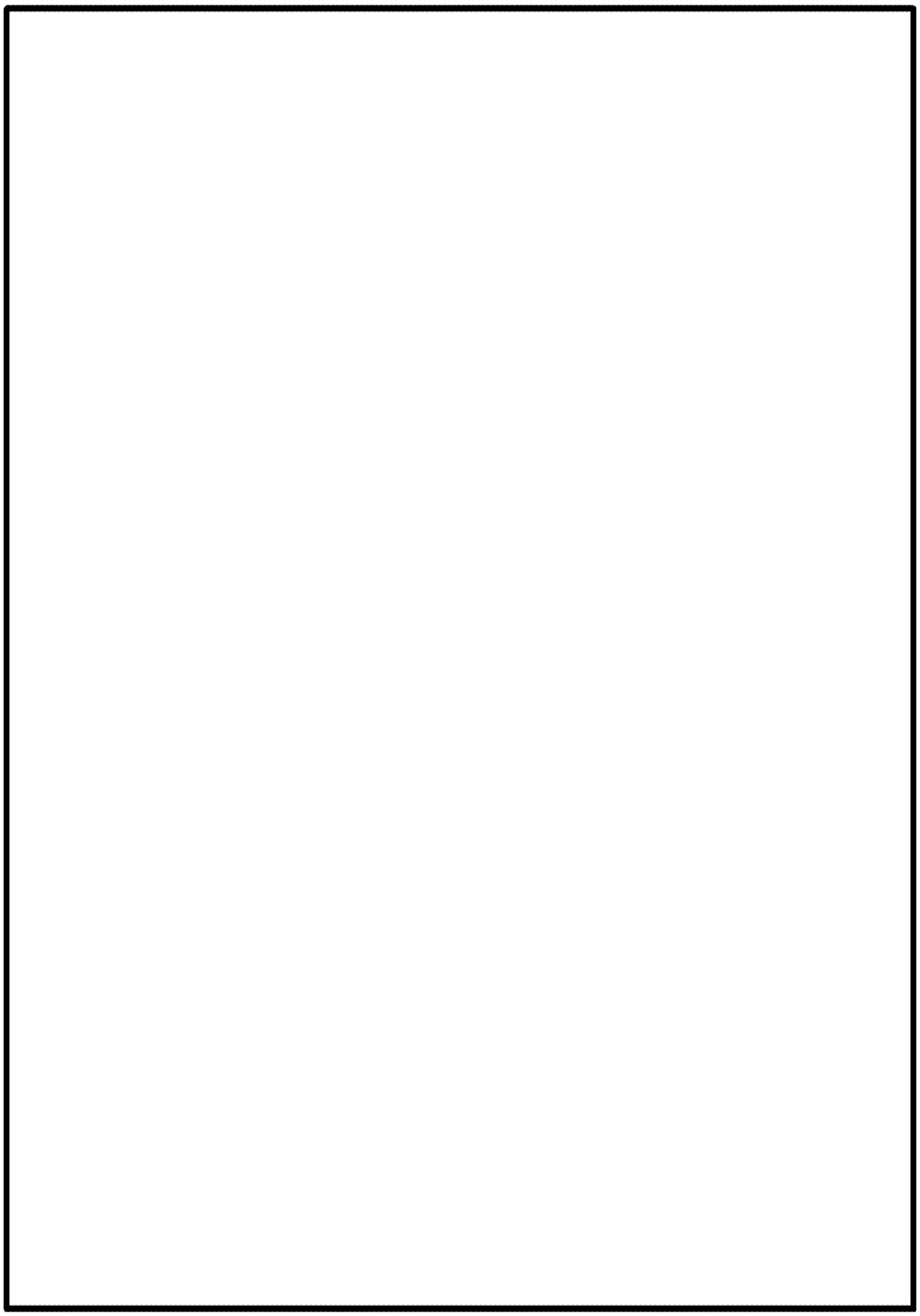
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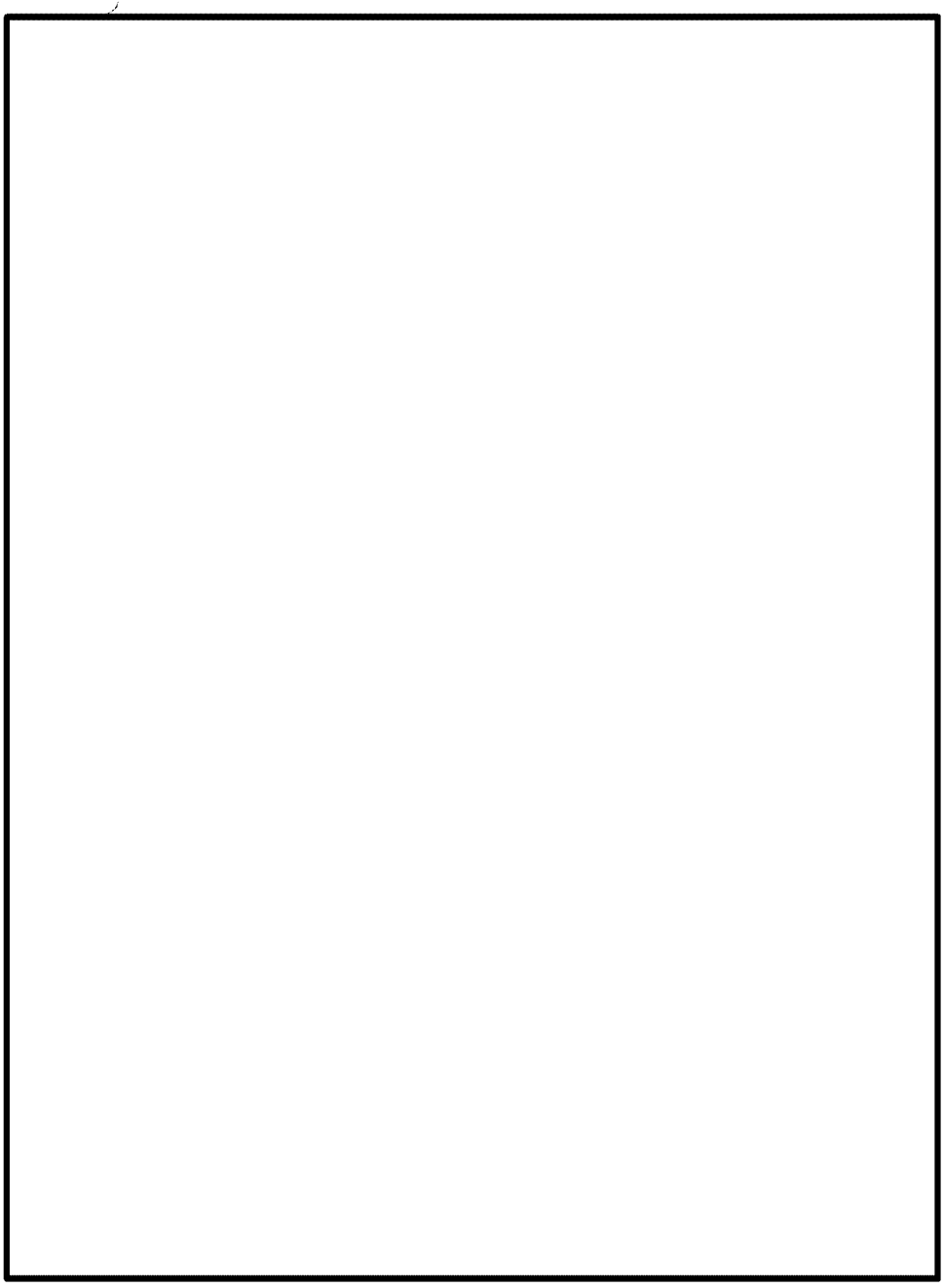
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FRANCHISE AGREEMENT



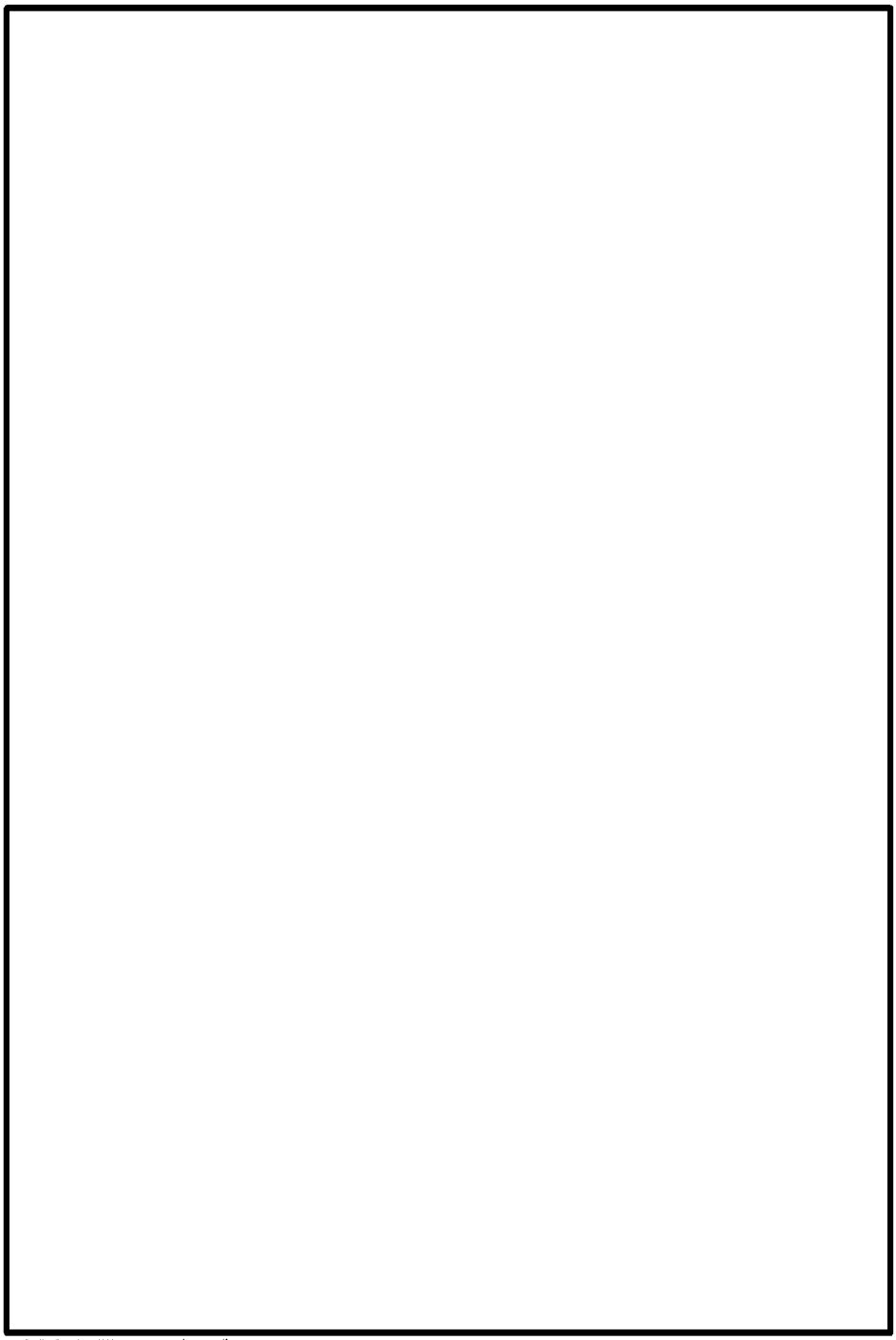
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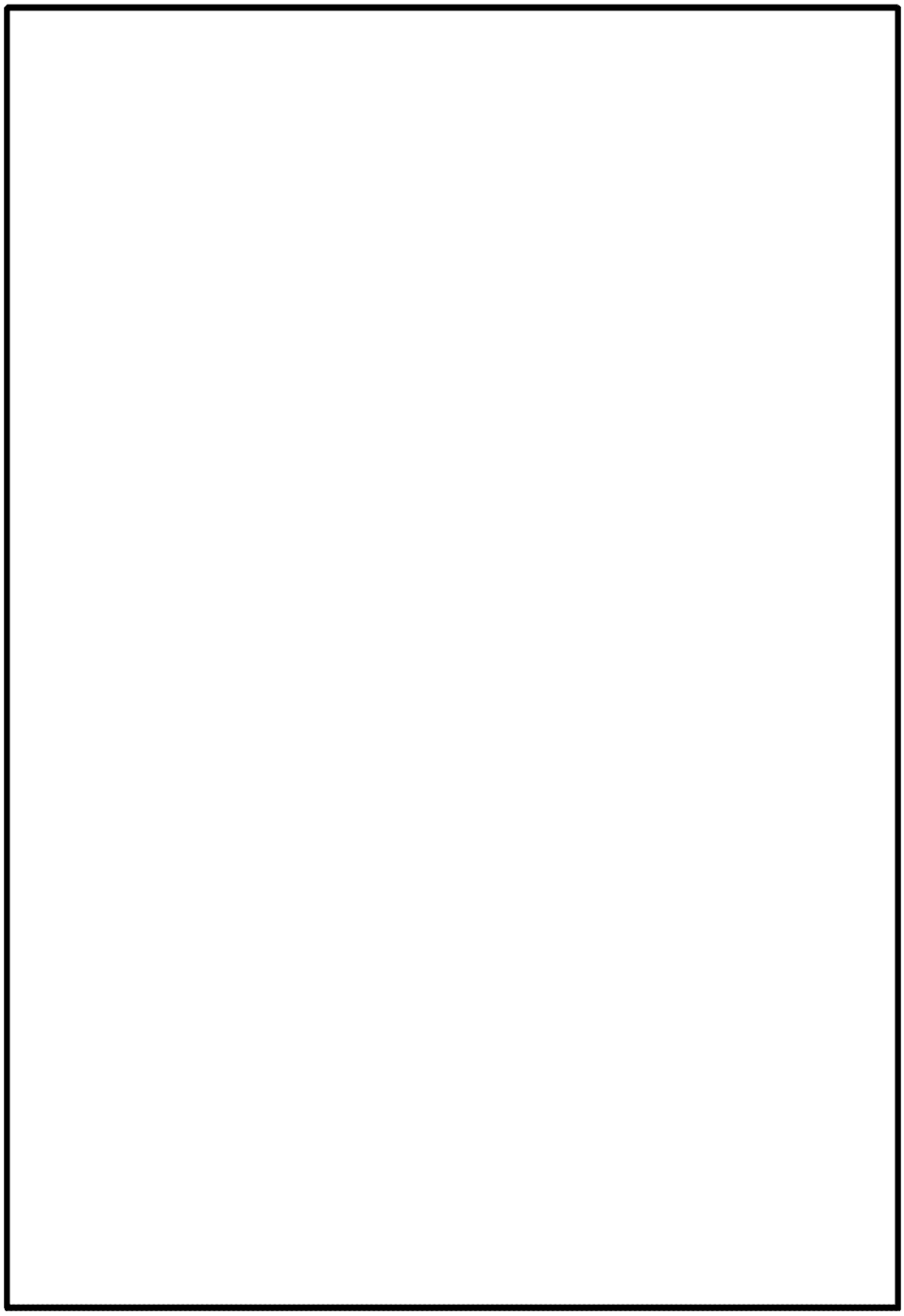
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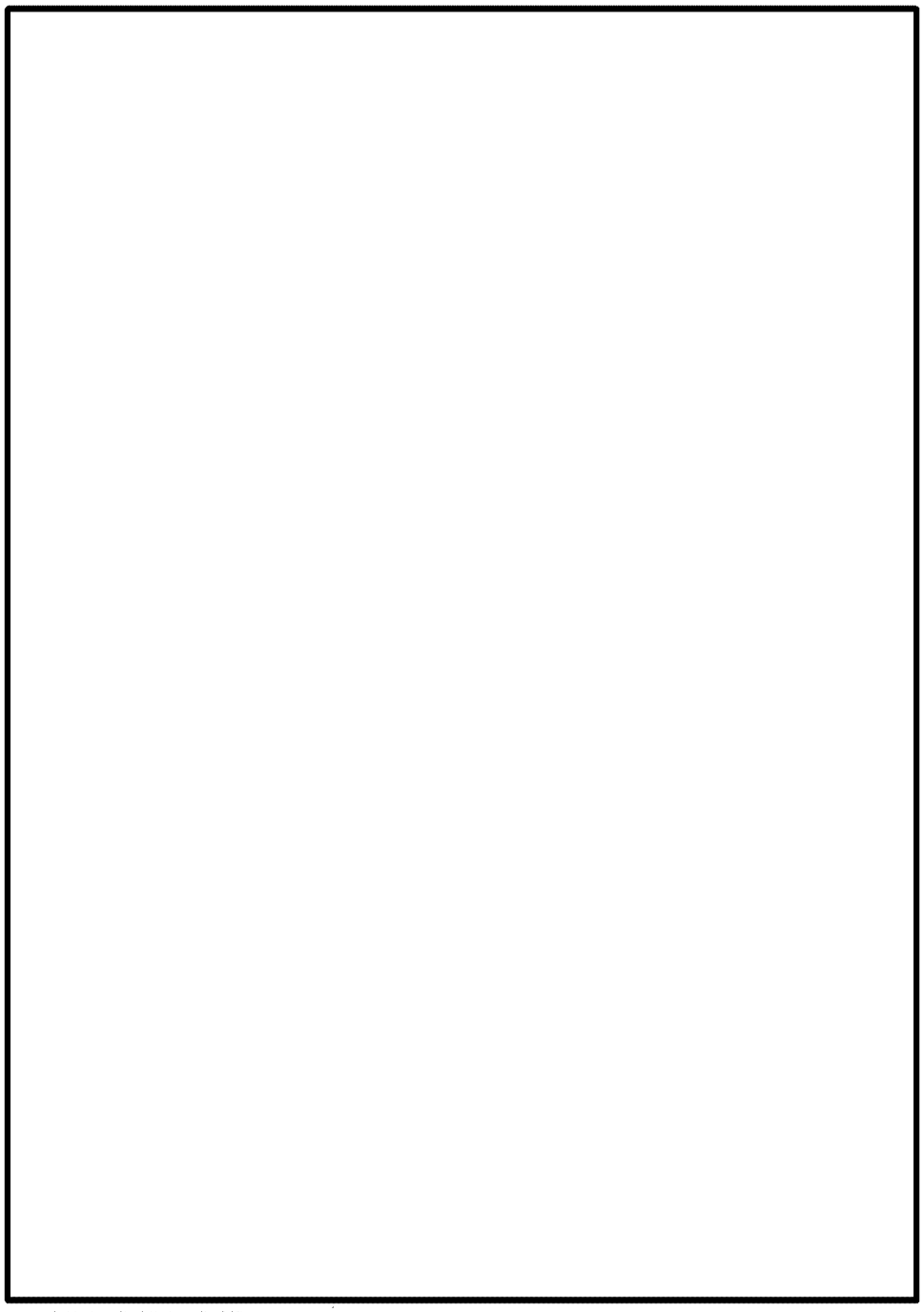
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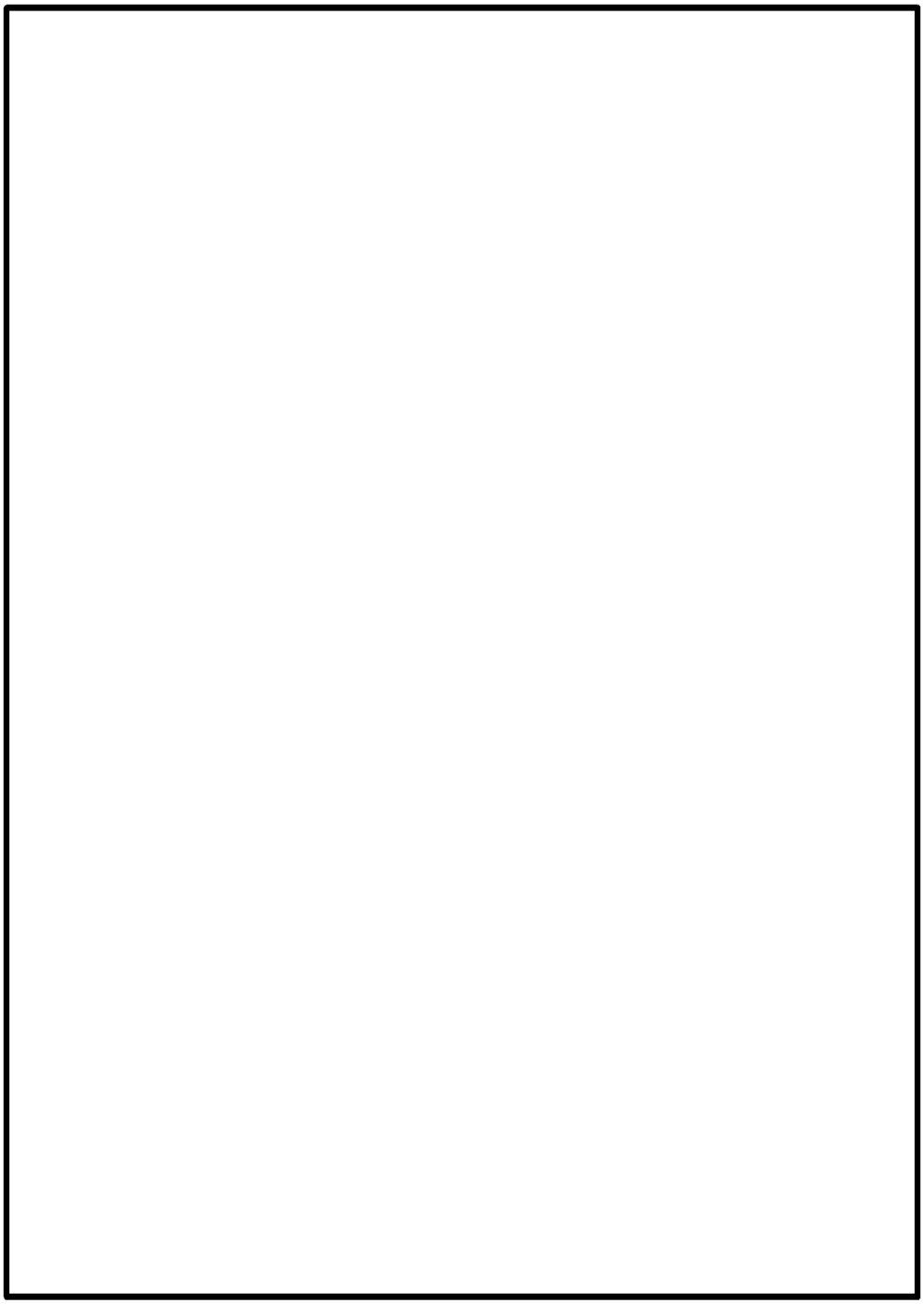
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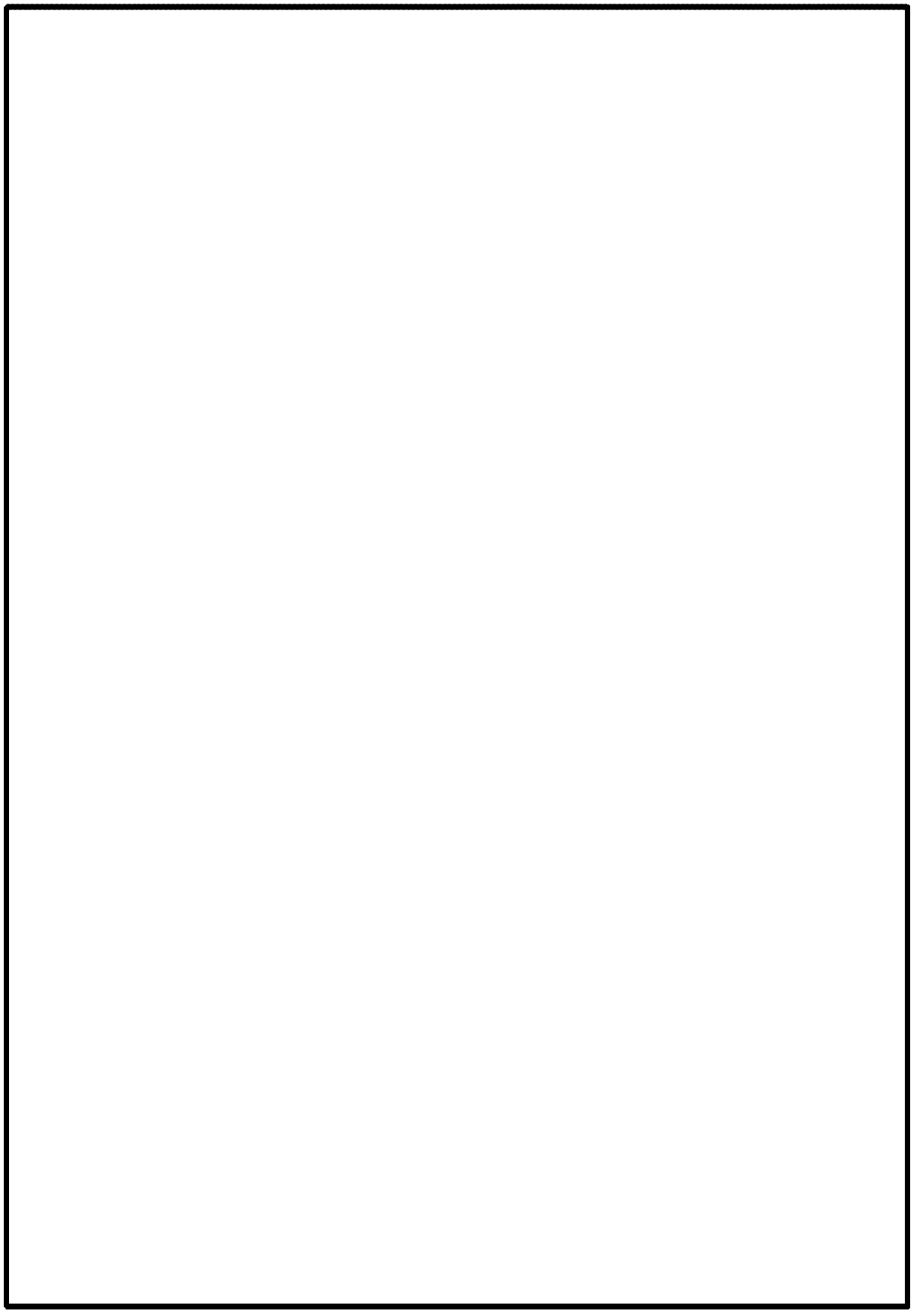
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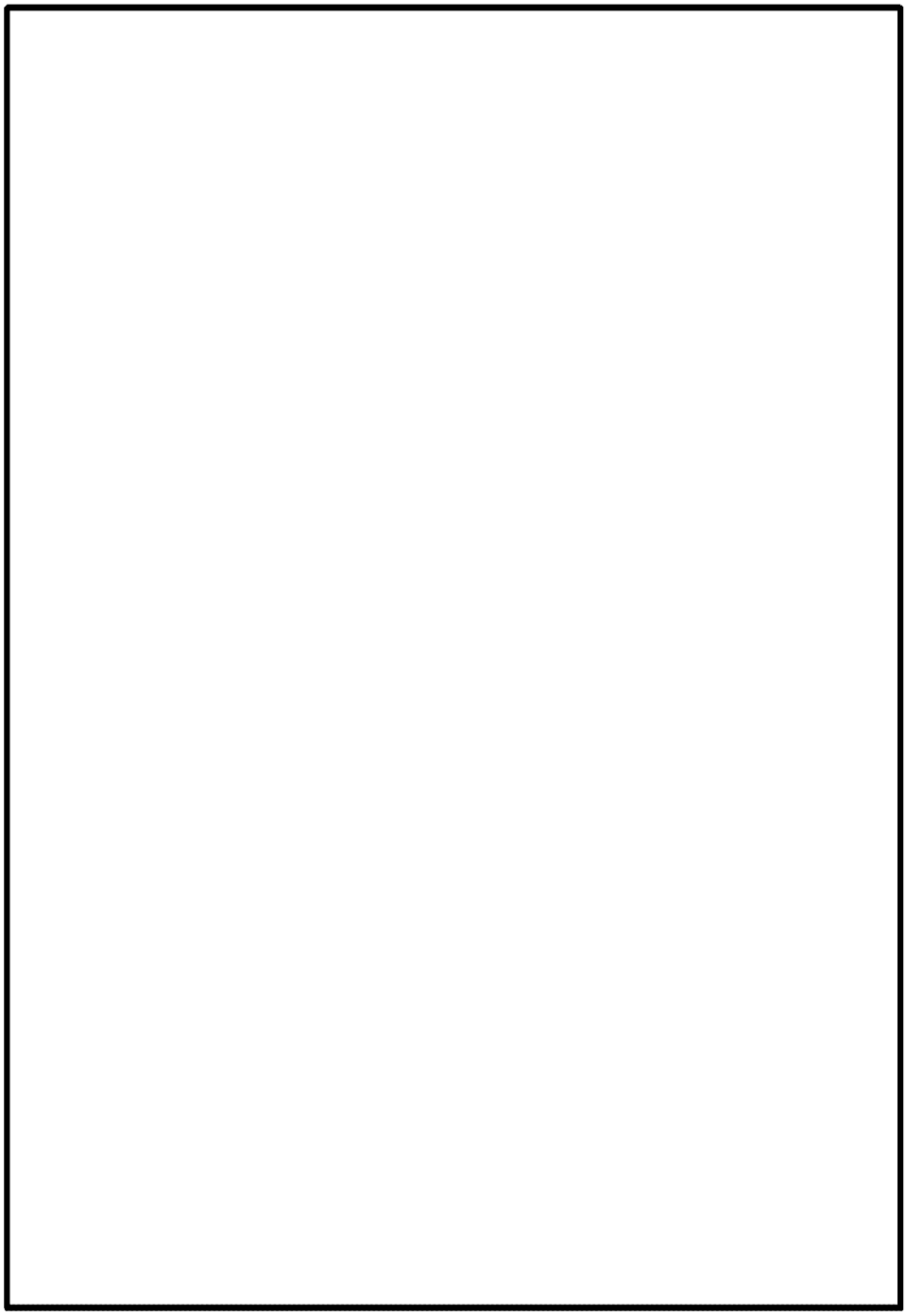
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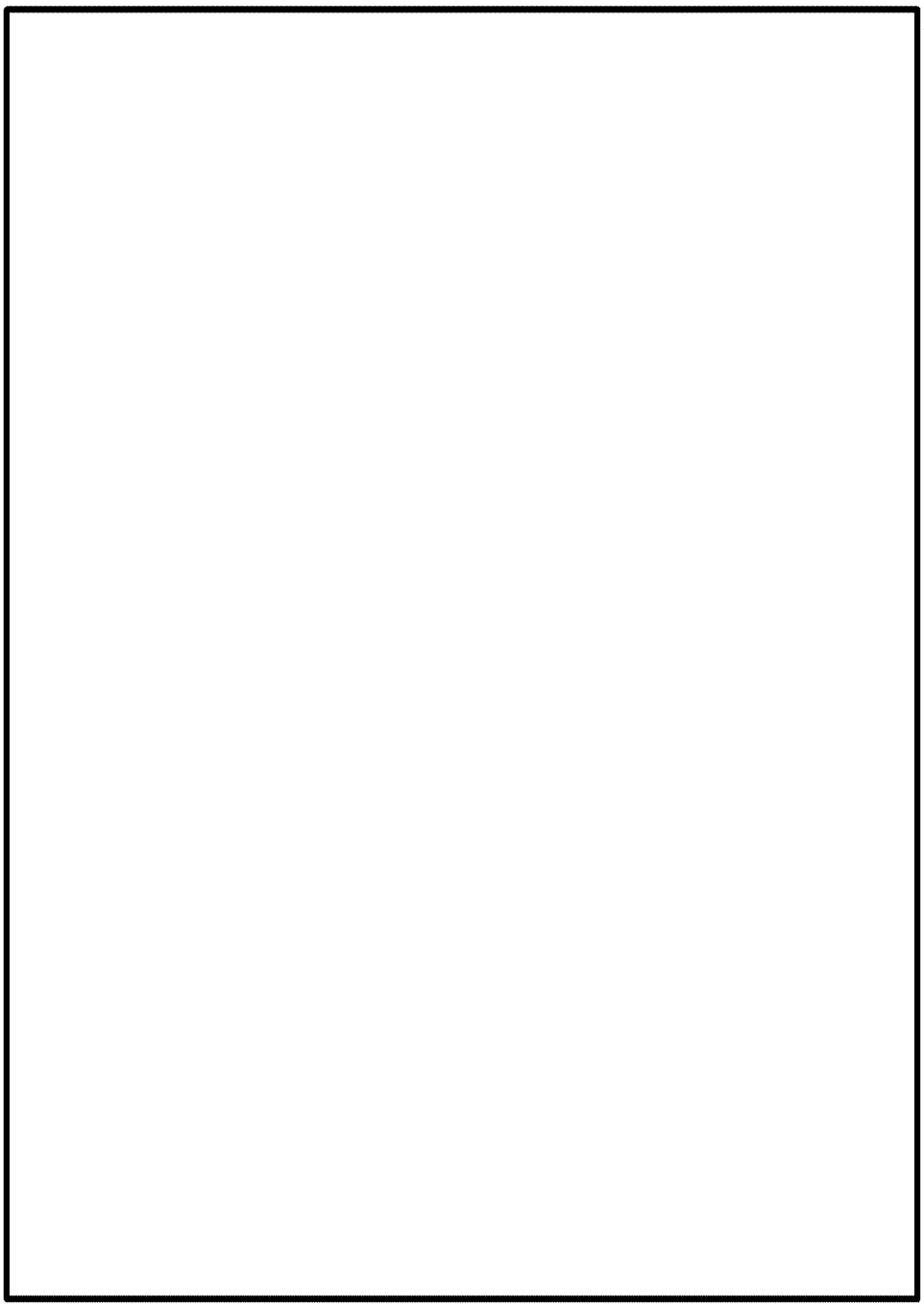
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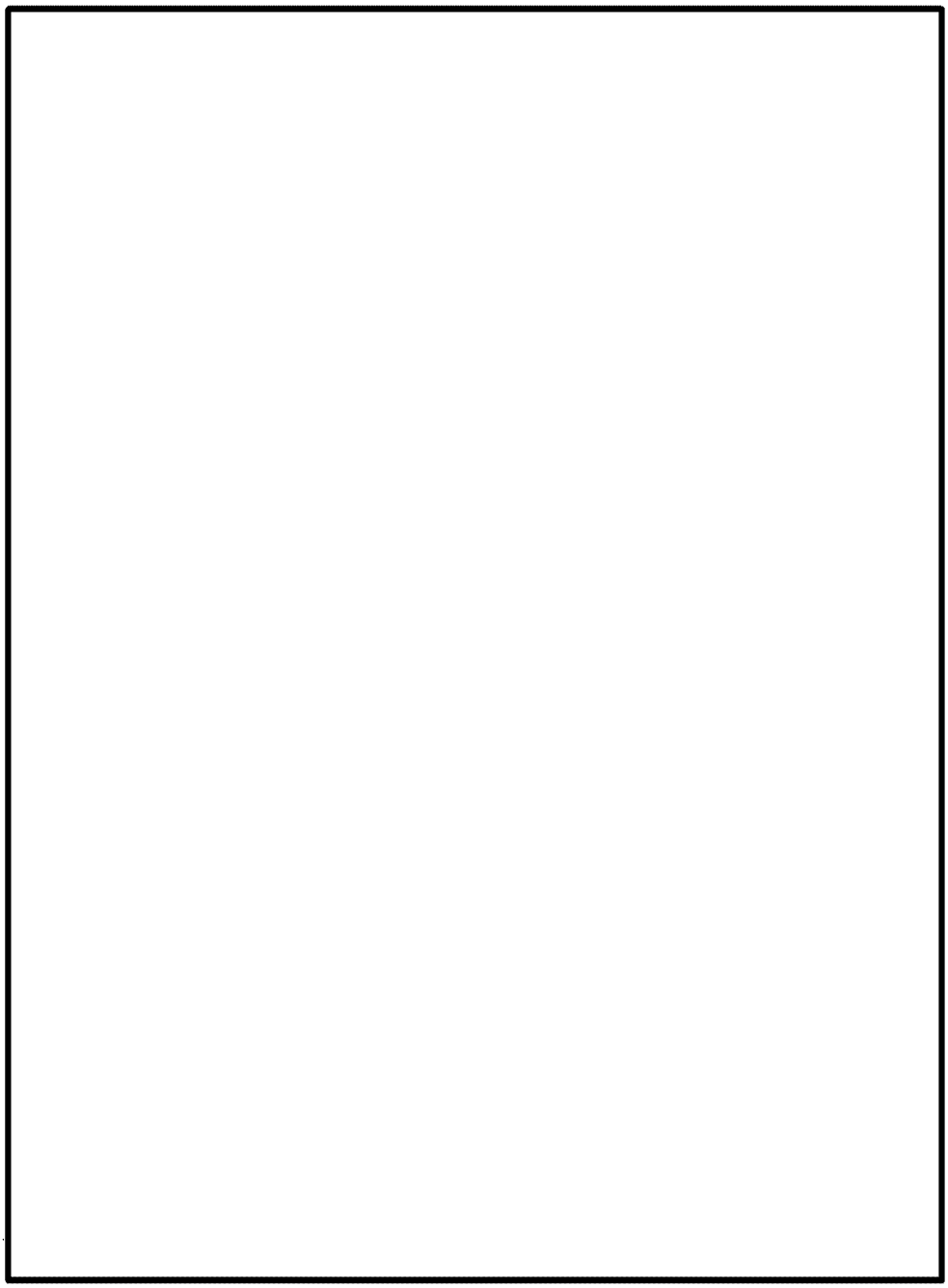
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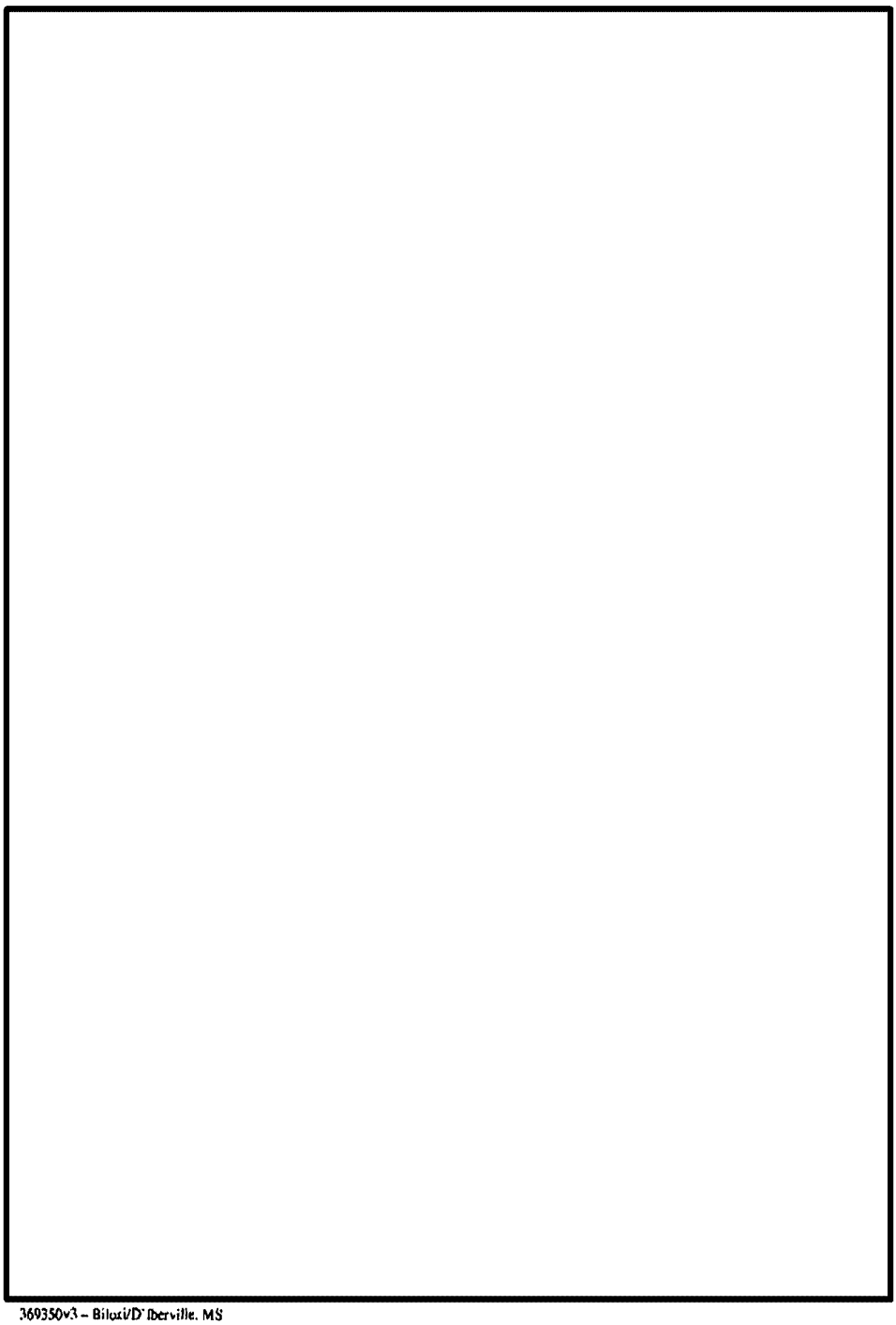
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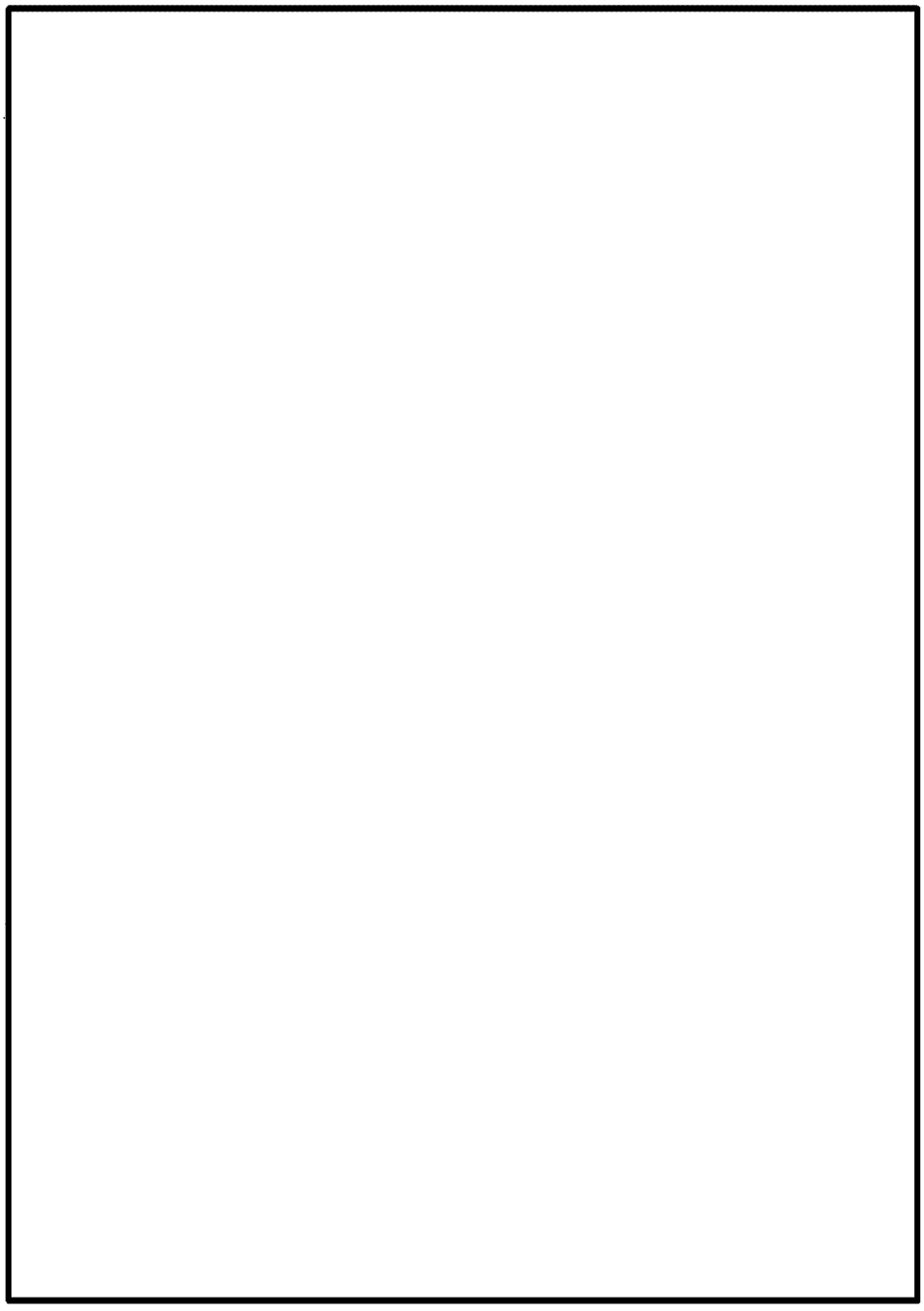
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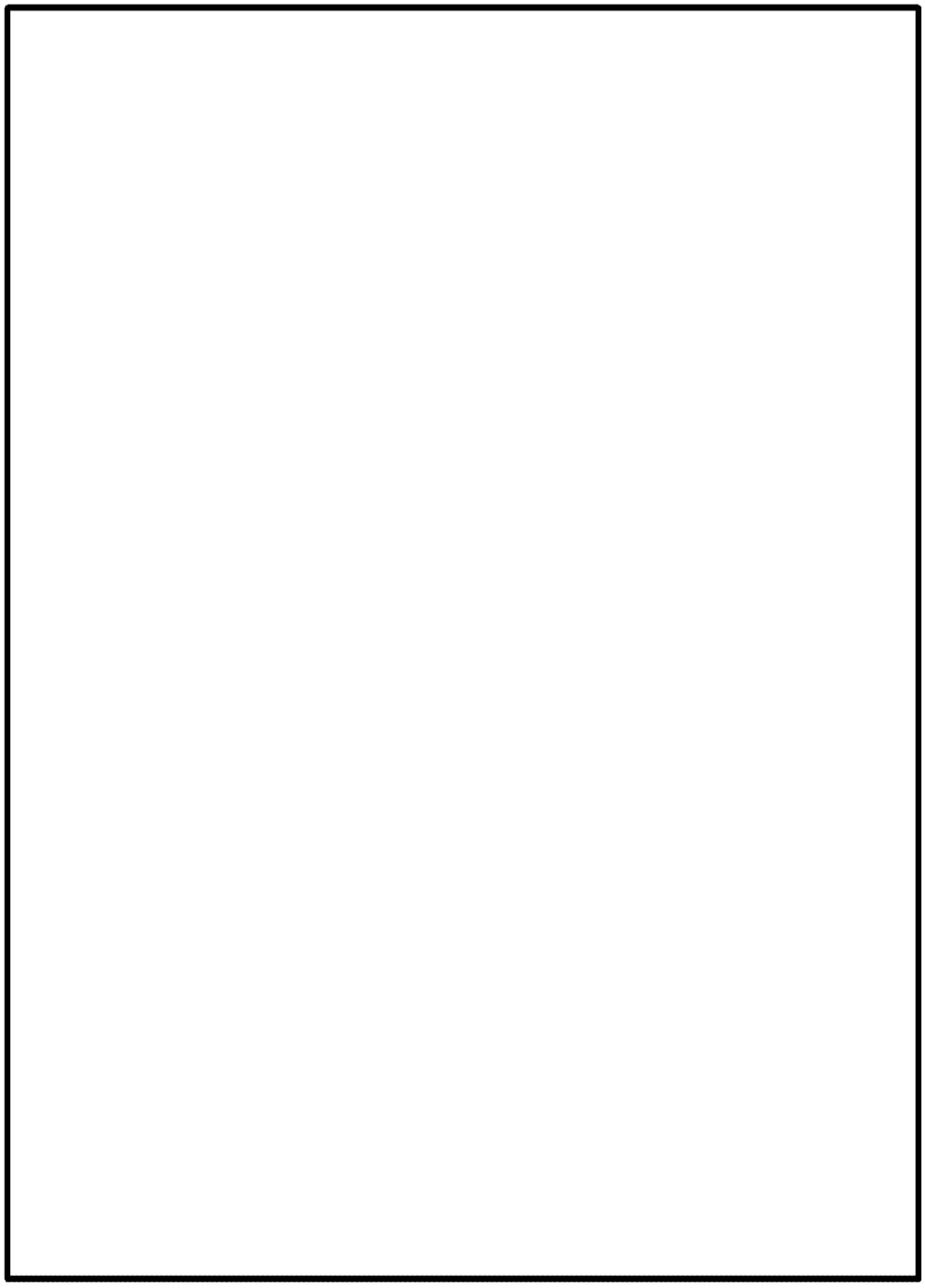
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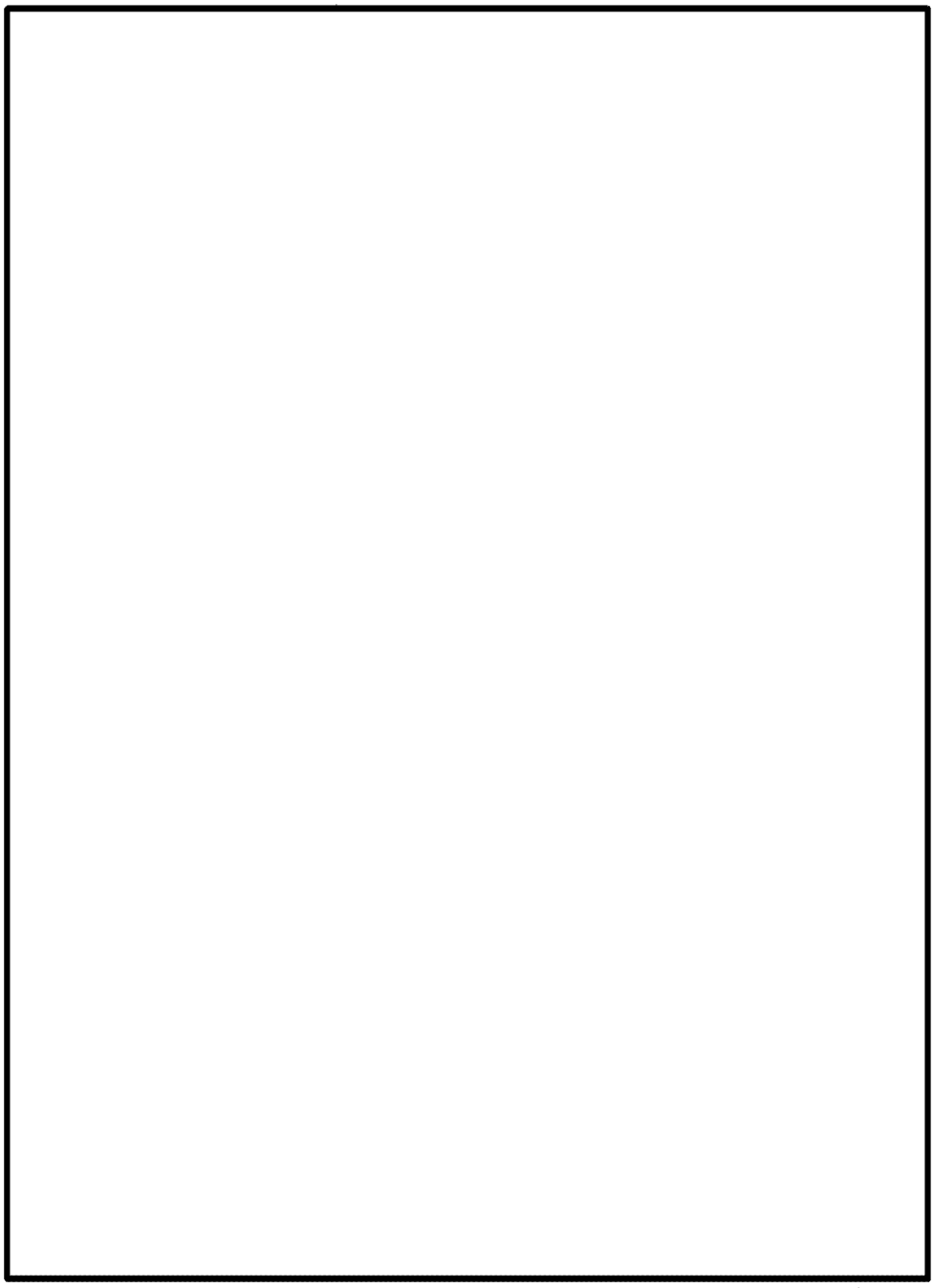
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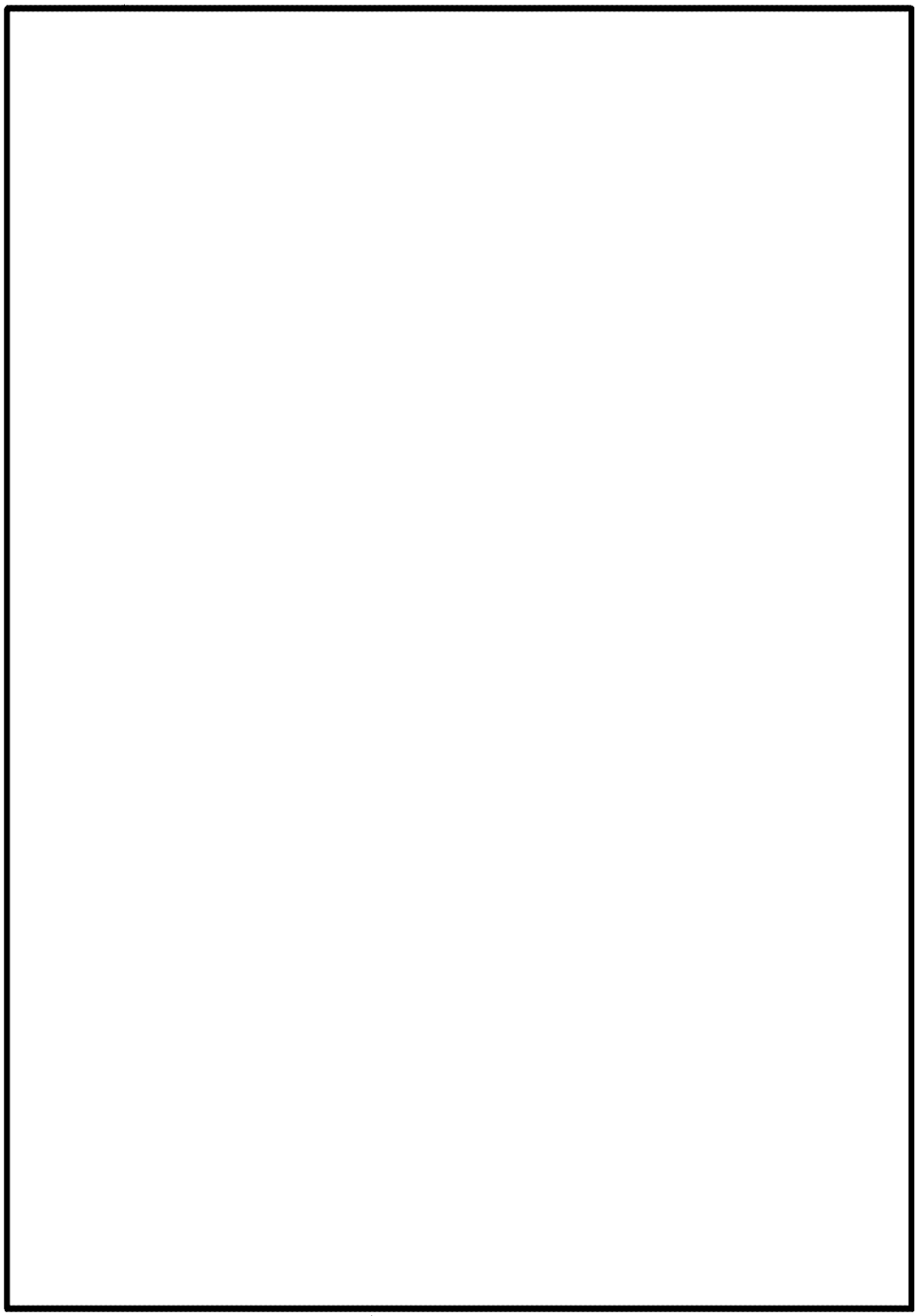
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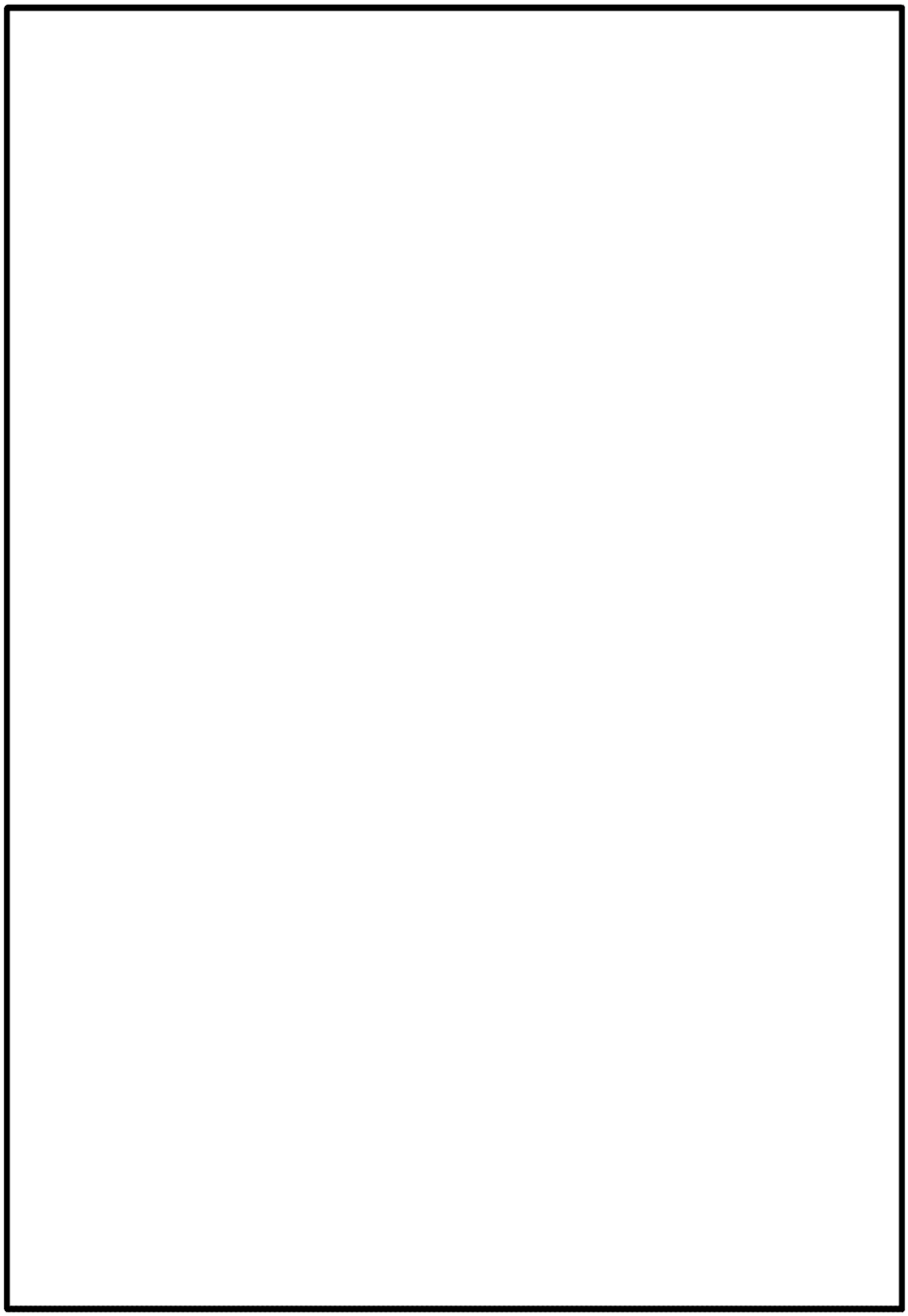
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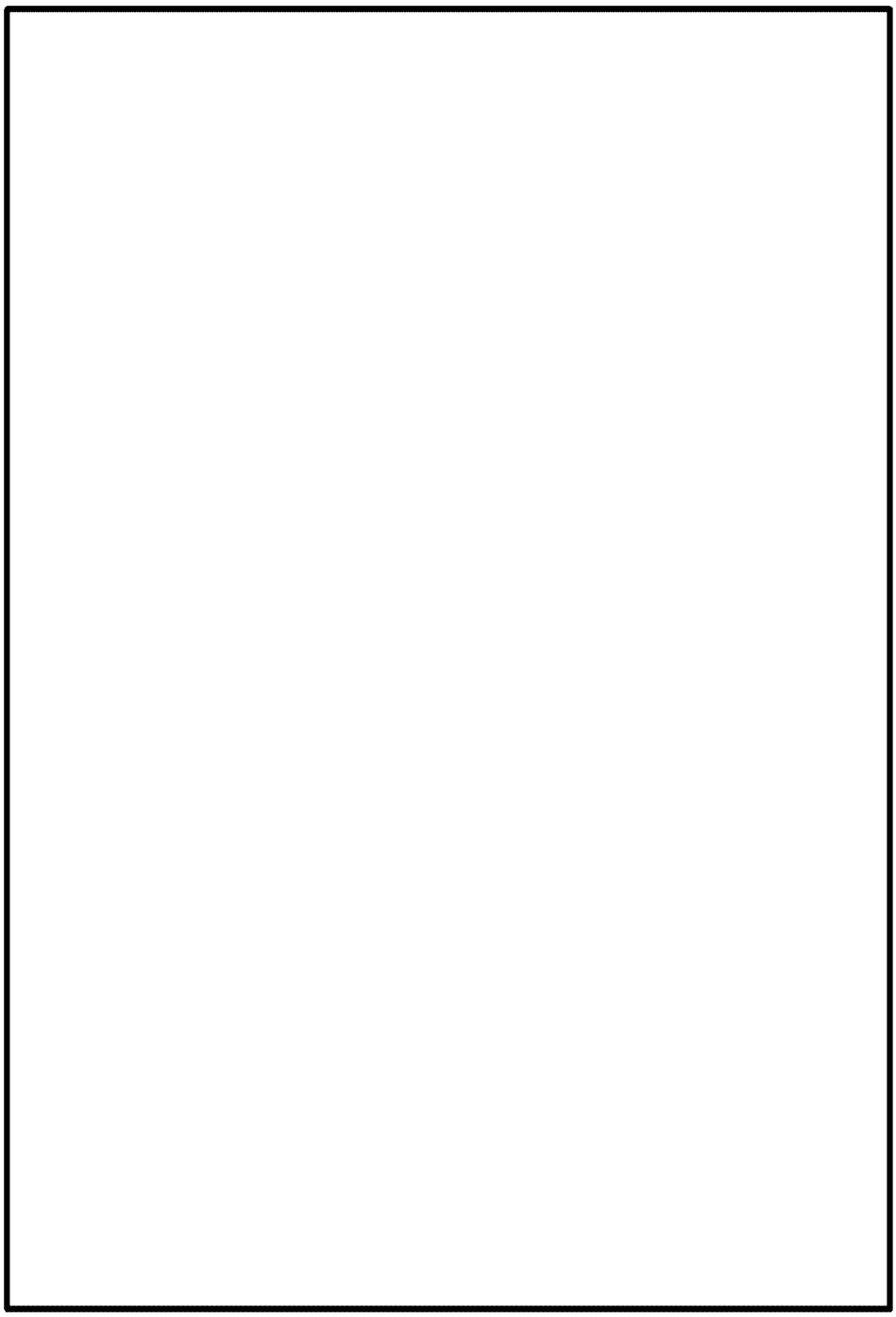
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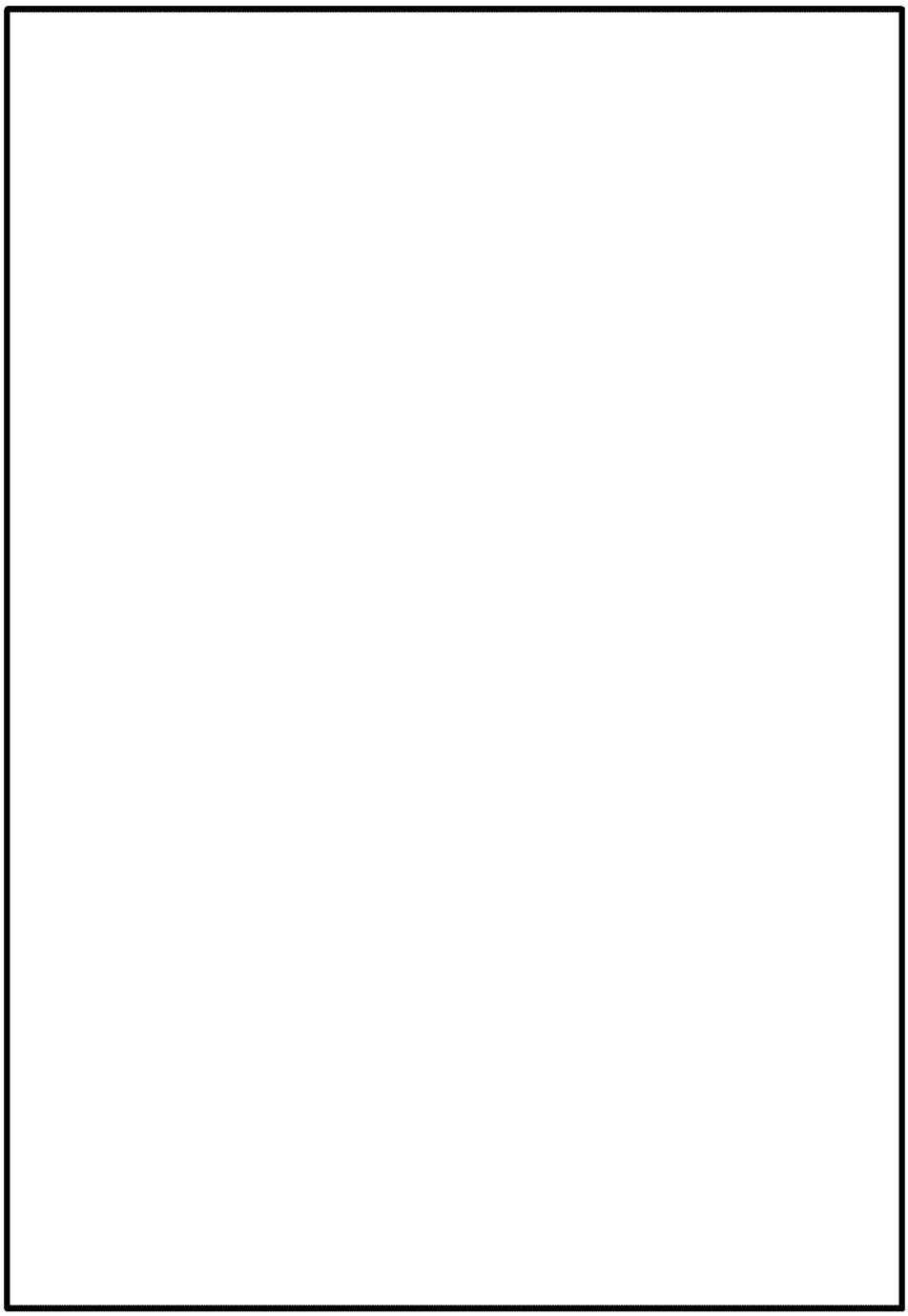
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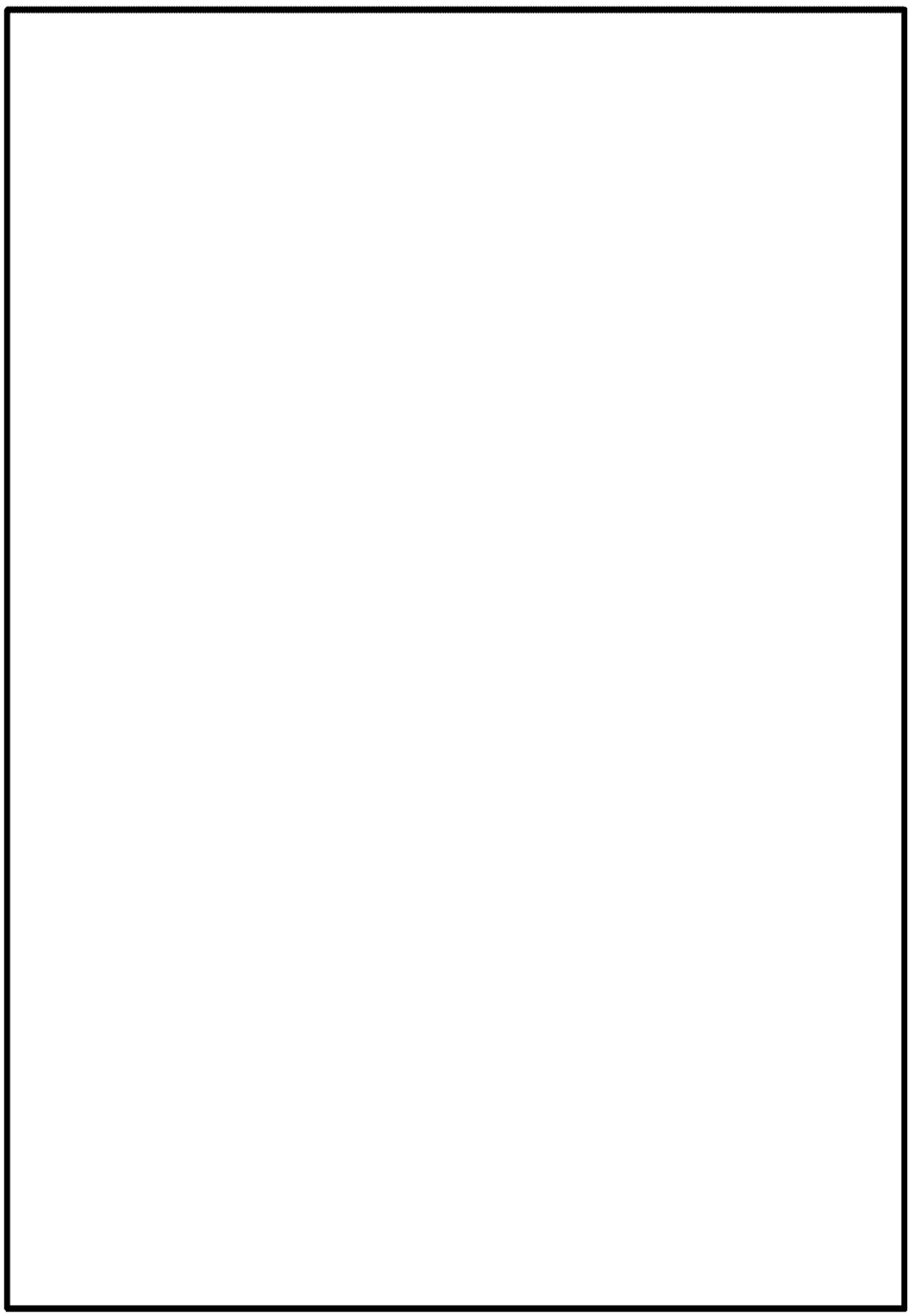
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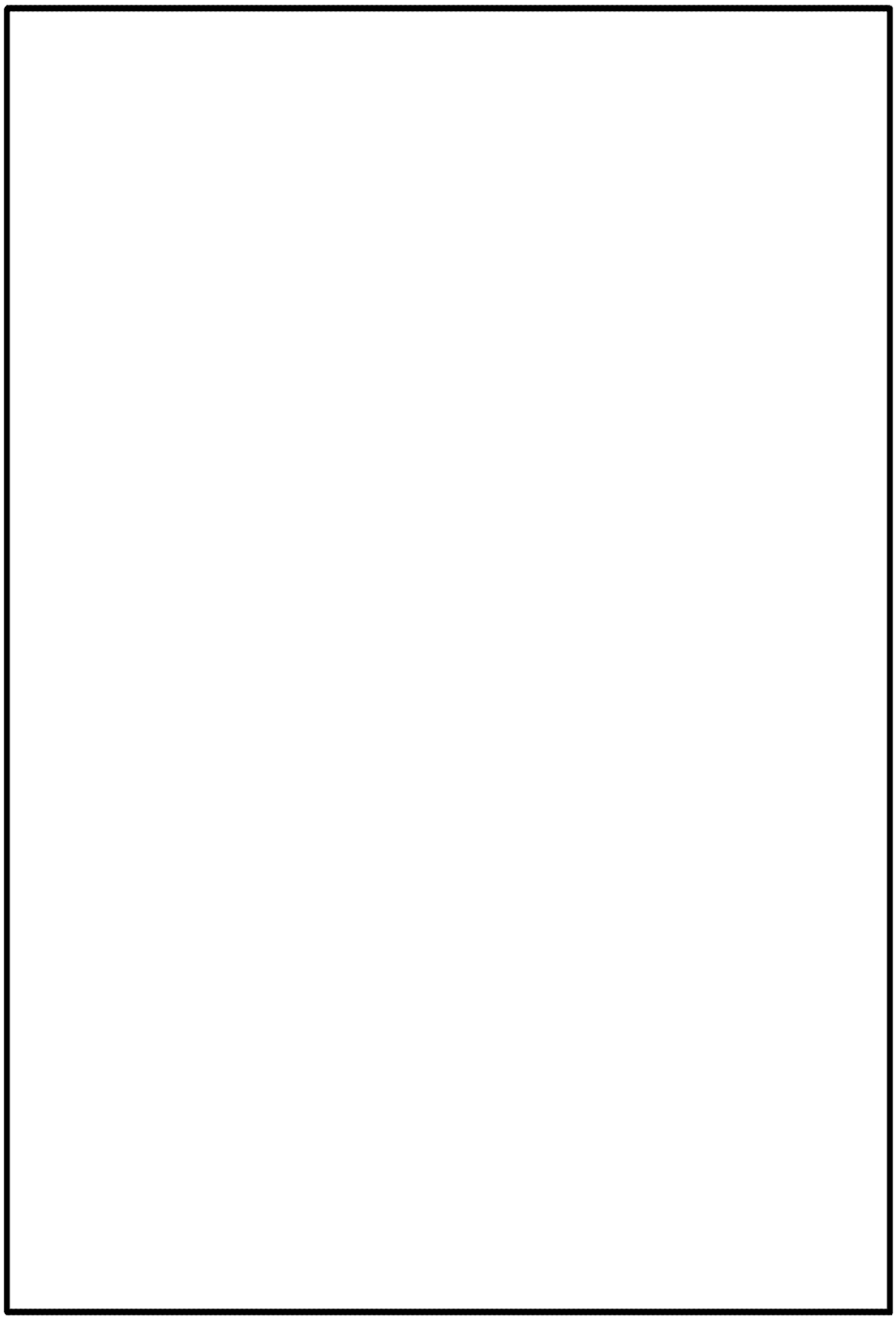
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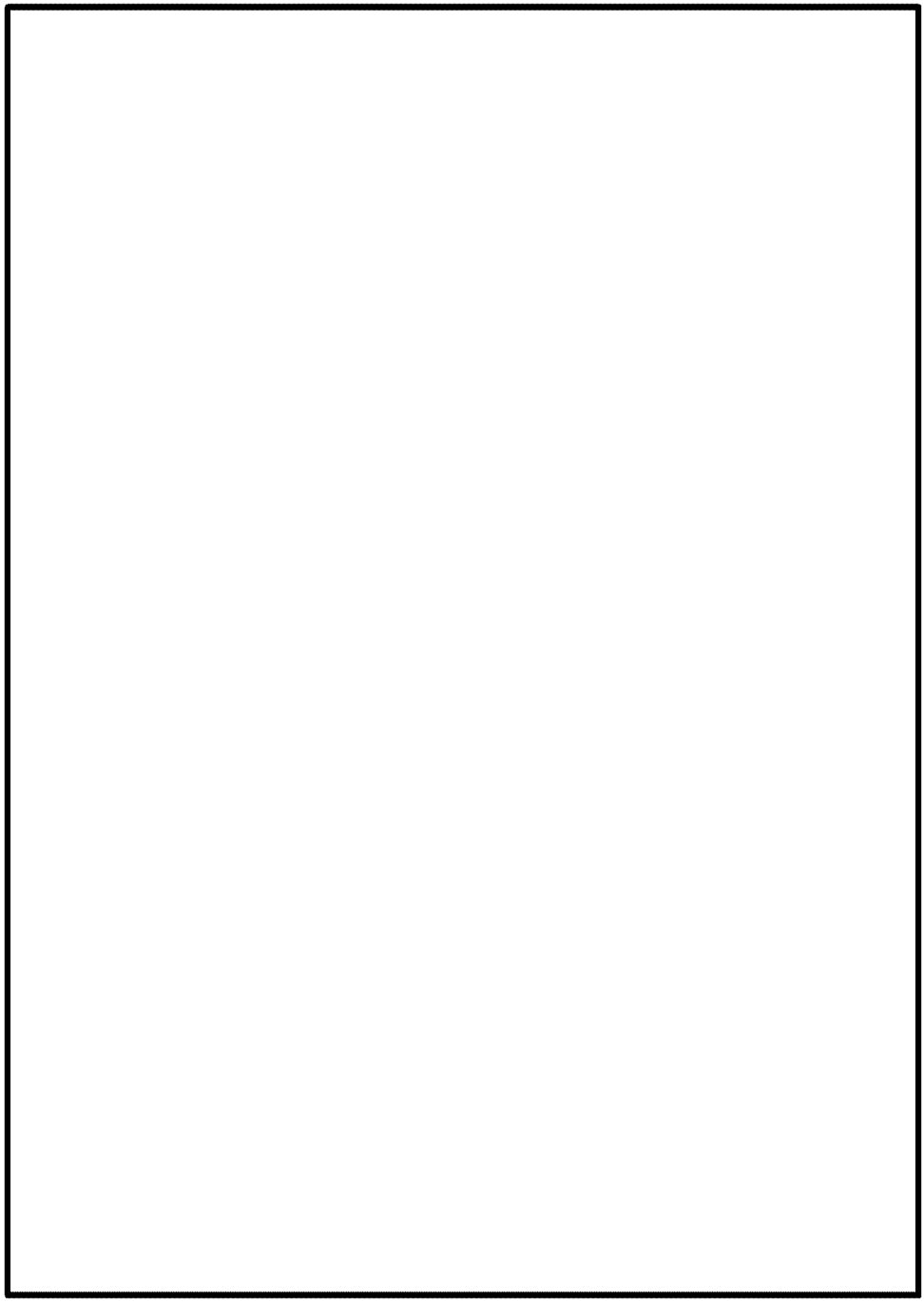
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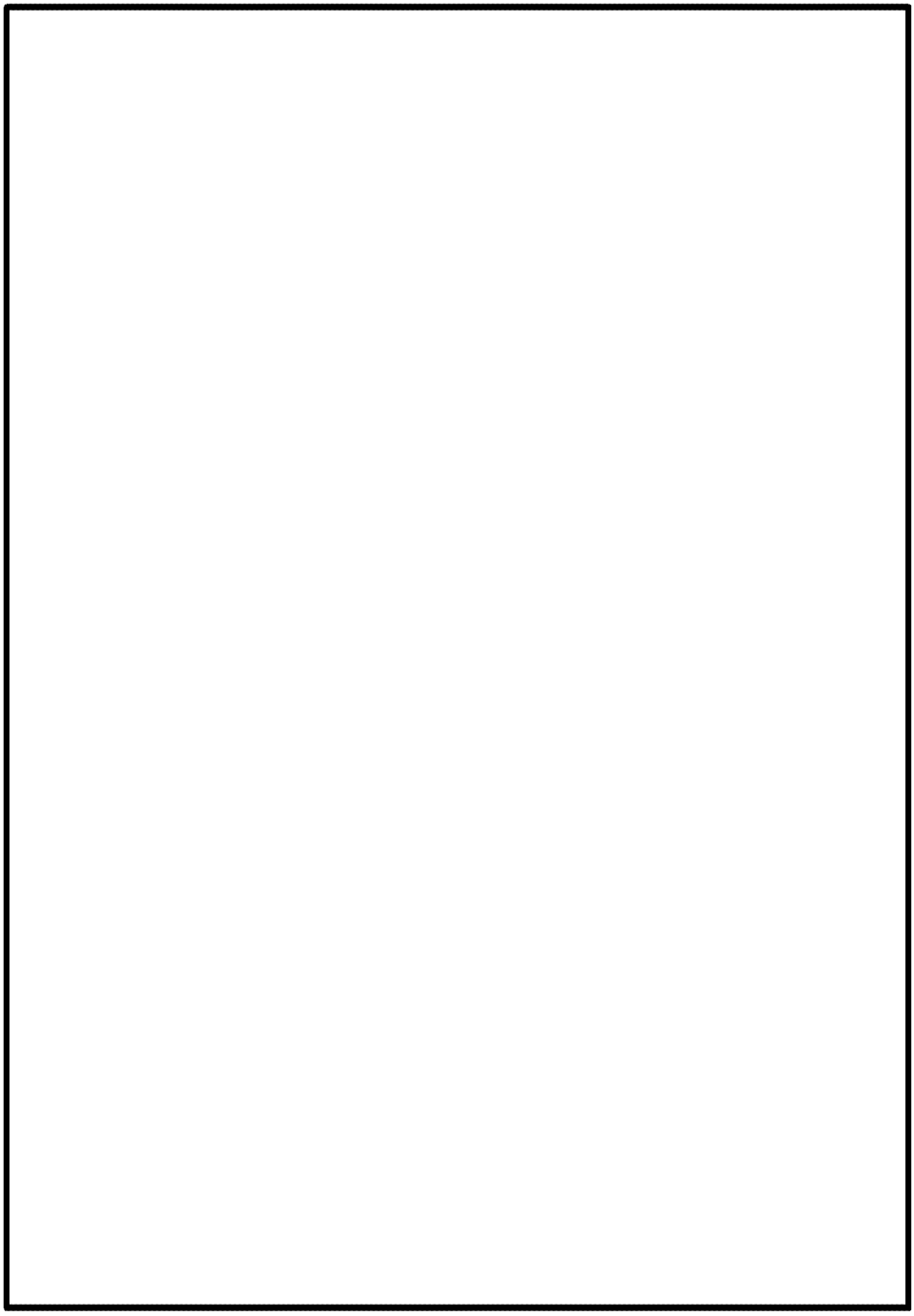
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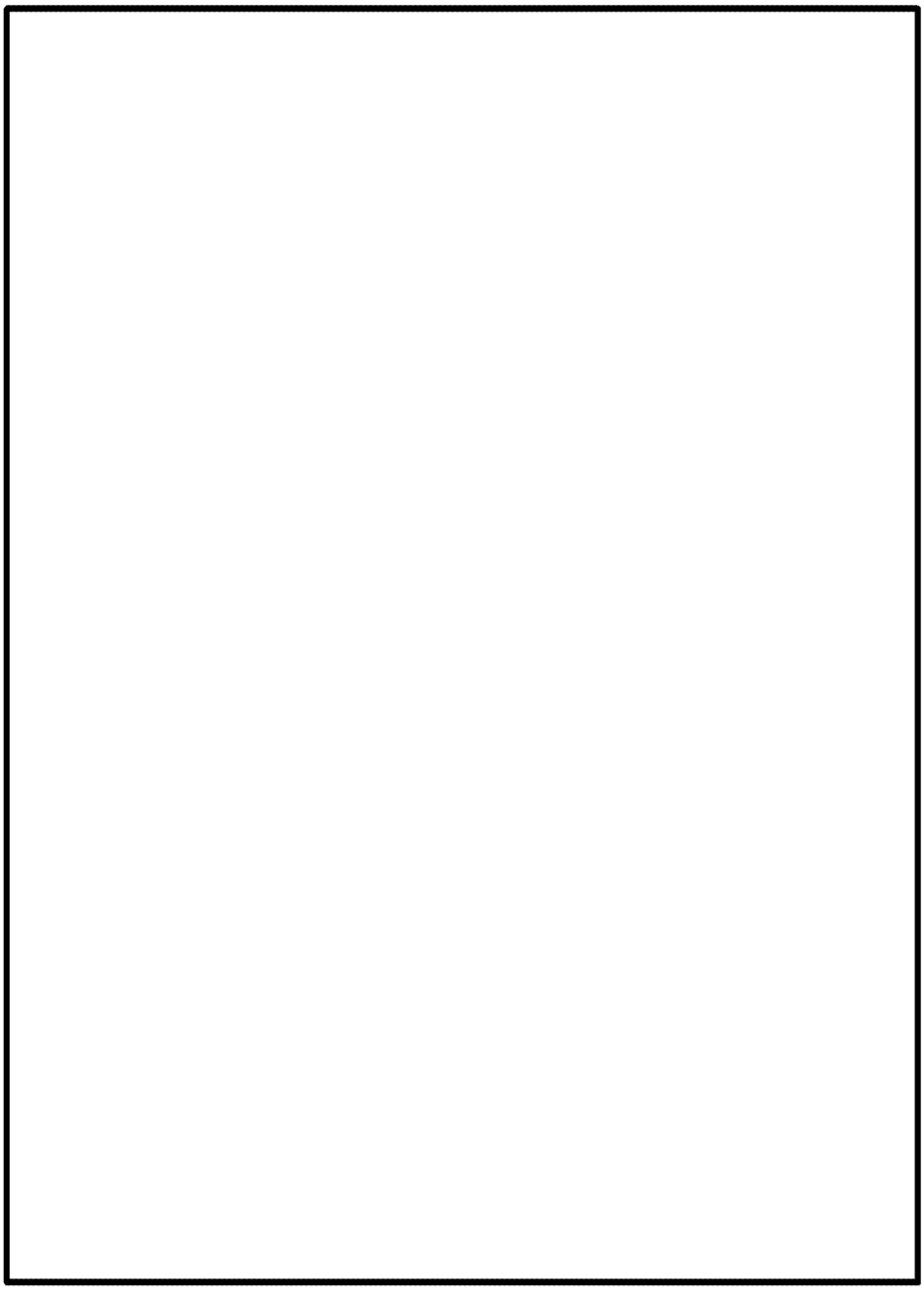
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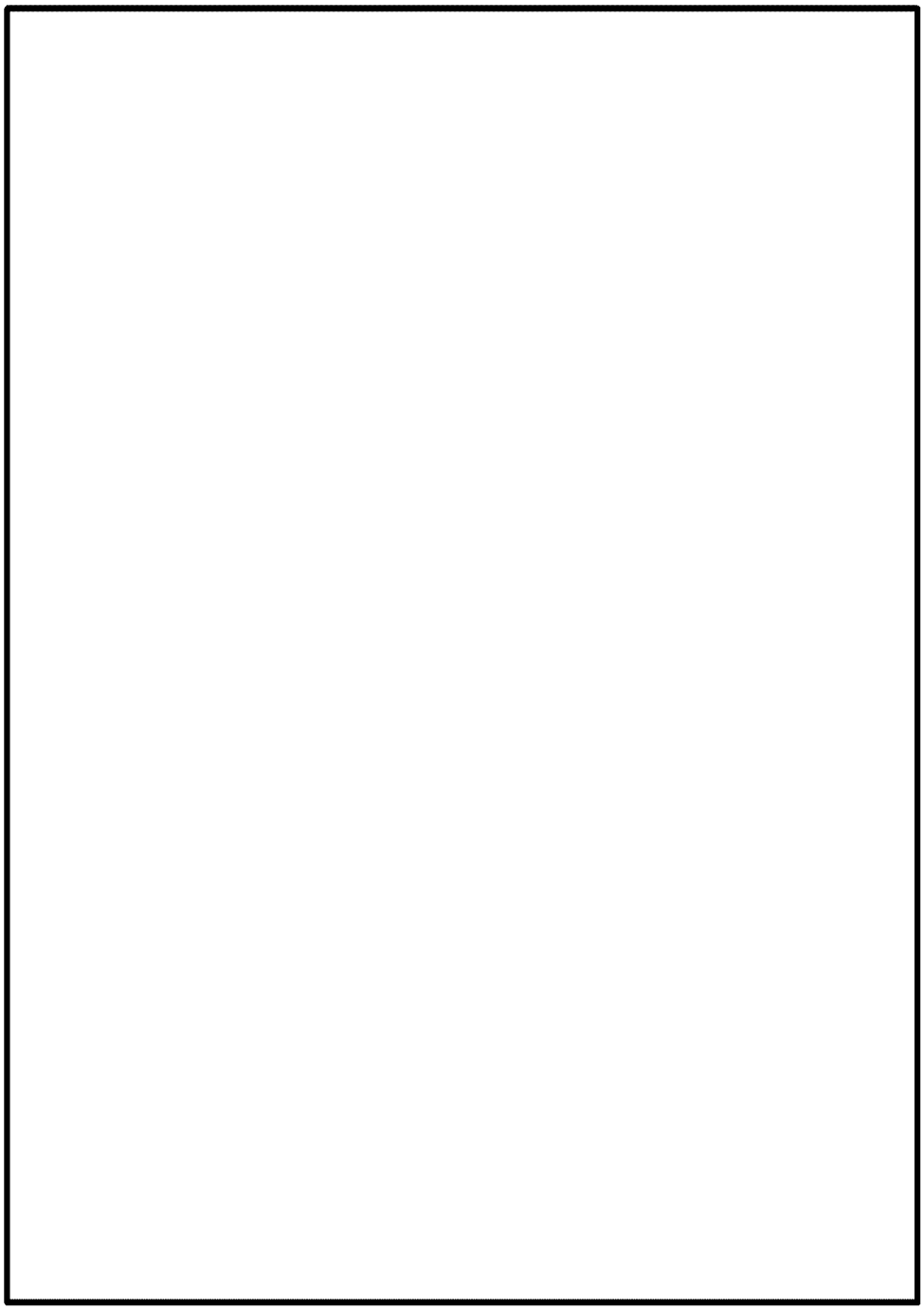
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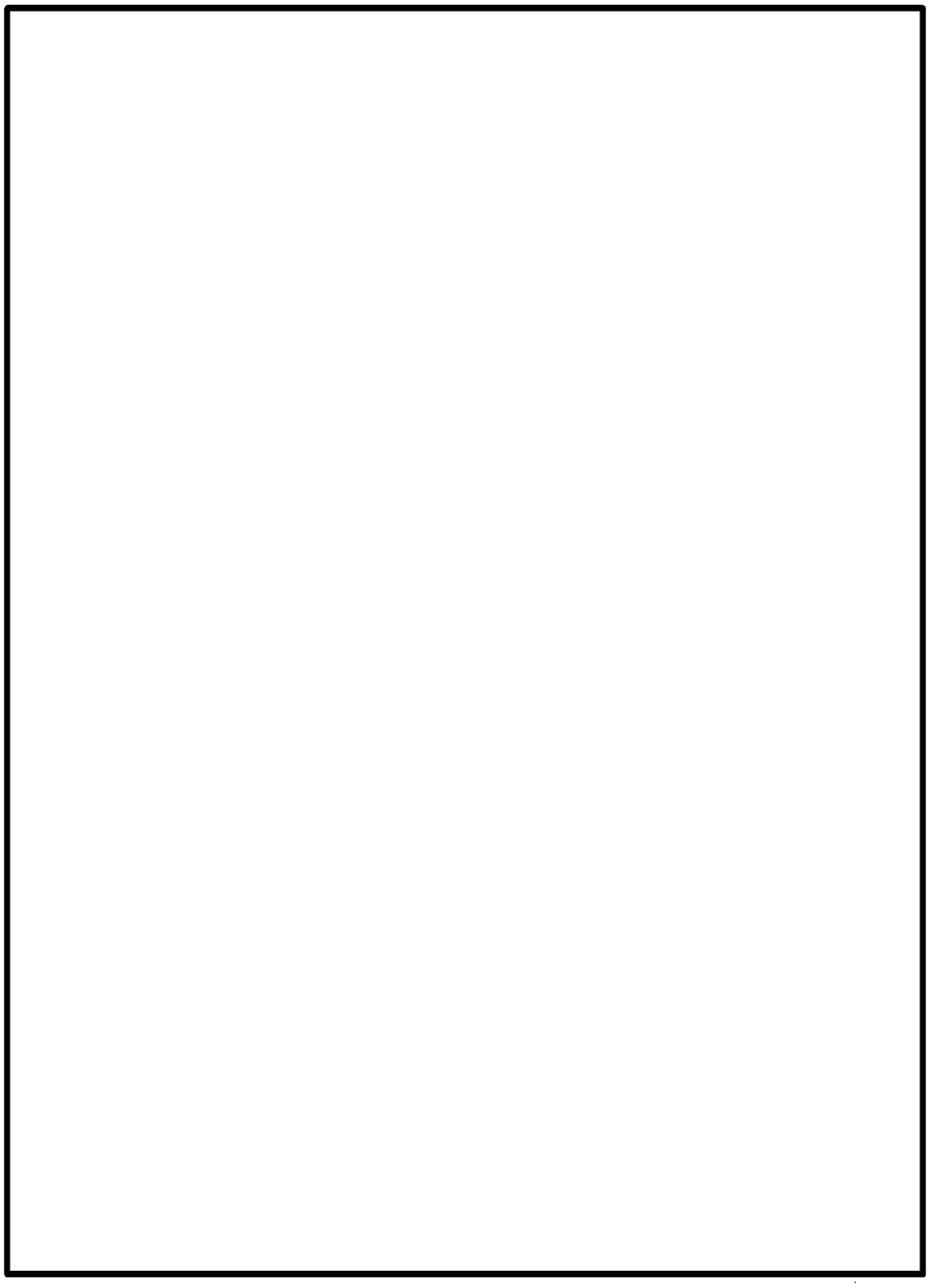
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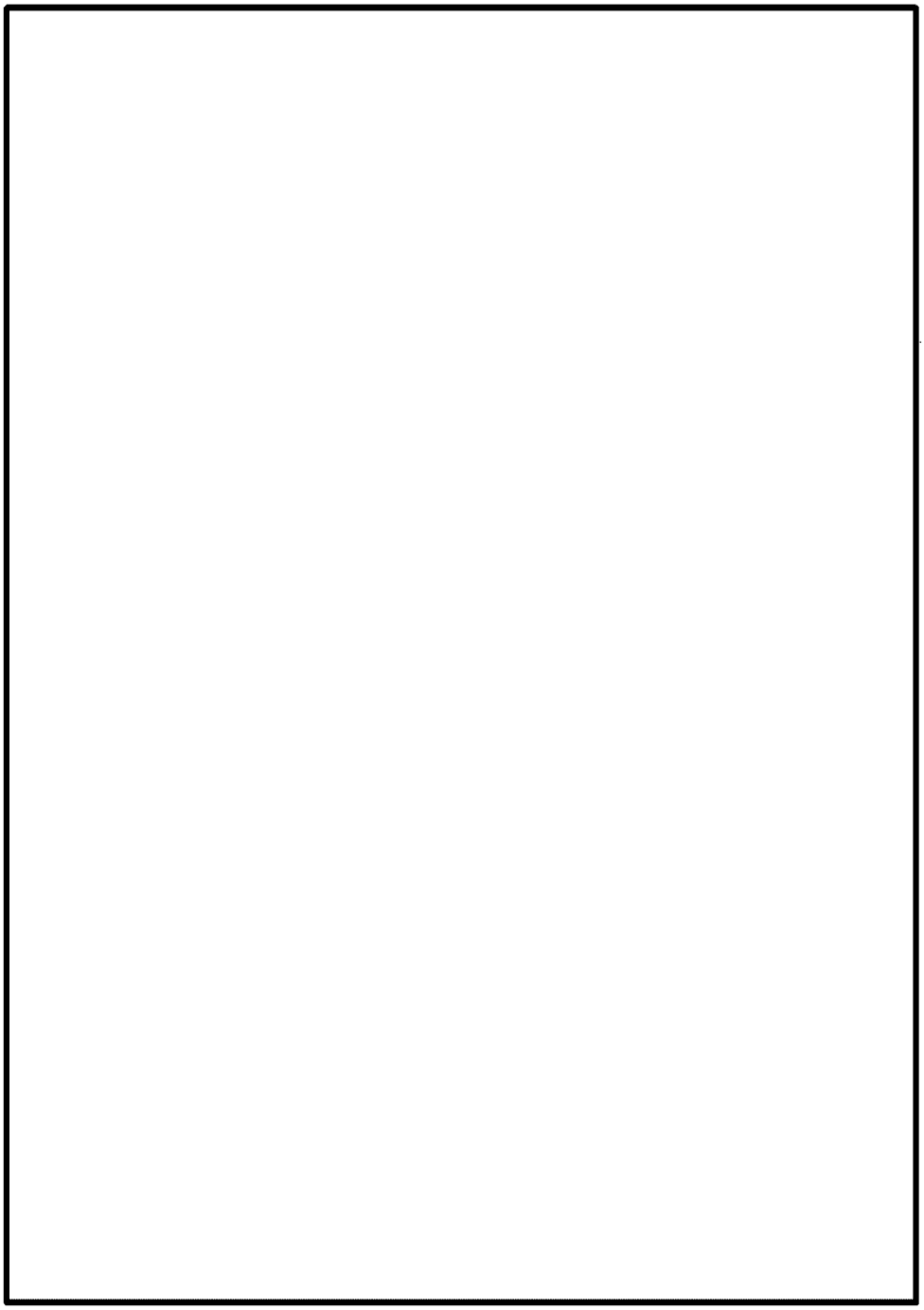
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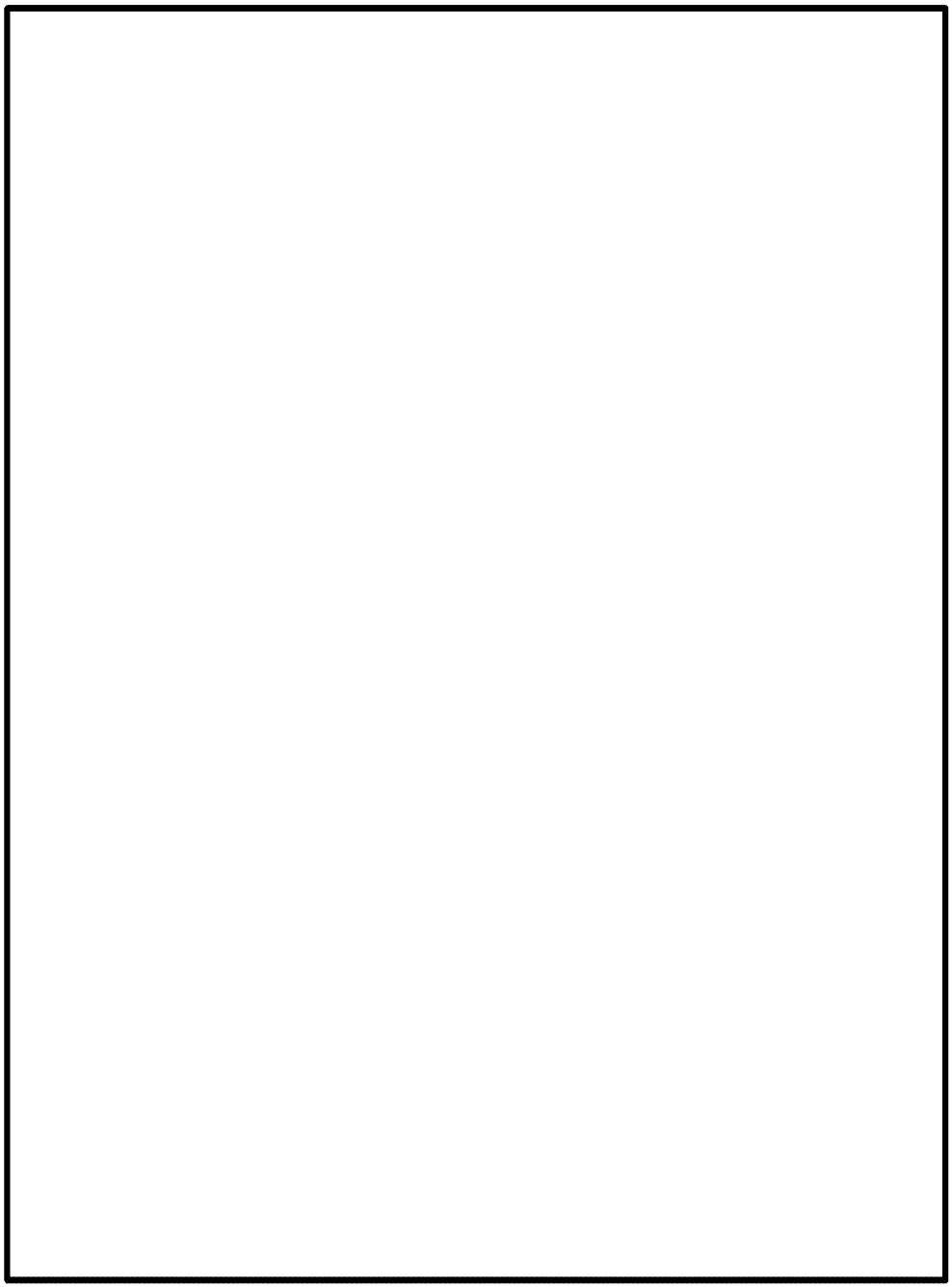
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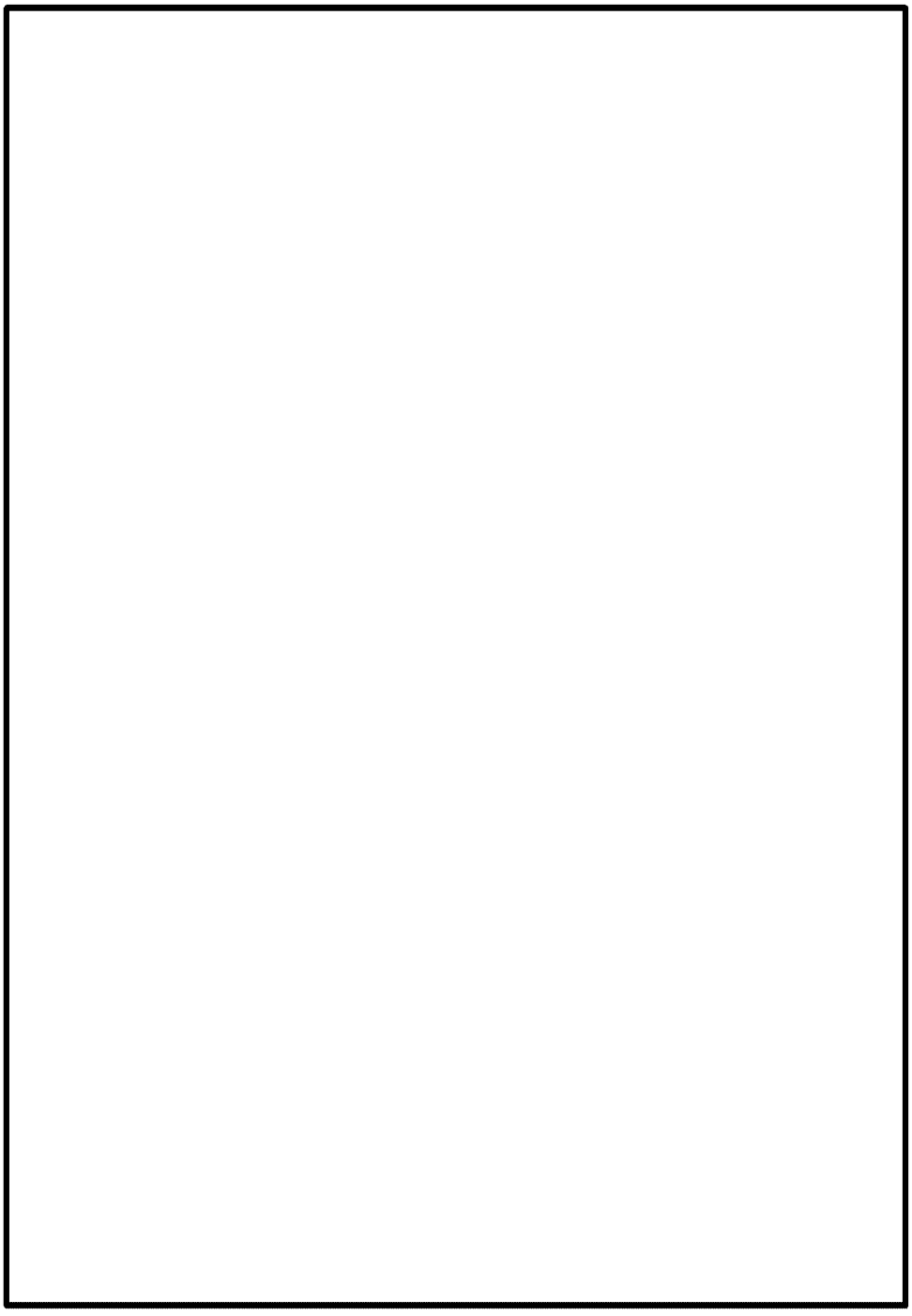
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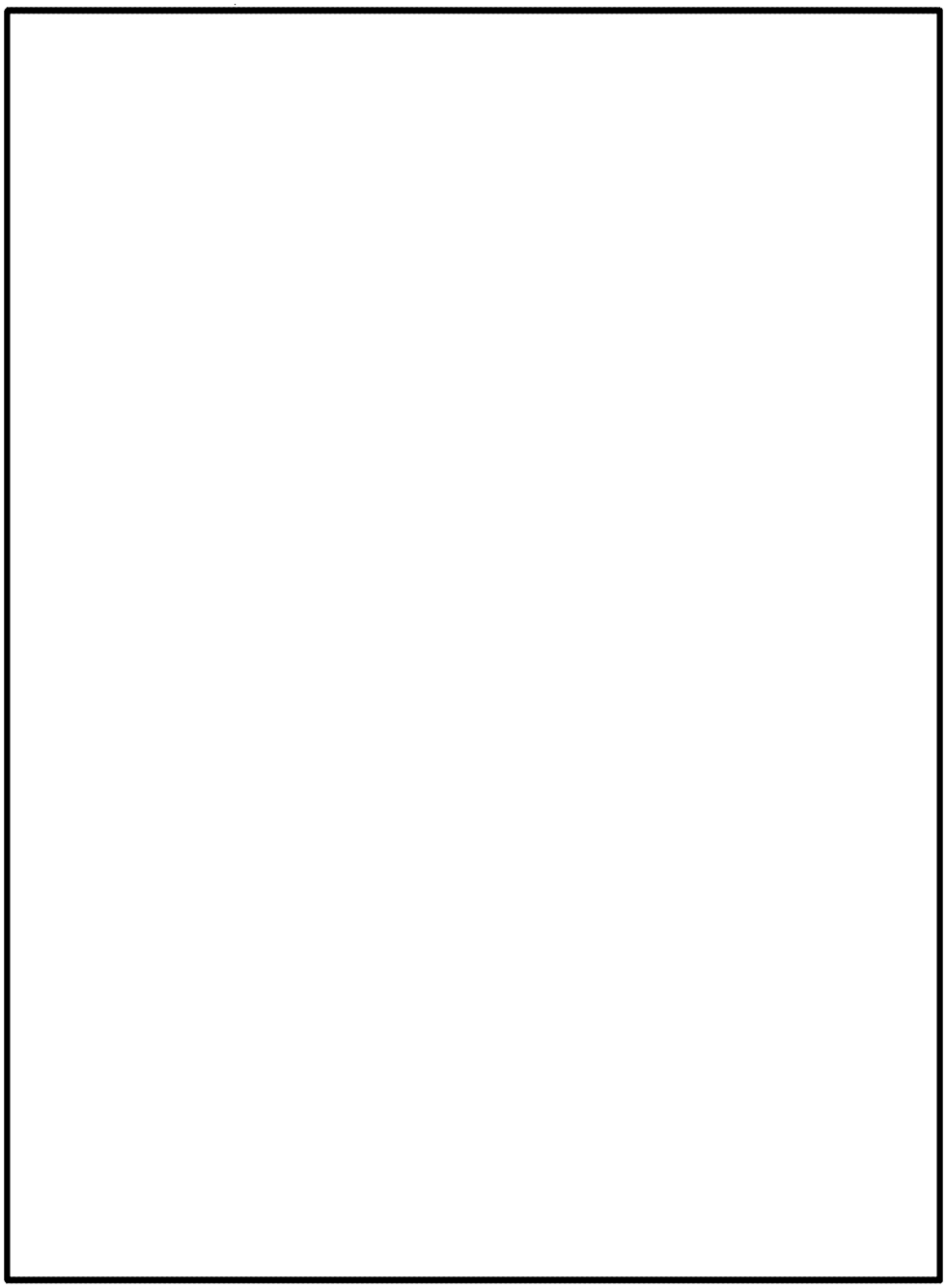
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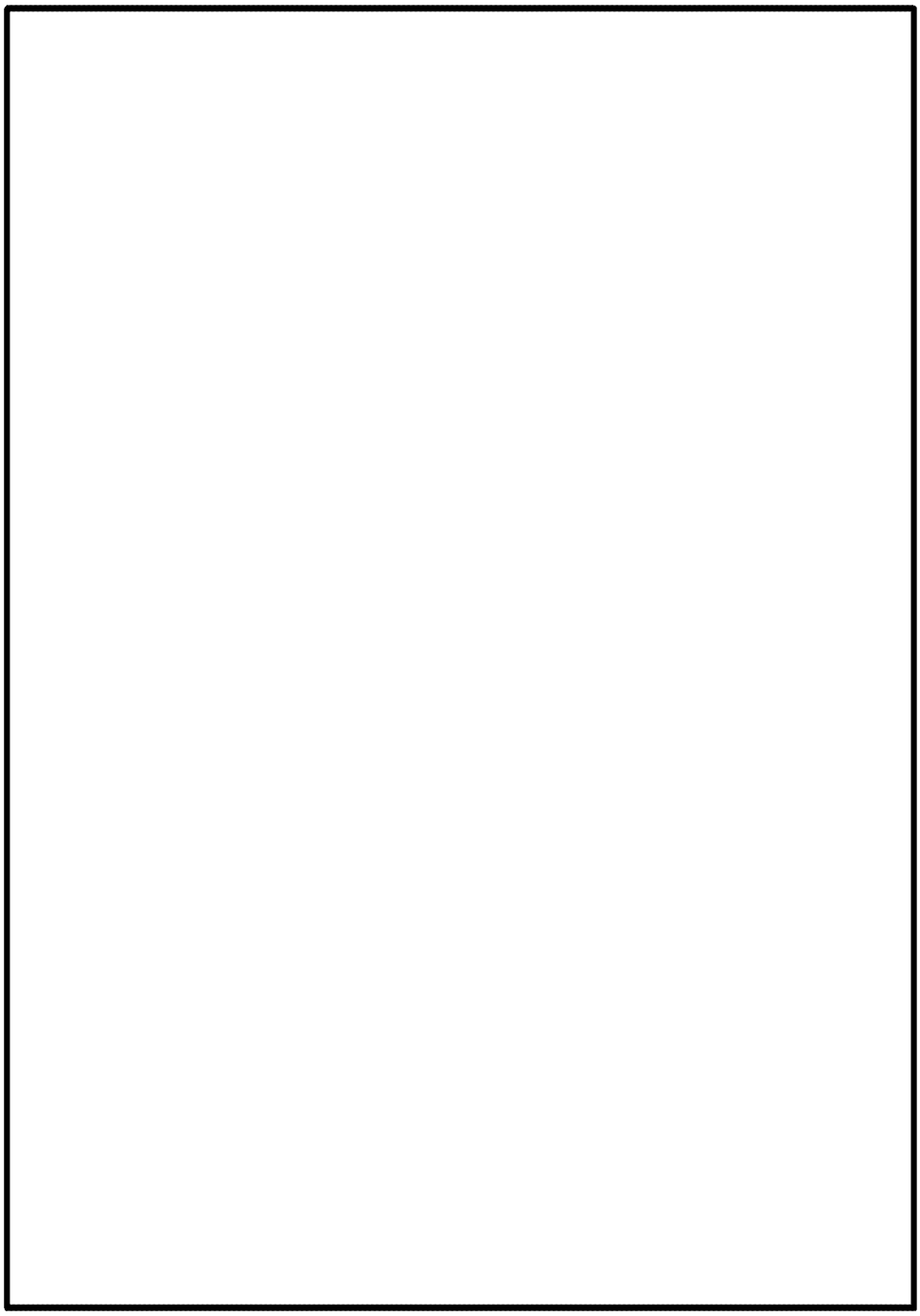
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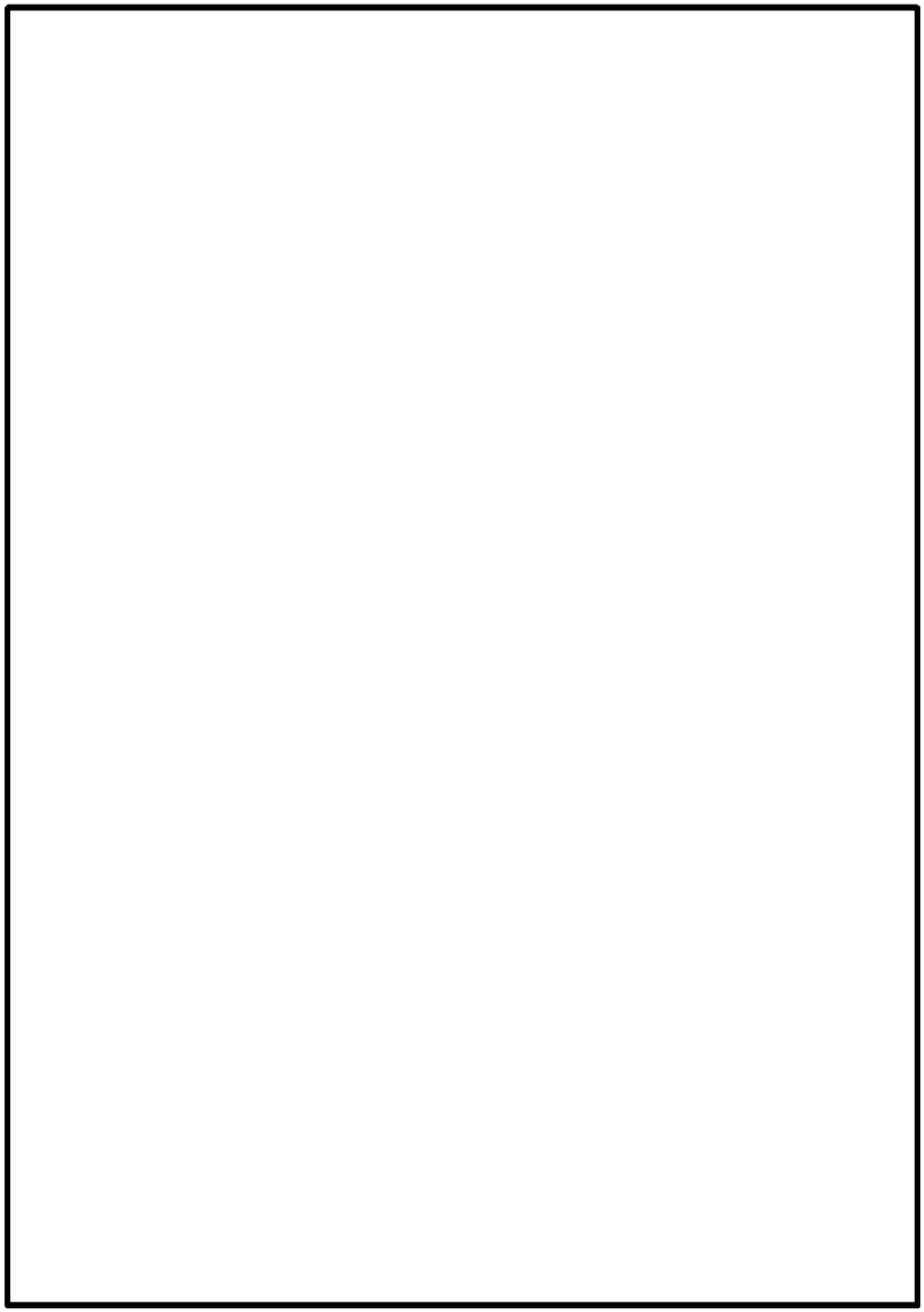
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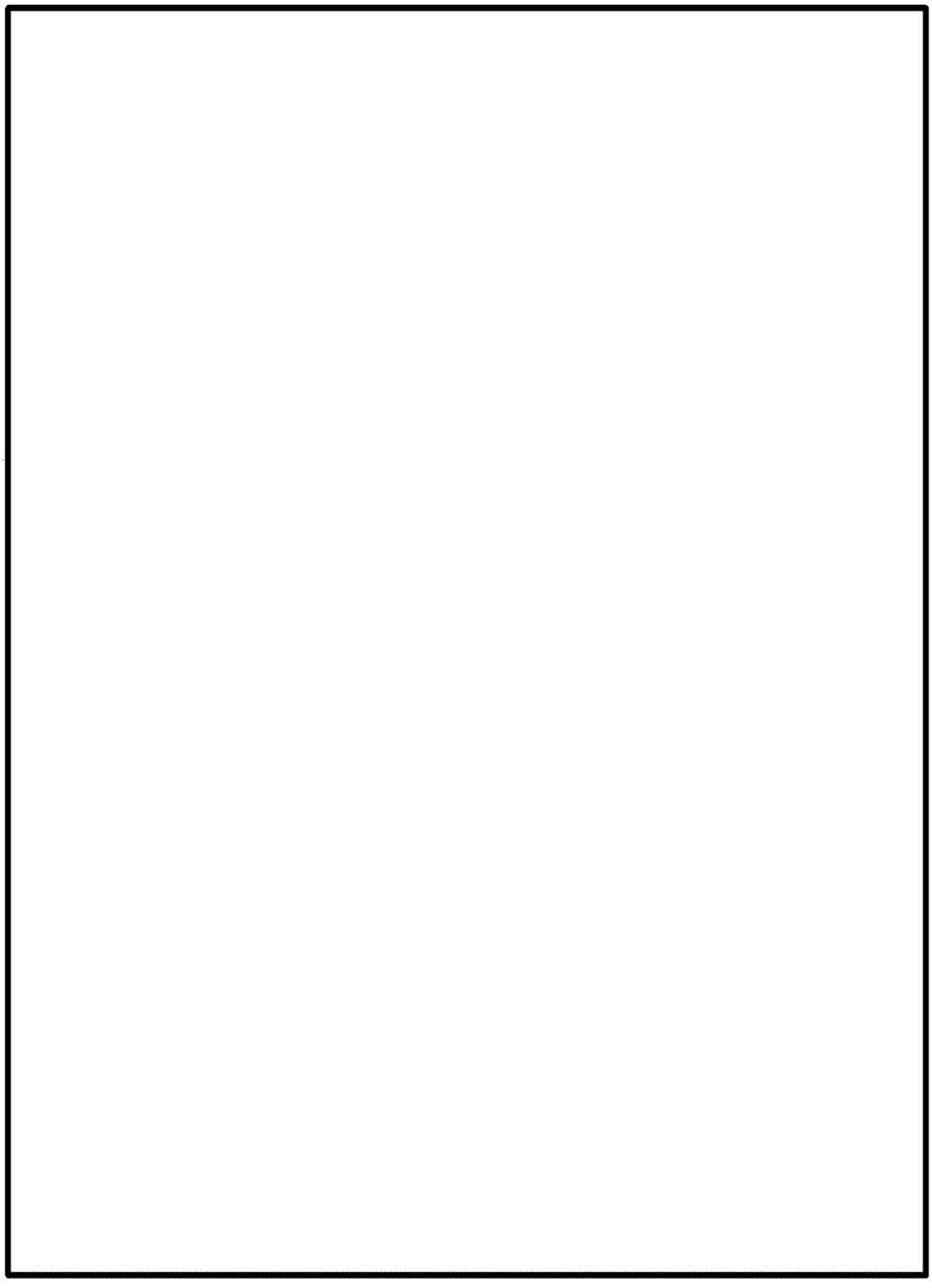
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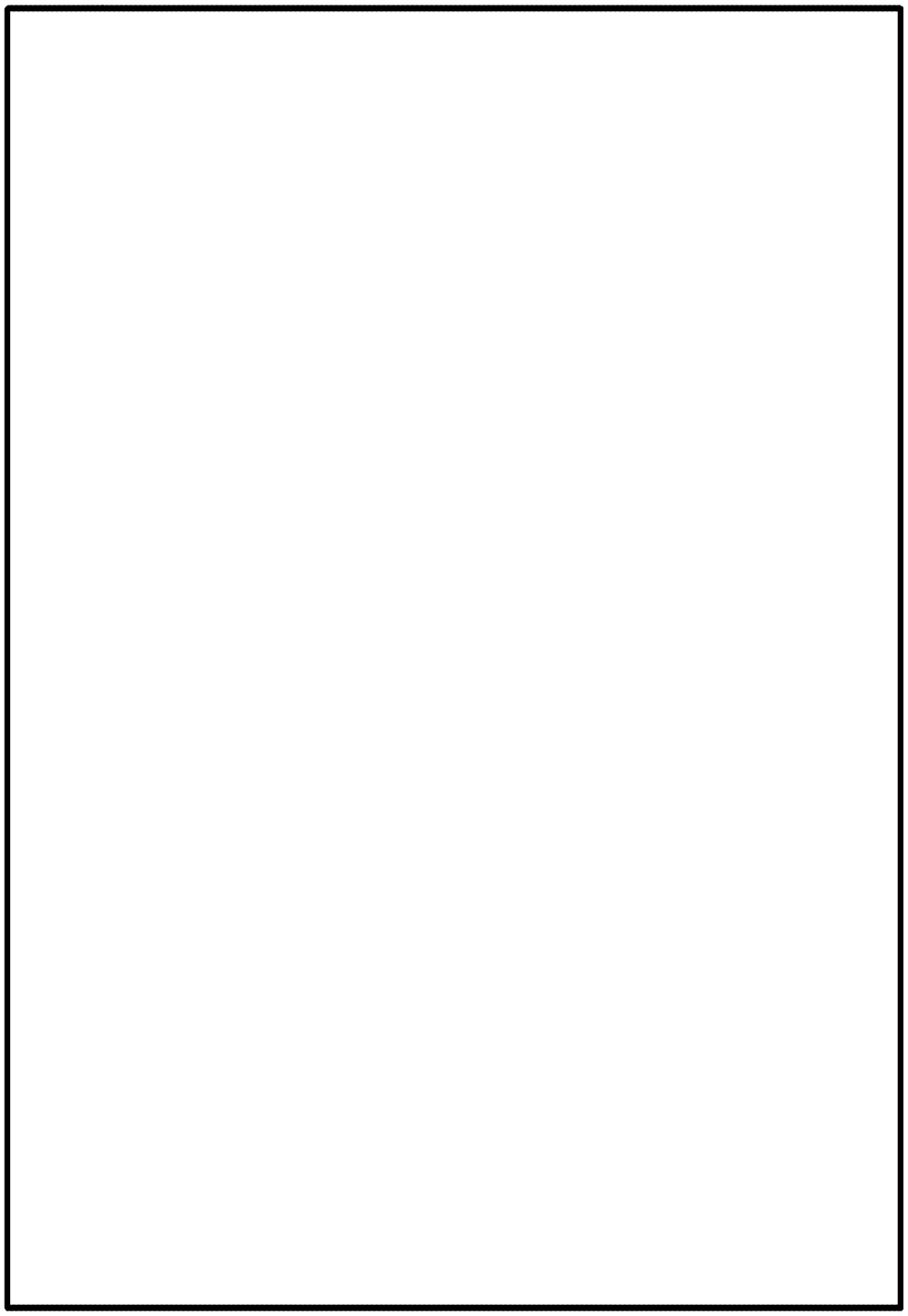
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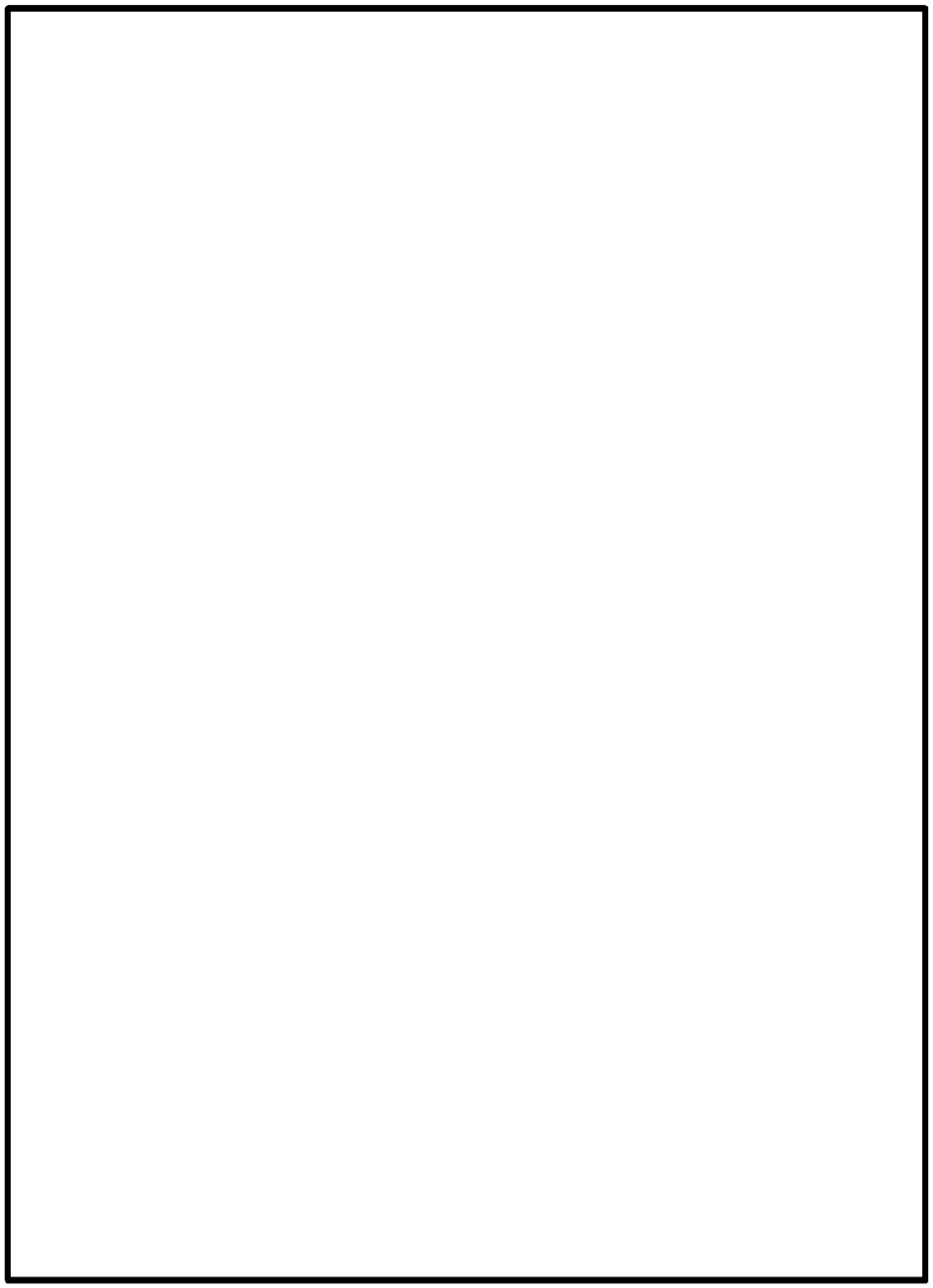
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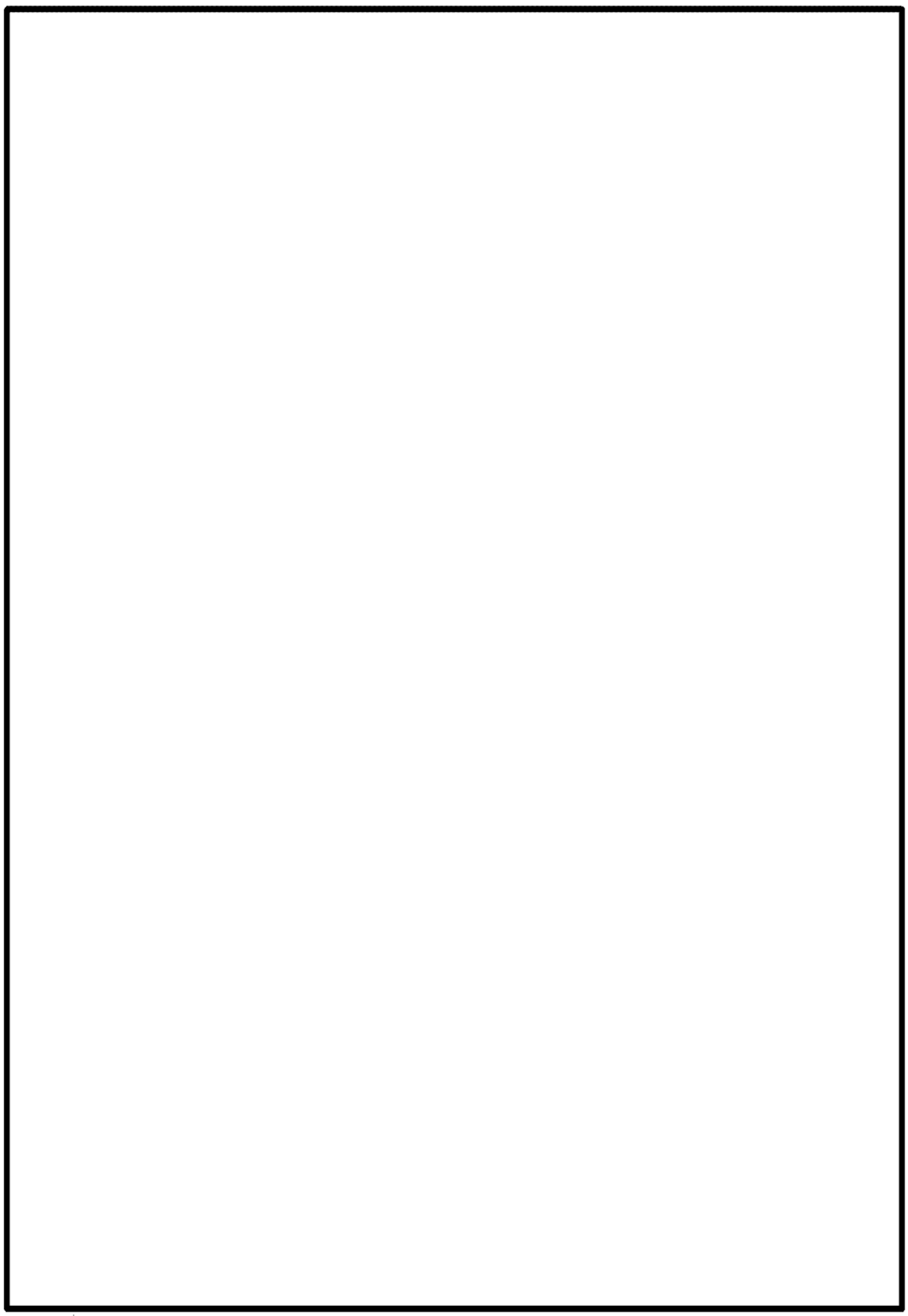
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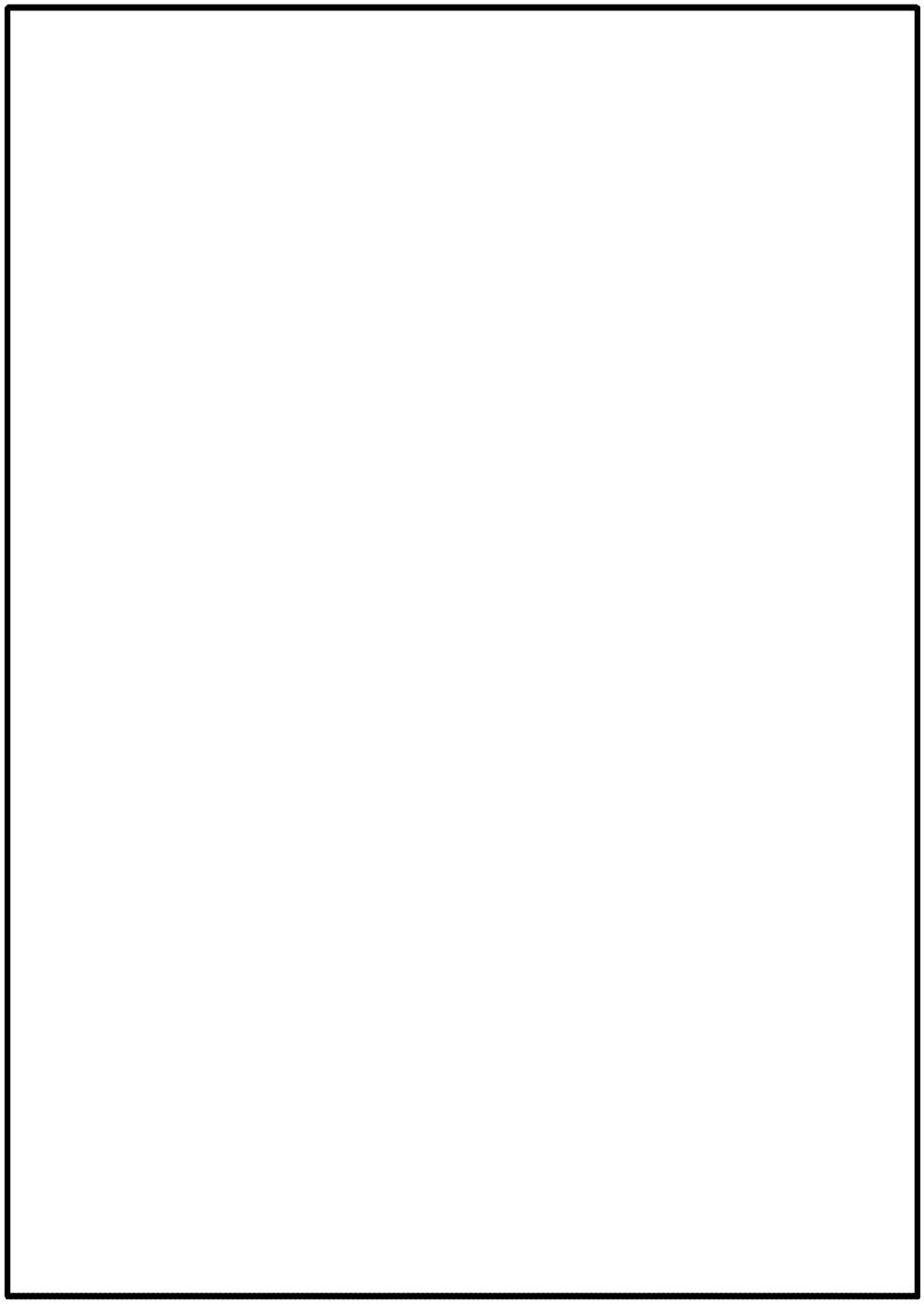
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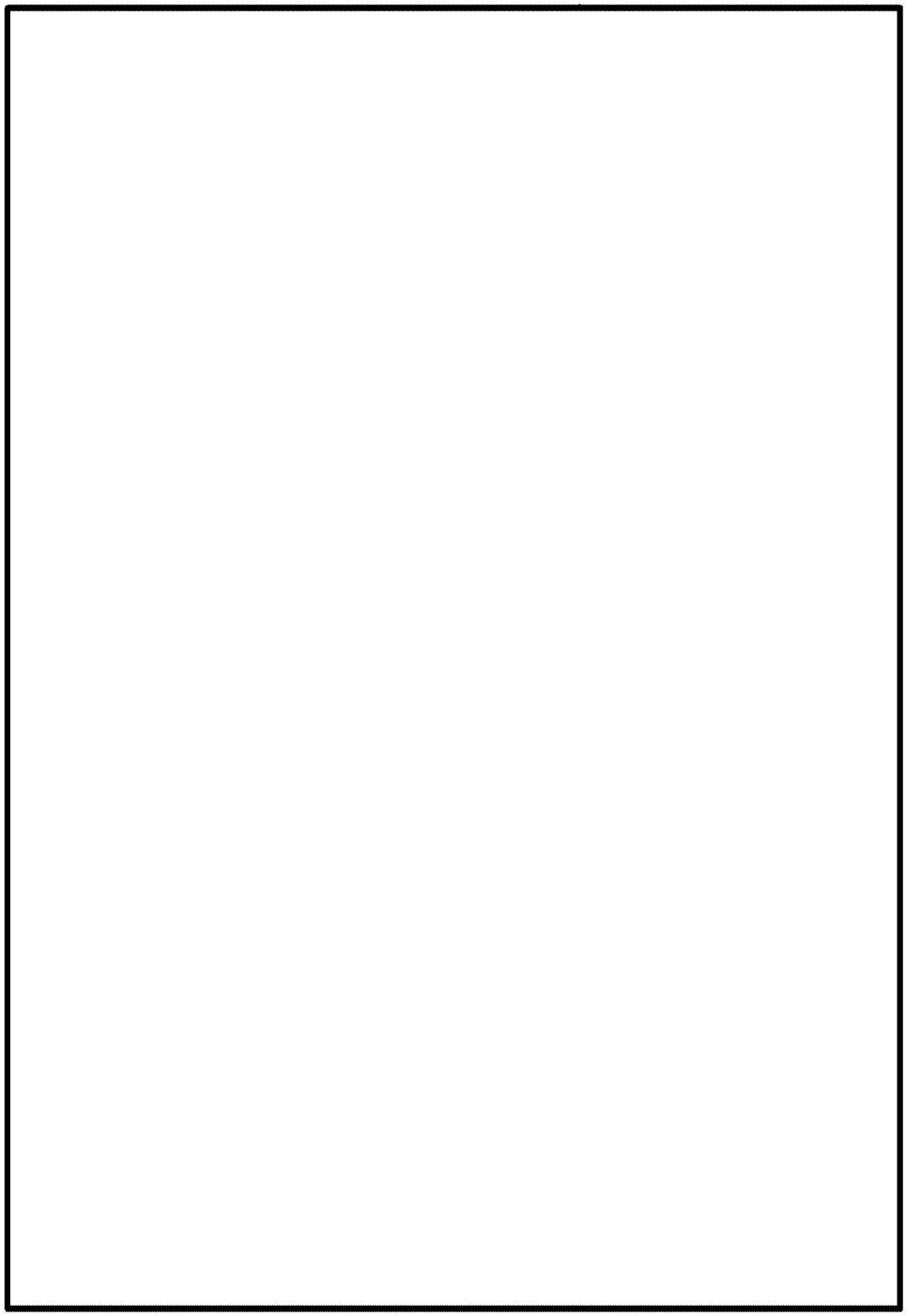
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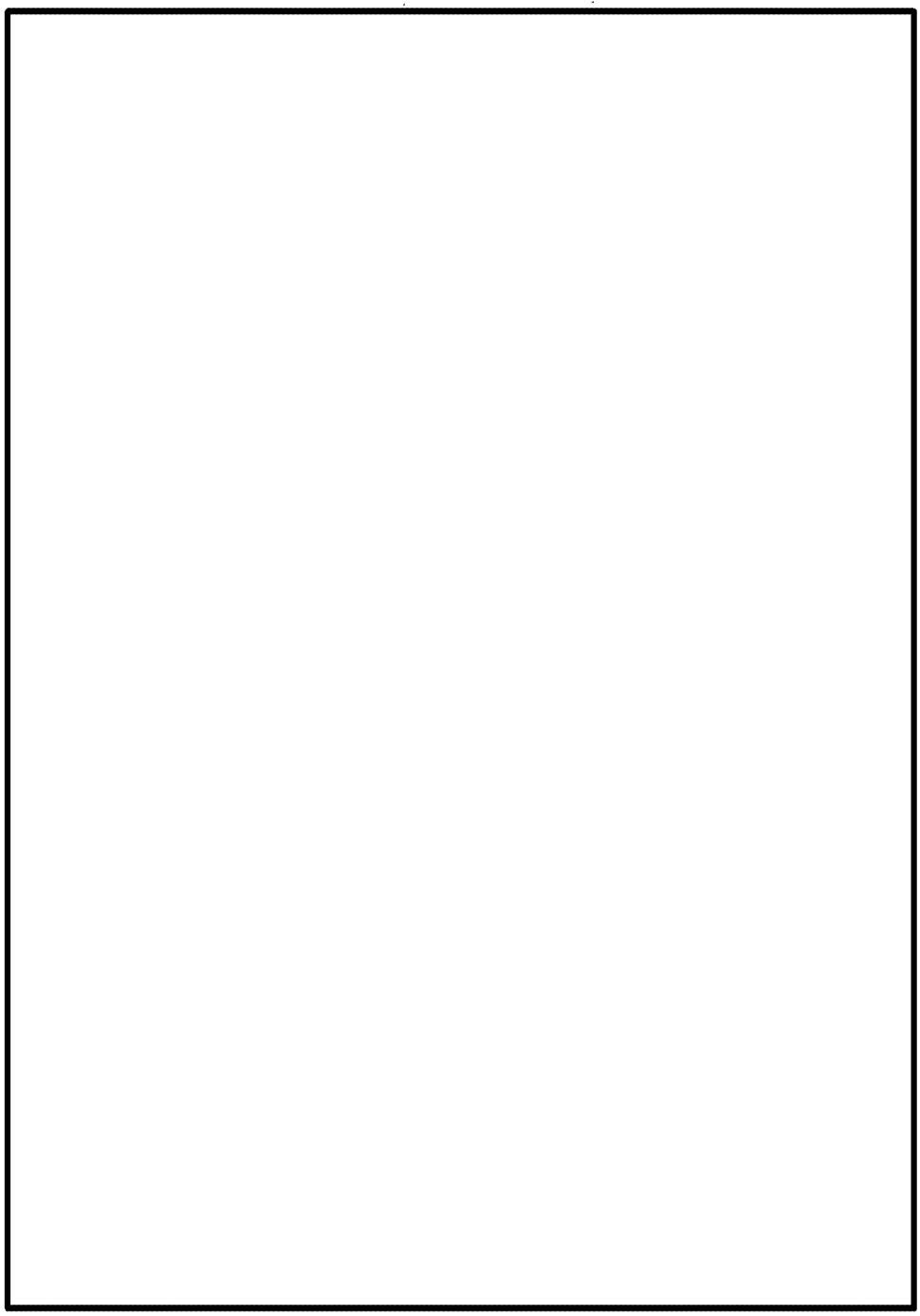
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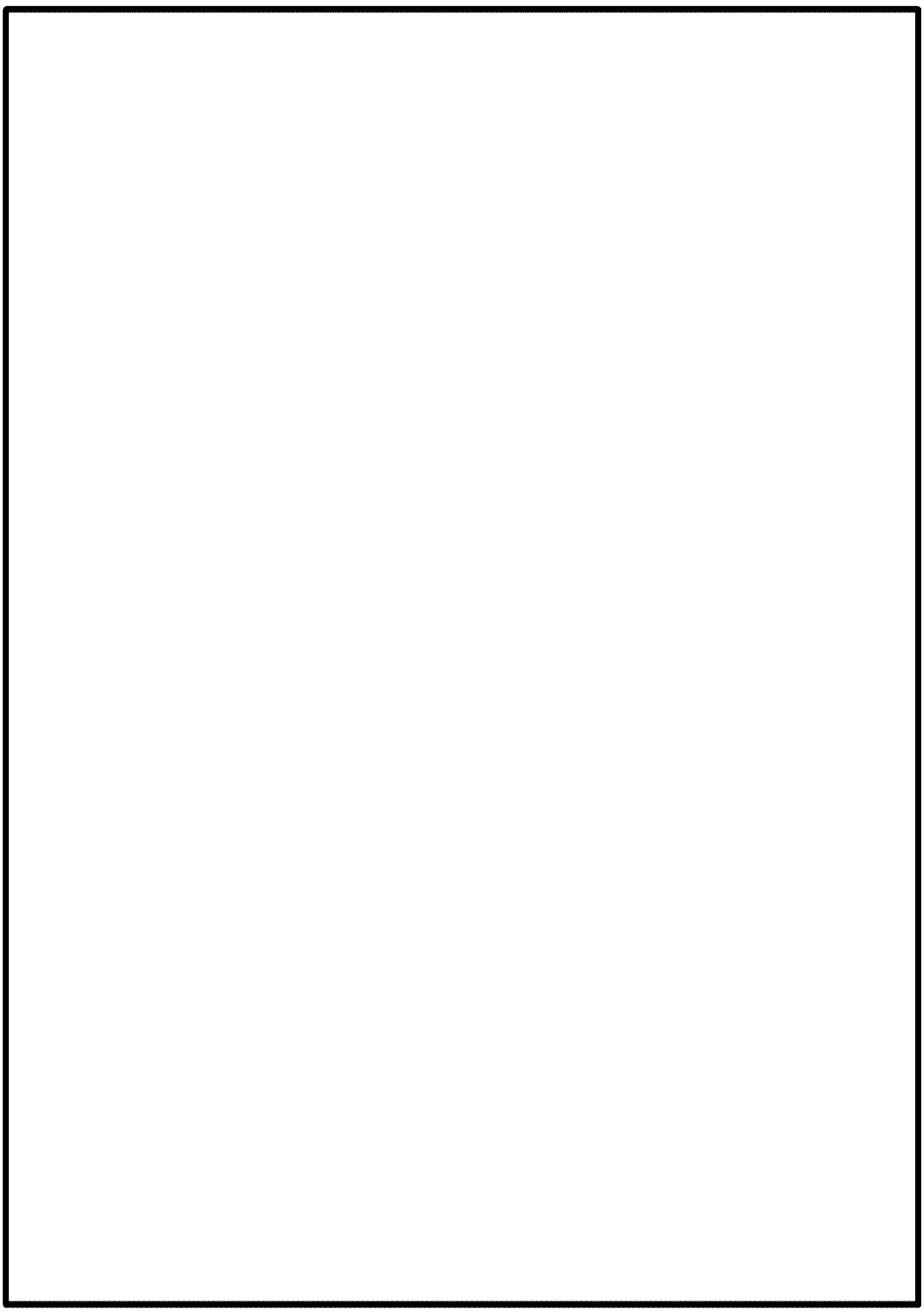
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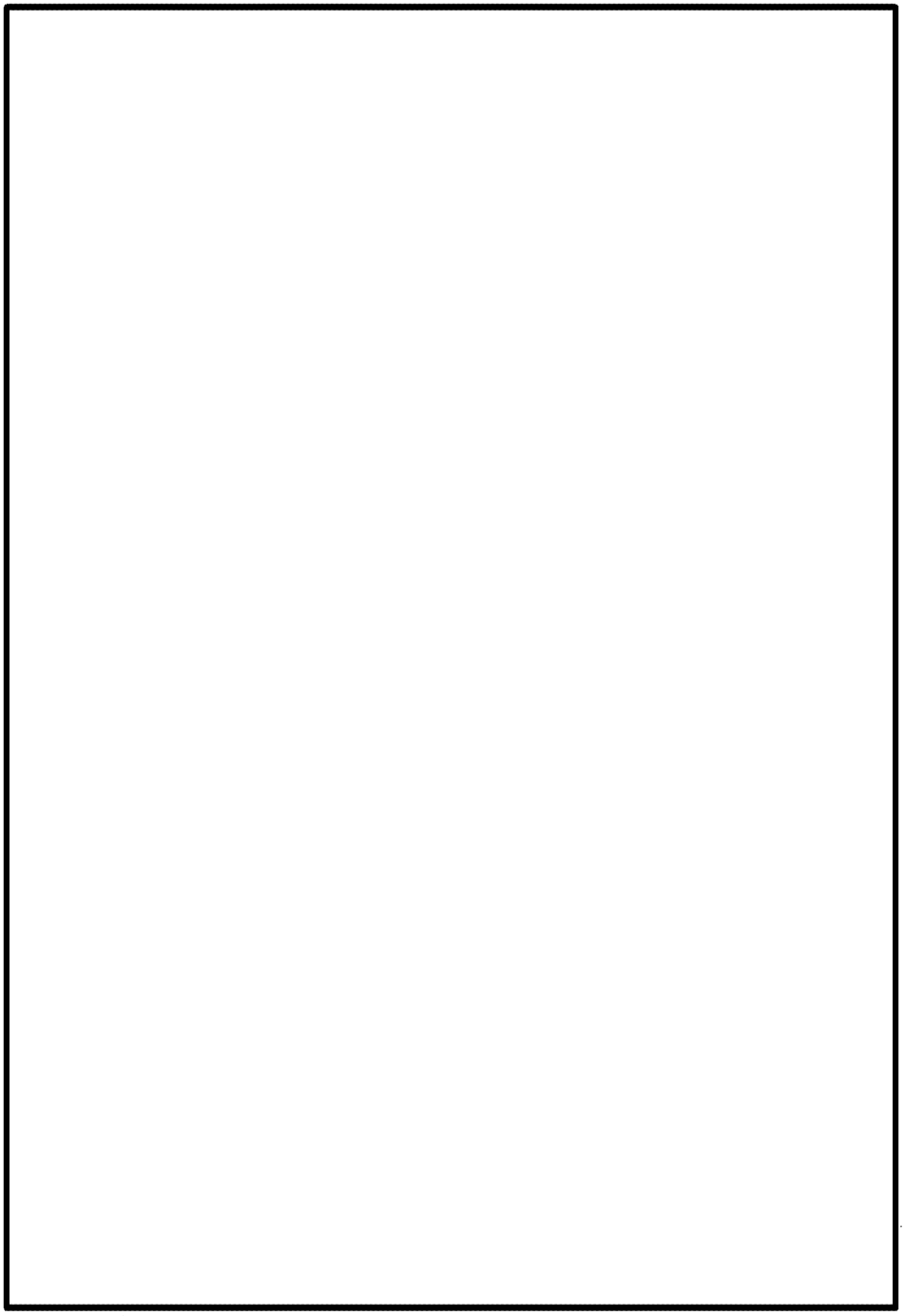
(b)(4)



(b)(4)



(b)(4)



(b)(4)

[redacted]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Courtyard by Marriott Franchise Agreement in duplicate as of the Effective Date.

FRANCHISOR

ATTEST:

MARRIOTT INTERNATIONAL, INC.

Assistant Secretary

By: _____ (SEAL)
Name:
Title: Nick Kellock
Sr. Vice President, Owner and Franchise Services

FRANCHISEE

ENCORE D'IBERVILLE HOTEL, LLC
a Delaware limited liability company

ATTEST:

By: ENCORE D'IBERVILLE MANAGEMENT, INC.
Its Managing Member

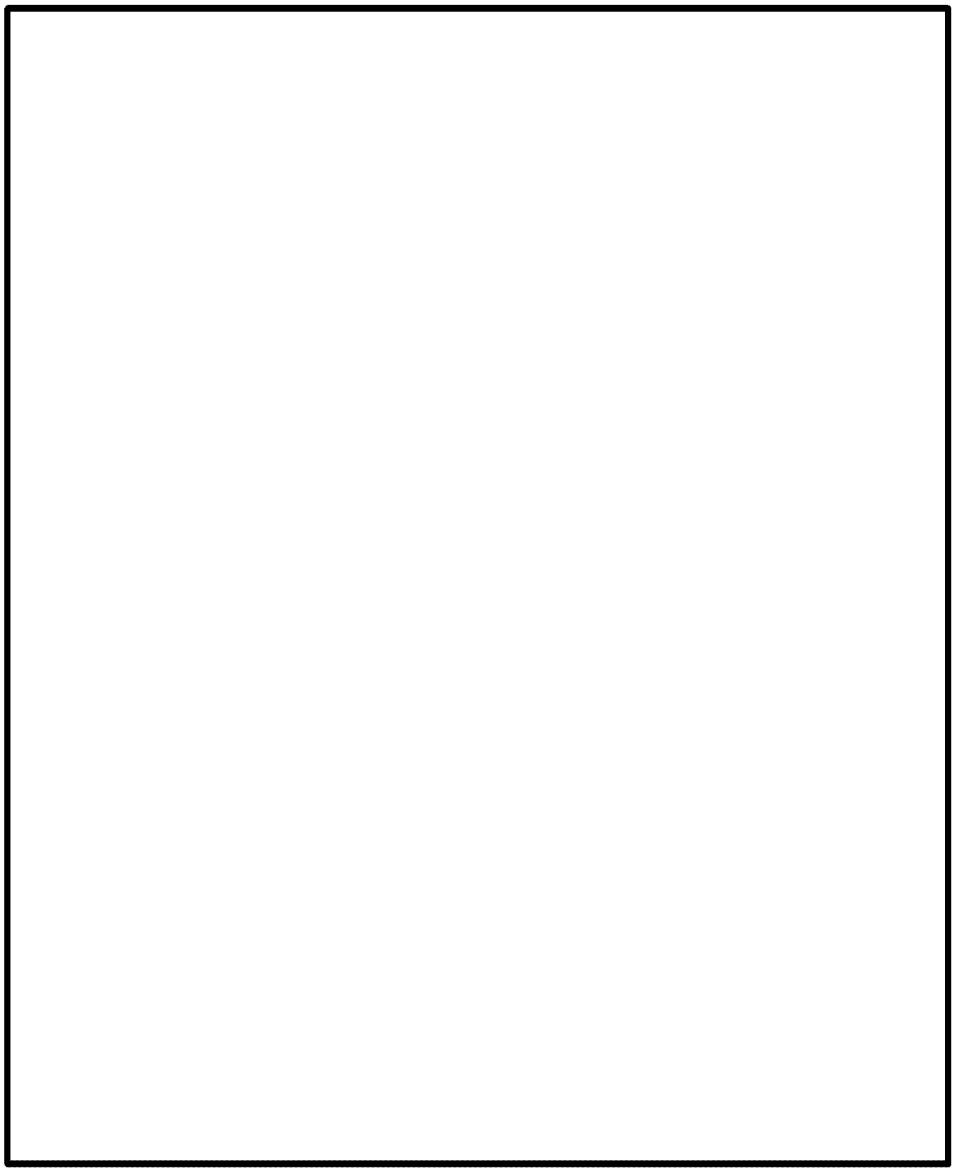
(Assistant) Secretary

By: _____ (SEAL)
Name: Bharat Sangani
Title: President

(b)(4)

ATTACHMENT A

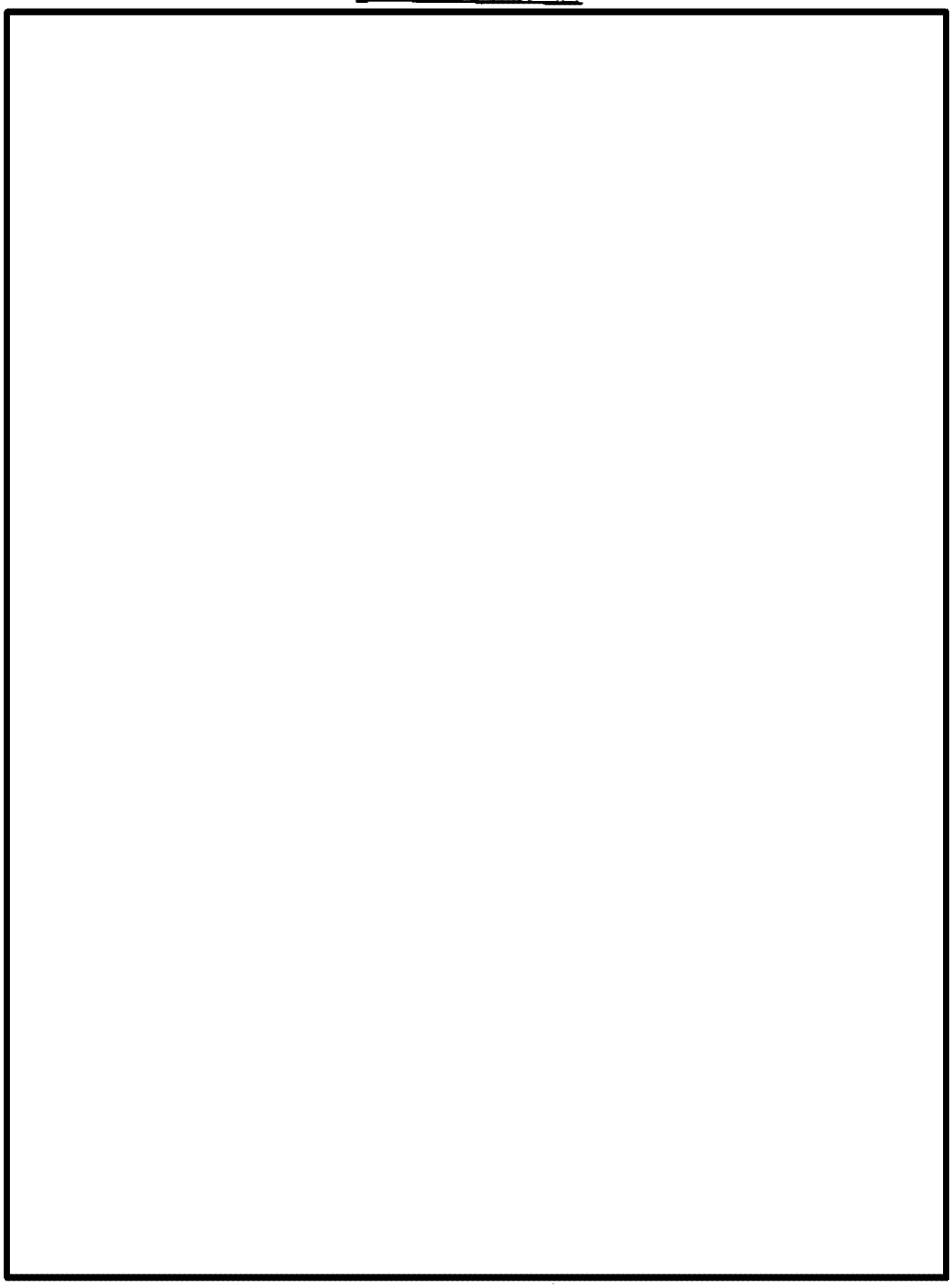
FRANCHISE INFORMATION



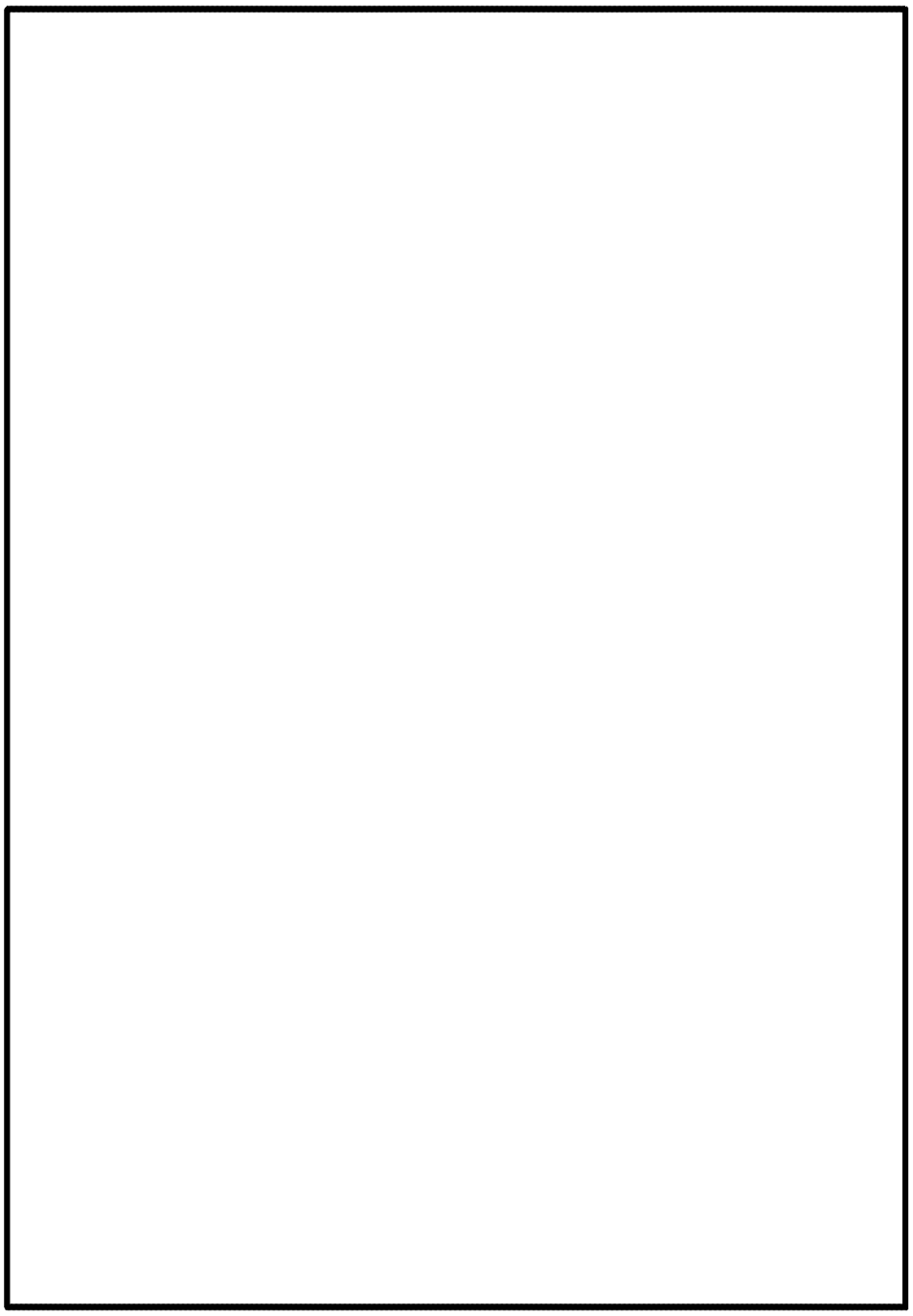
(b)(4)

ATTACHMENT B

FORM OF GUARANTY



(b)(4)



(b)(4)

[redacted]

IN WITNESS WHEREOF, the undersigned has executed this Guaranty, under seal, as of the date first above written.

GUARANTOR:

[GUARANTOR]

By: _____(SEAL)
Name:
Title:

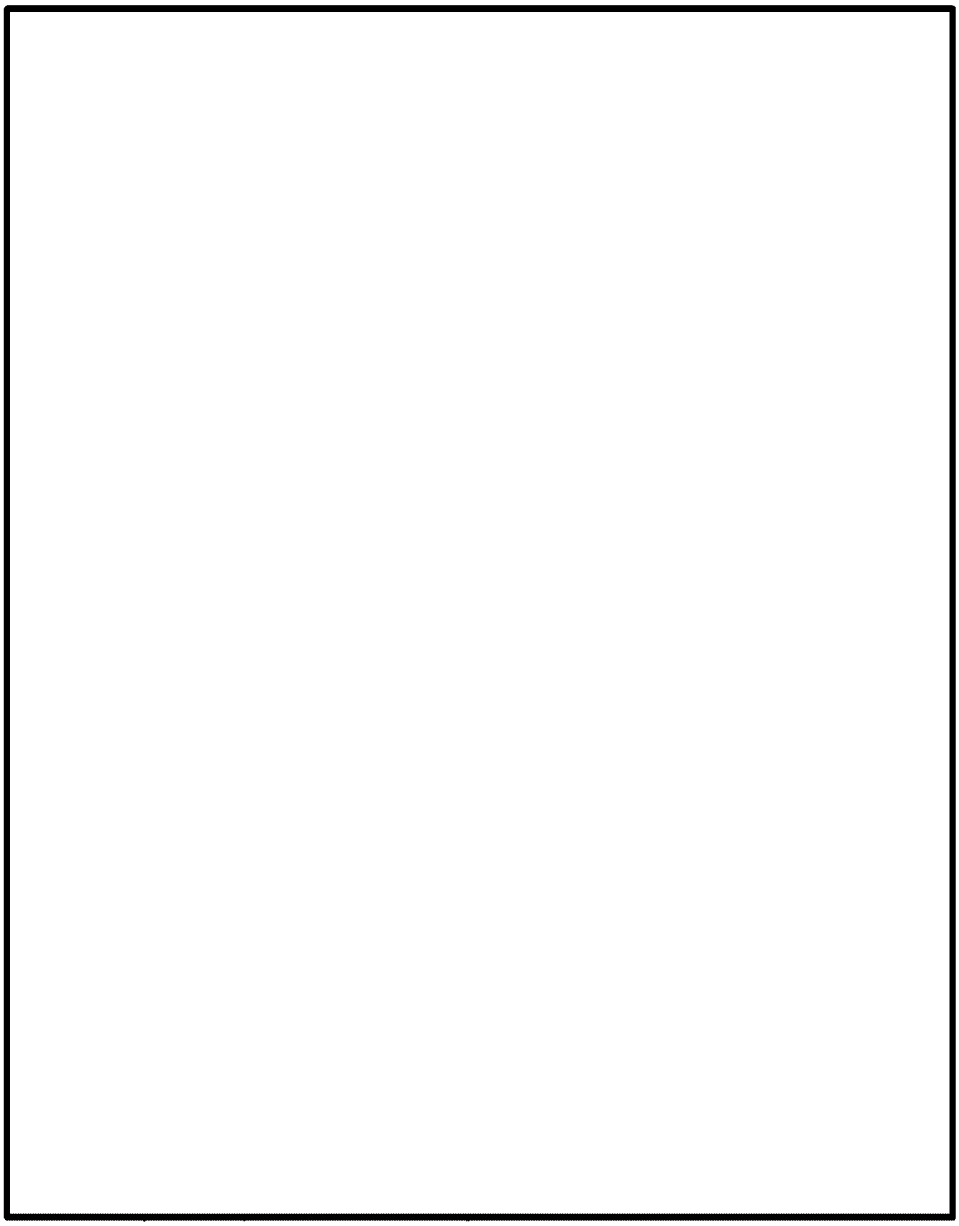
ADDRESS FOR NOTICES TO GUARANTOR:

_____
_____
_____

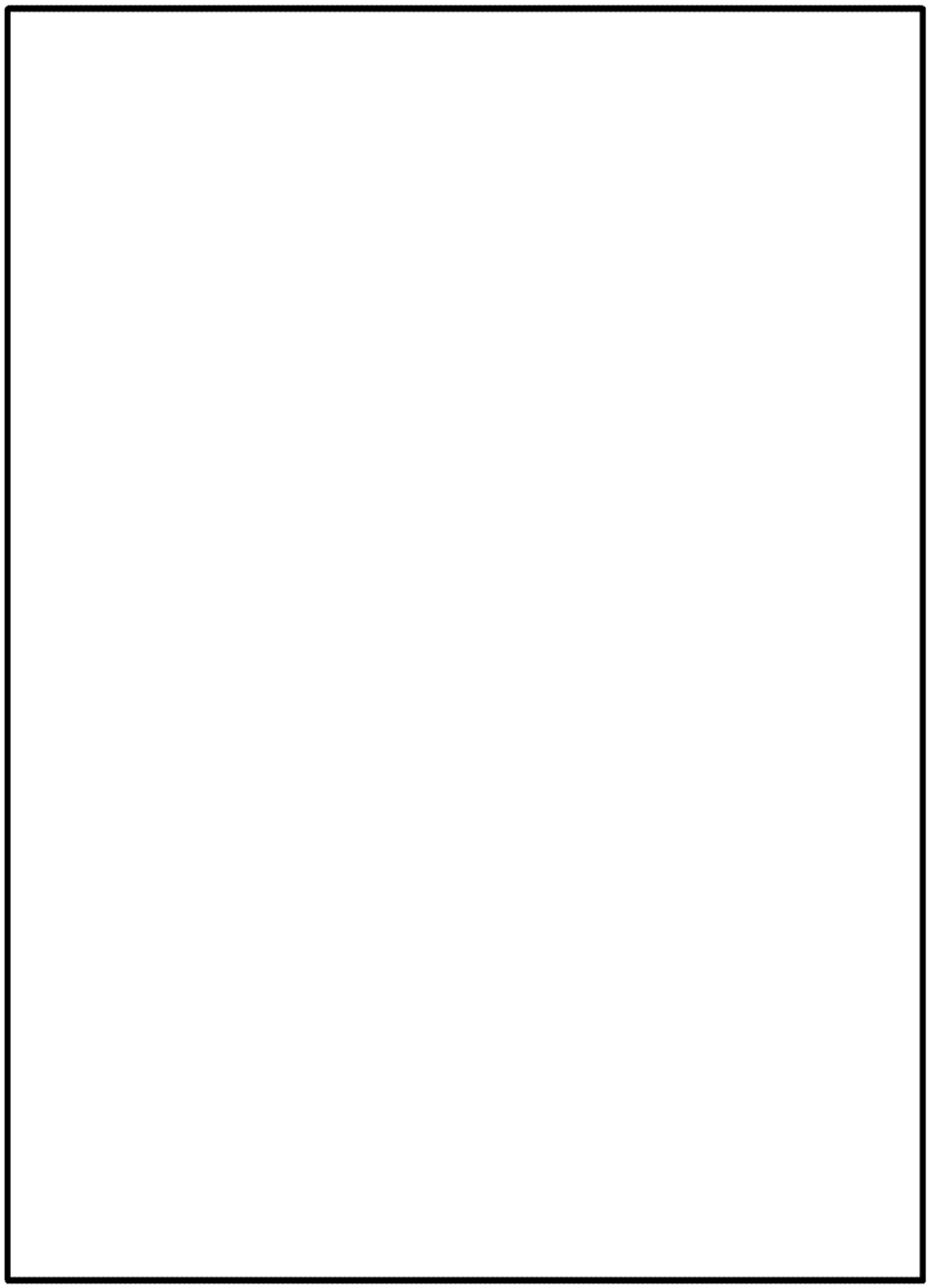
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ATTACHMENT C

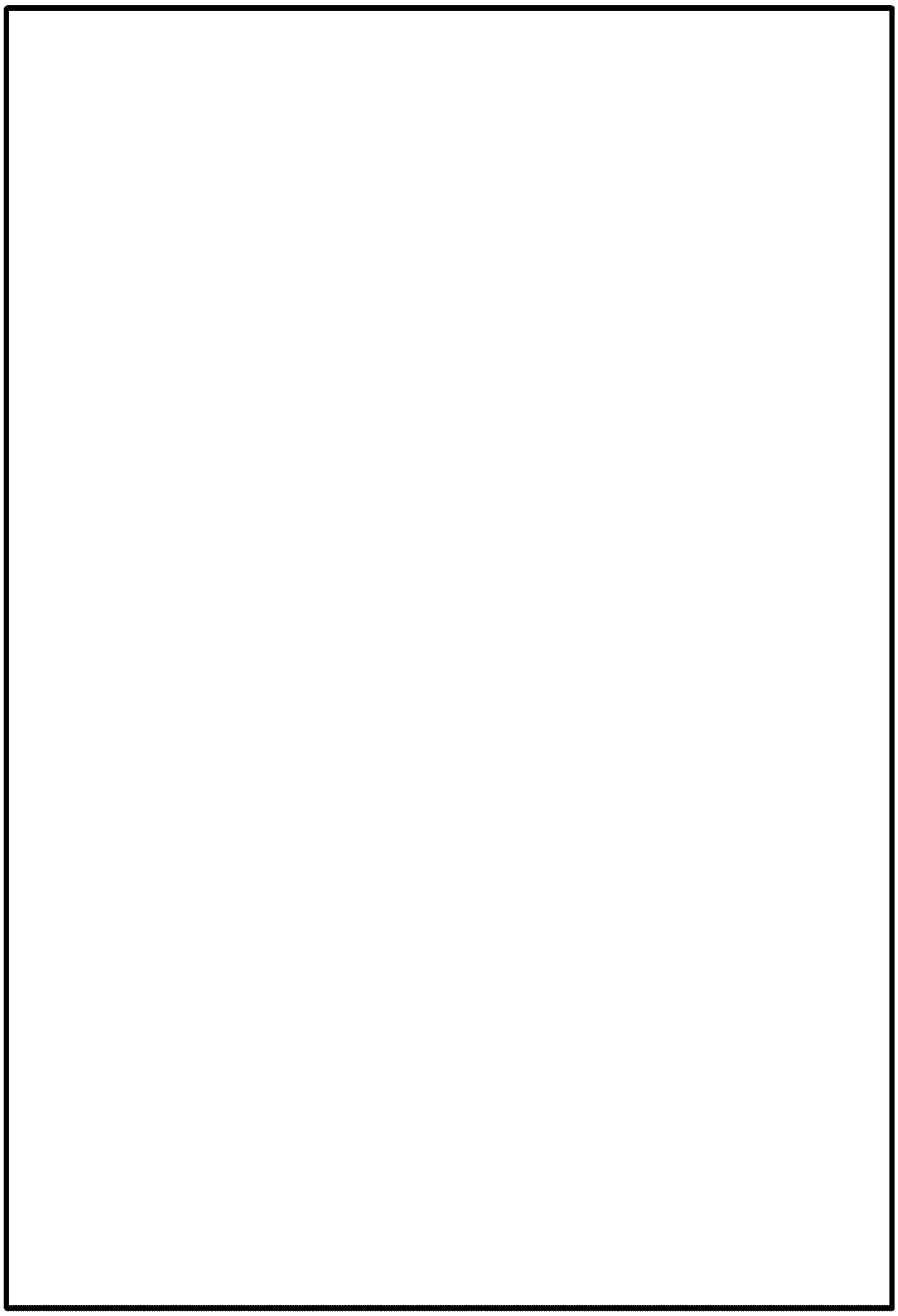
FORM OF MANAGER ACKNOWLEDGMENT



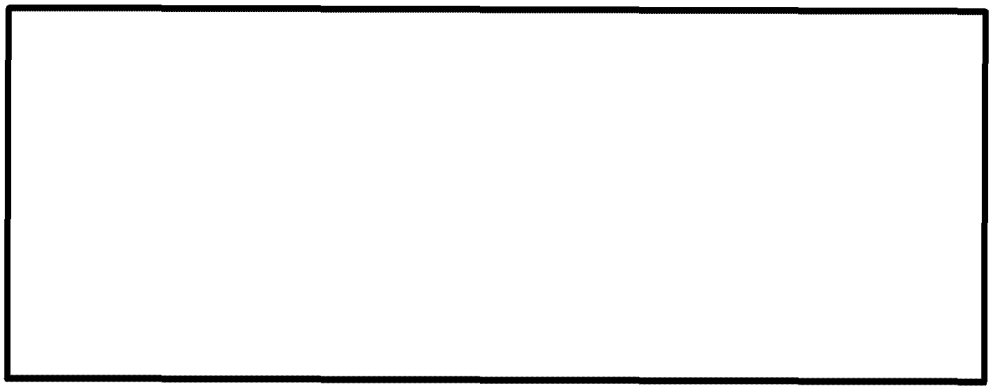
(b)(4)



(b)(4)



(b)(4)



IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Manager Acknowledgment, under seal, as of the date first above written.

FRANCHISOR:

ATTEST: MARRIOTT INTERNATIONAL, INC.

_____ By: _____(SEAL)
Assistant Secretary Name:
Title:

FRANCHISEE:

ATTEST: [FRANCHISEE]

_____ By: _____(SEAL)
(Assistant) Secretary Name:
Title:

MANAGER:

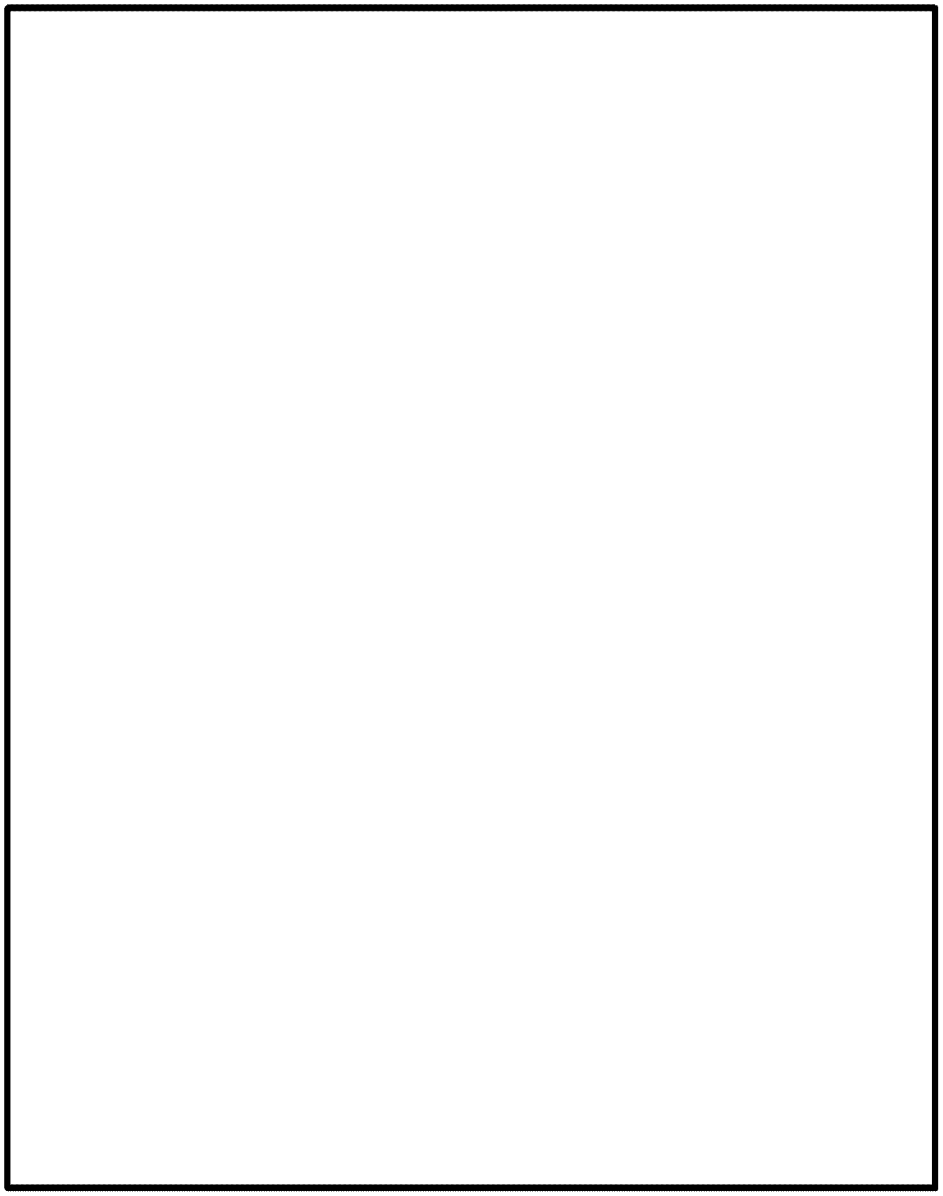
ATTEST: [MANAGER]

_____ By: _____(SEAL)
(Assistant) Secretary Name:
Title:

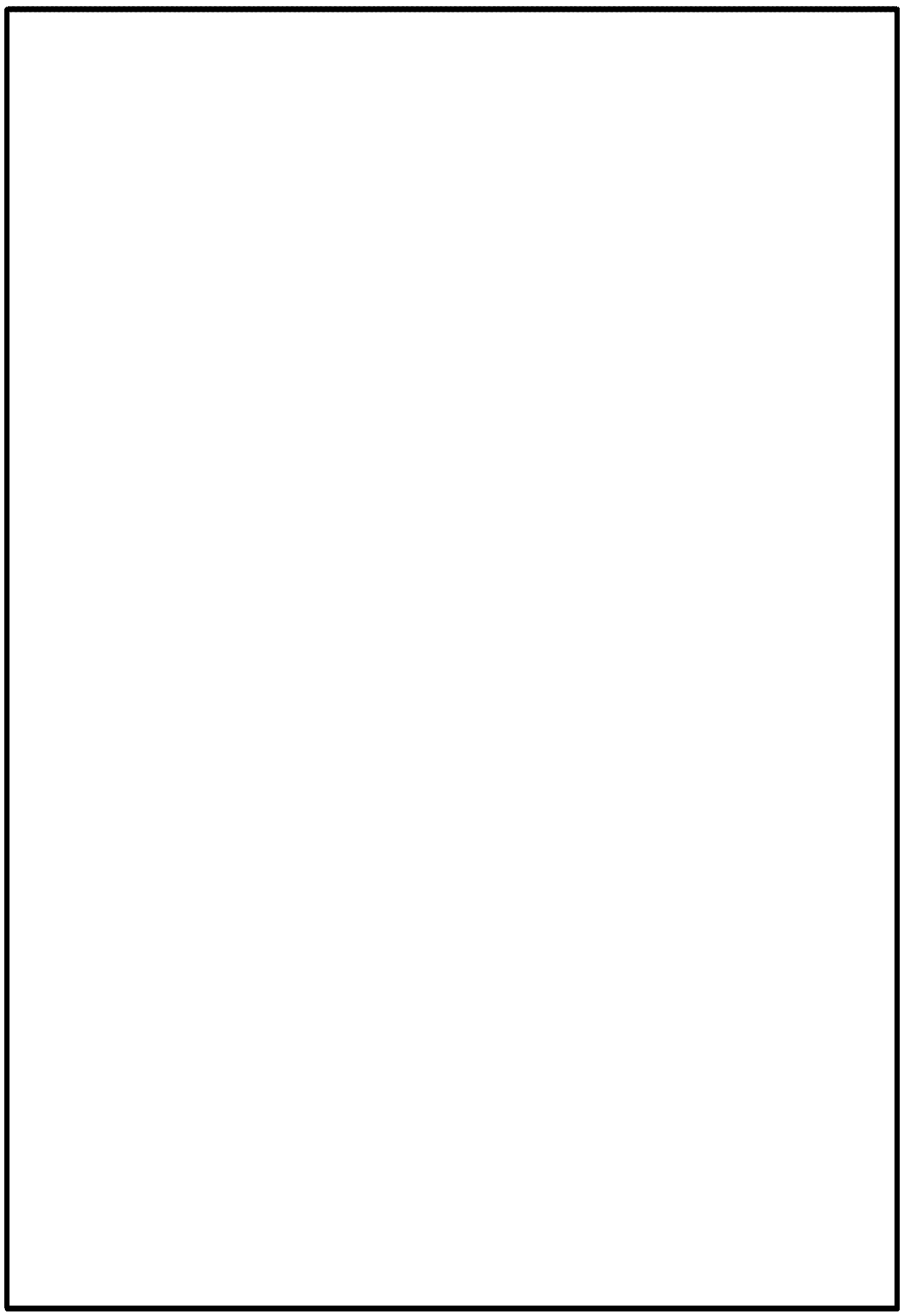
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ATTACHMENT D

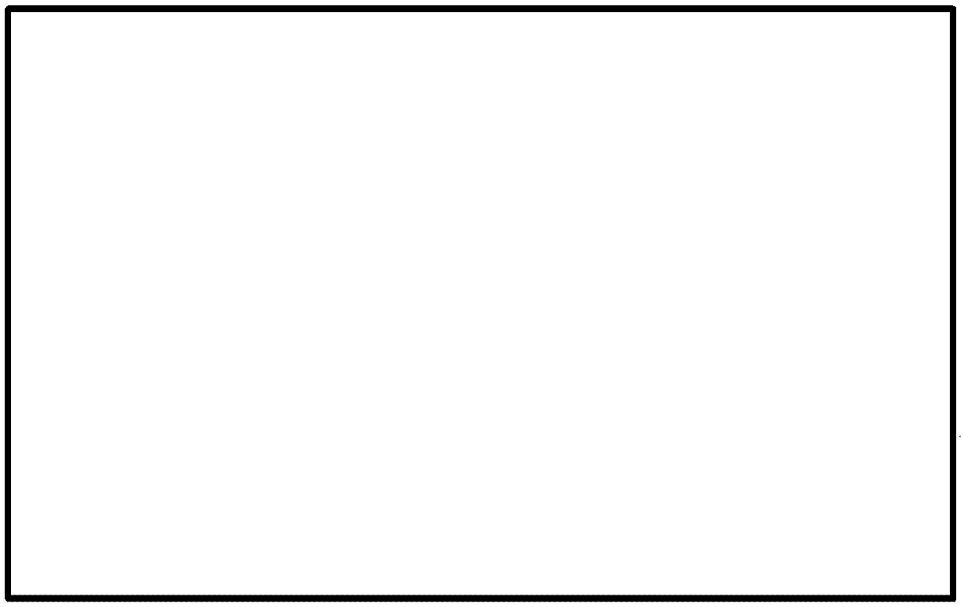
FORM OF ELECTRONIC SYSTEMS LICENSE AGREEMENT



(b)(4)



(b)(4)



IN WITNESS WHEREOF, the parties hereto have caused this License Agreement to be duly executed and delivered, under seal, as of the date first above written.

FRANCHISOR:

ATTEST:

MARRIOTT INTERNATIONAL, INC.

_____
Assistant Secretary

By: _____(SEAL)
Name:
Title:

FRANCHISEE:

ATTEST/WITNESS:

[FRANCHISEE]

_____
(Assistant) Secretary/Witness

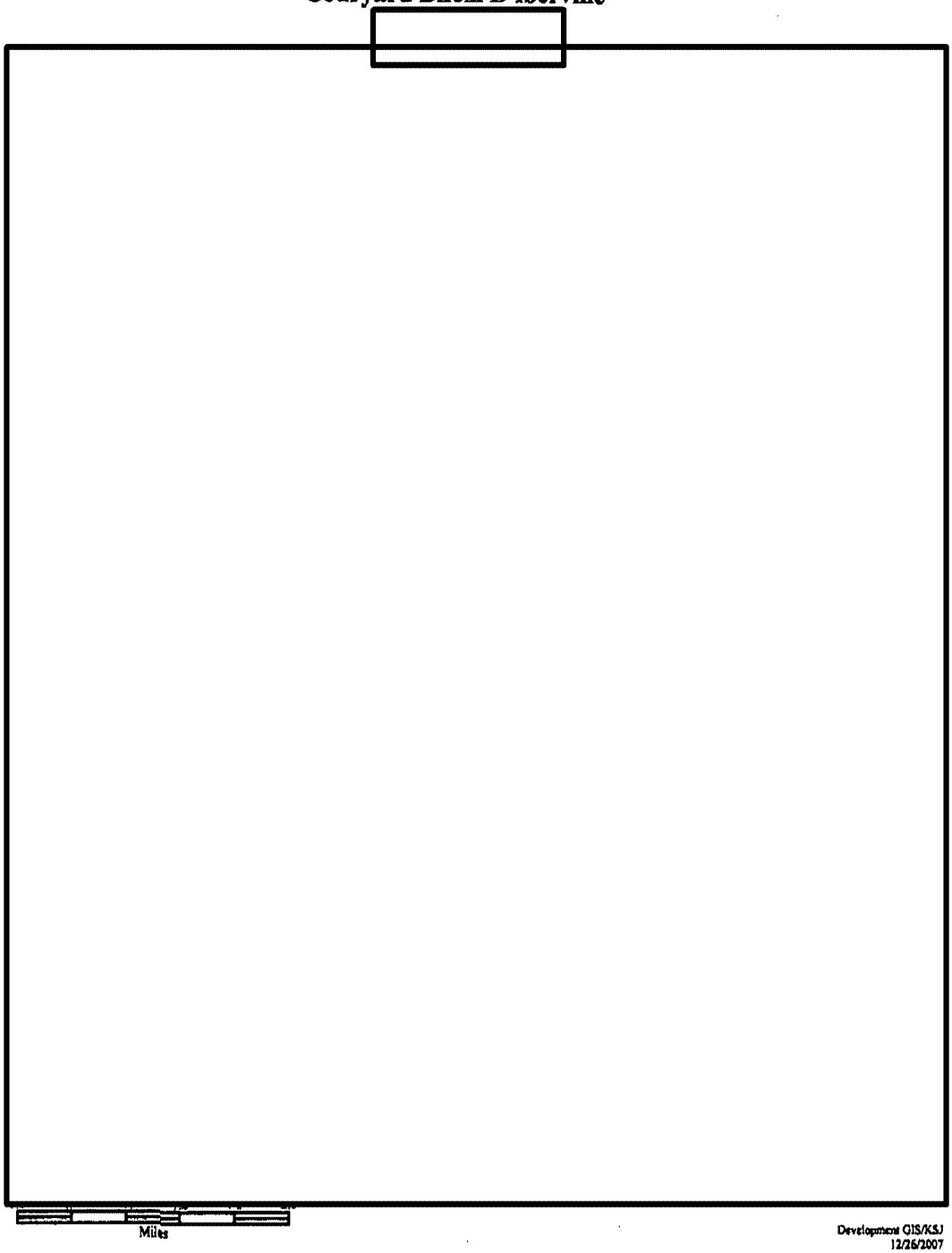
By: _____(SEAL)
Name:
Title:

ATTACHMENT E

RESTRICTED TERRITORY MAP

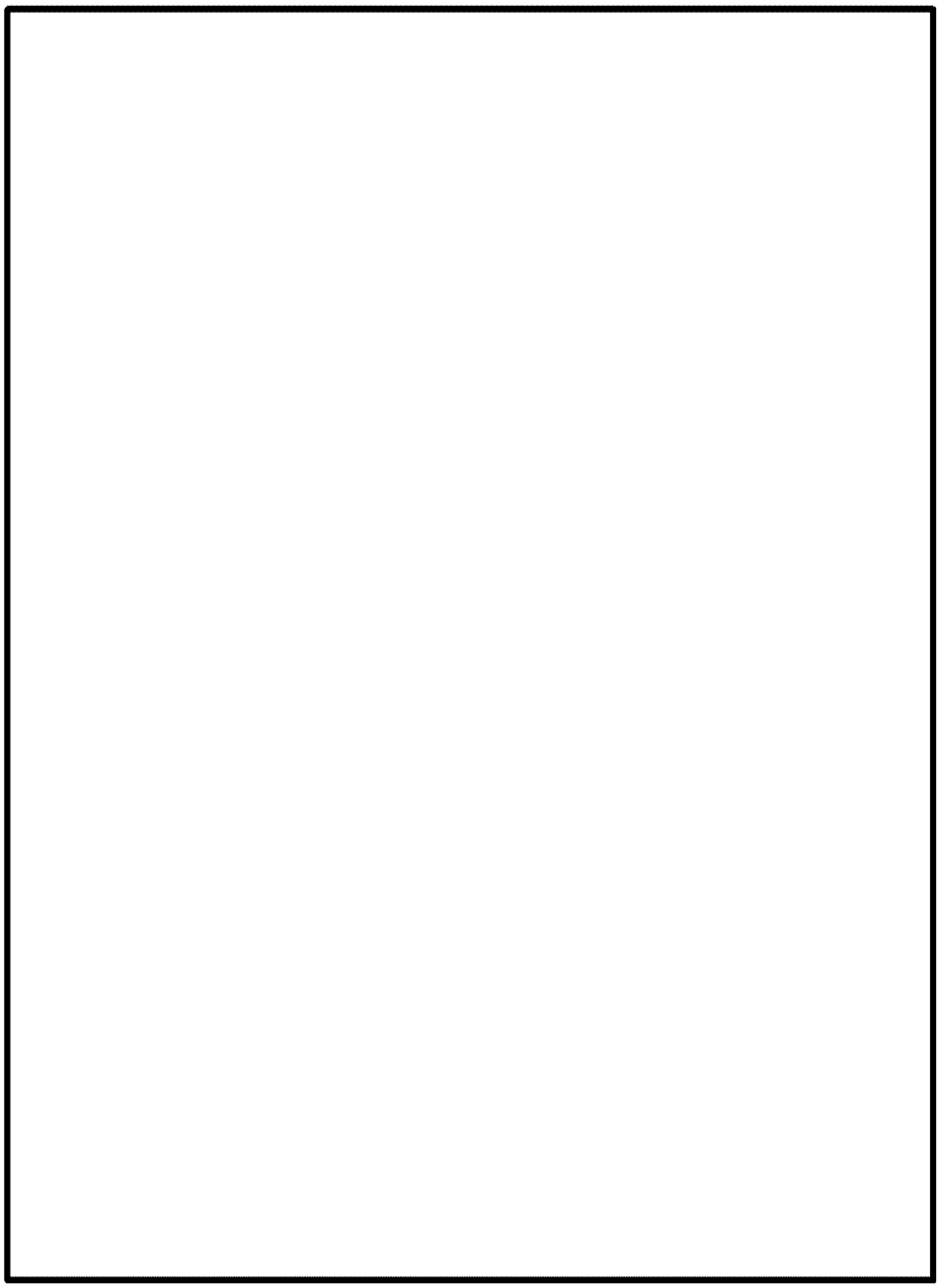
(b)(4)

Territorial Restriction
Couryard Biloxi D'iberville

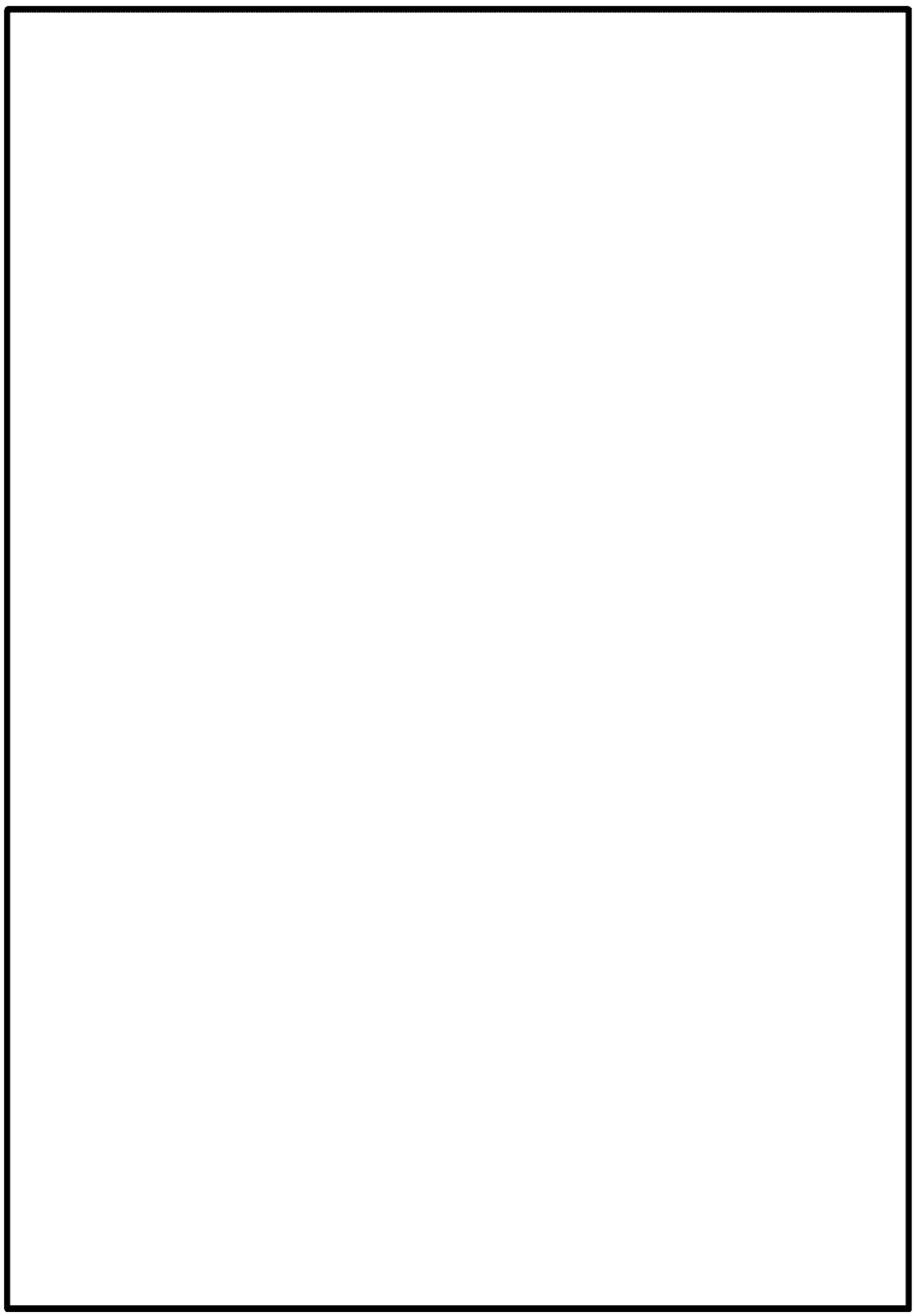


(b)(4)

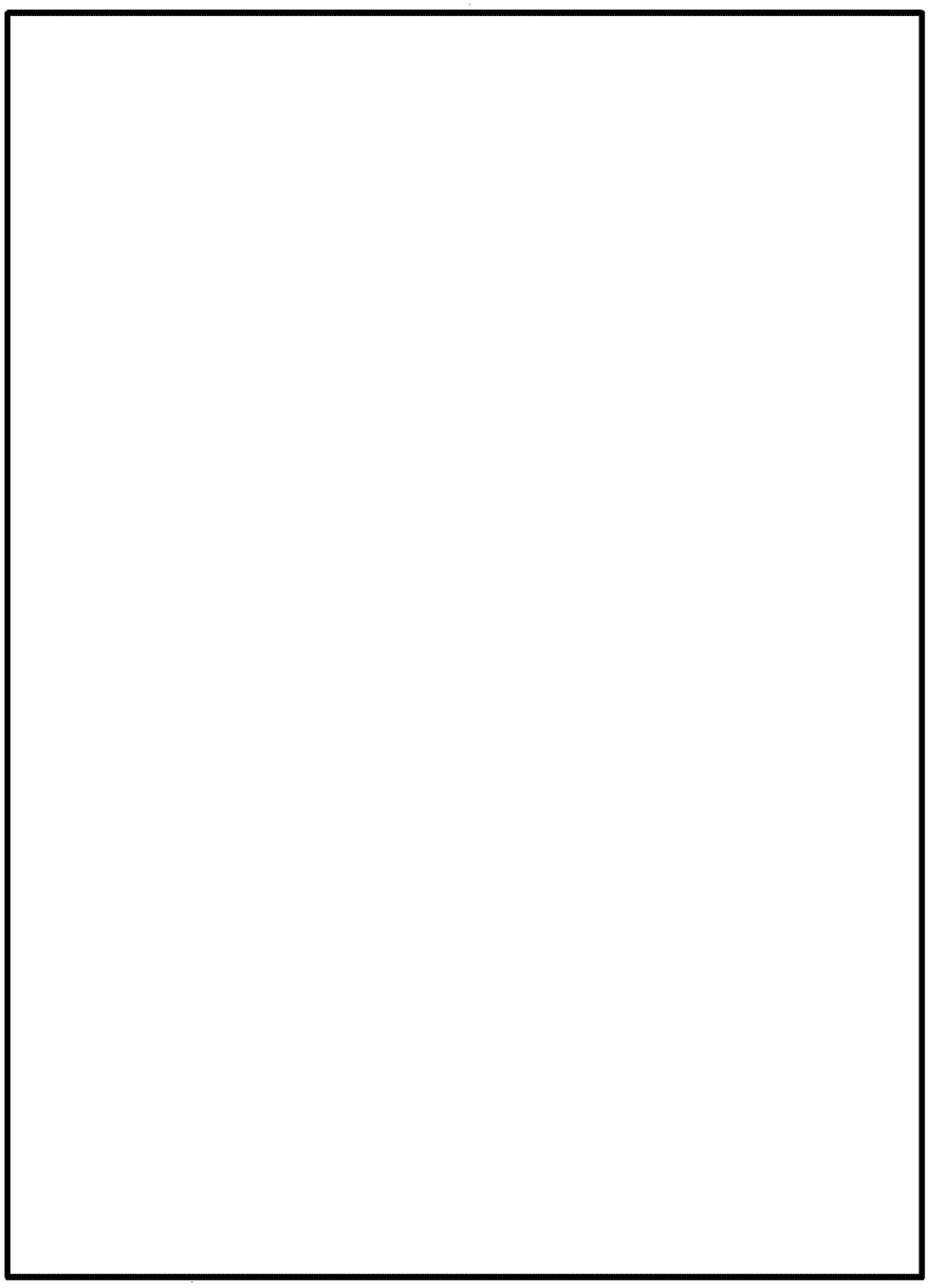
CONSTRUCTION, FURNISHING AND PRE-OPENING ADDENDUM



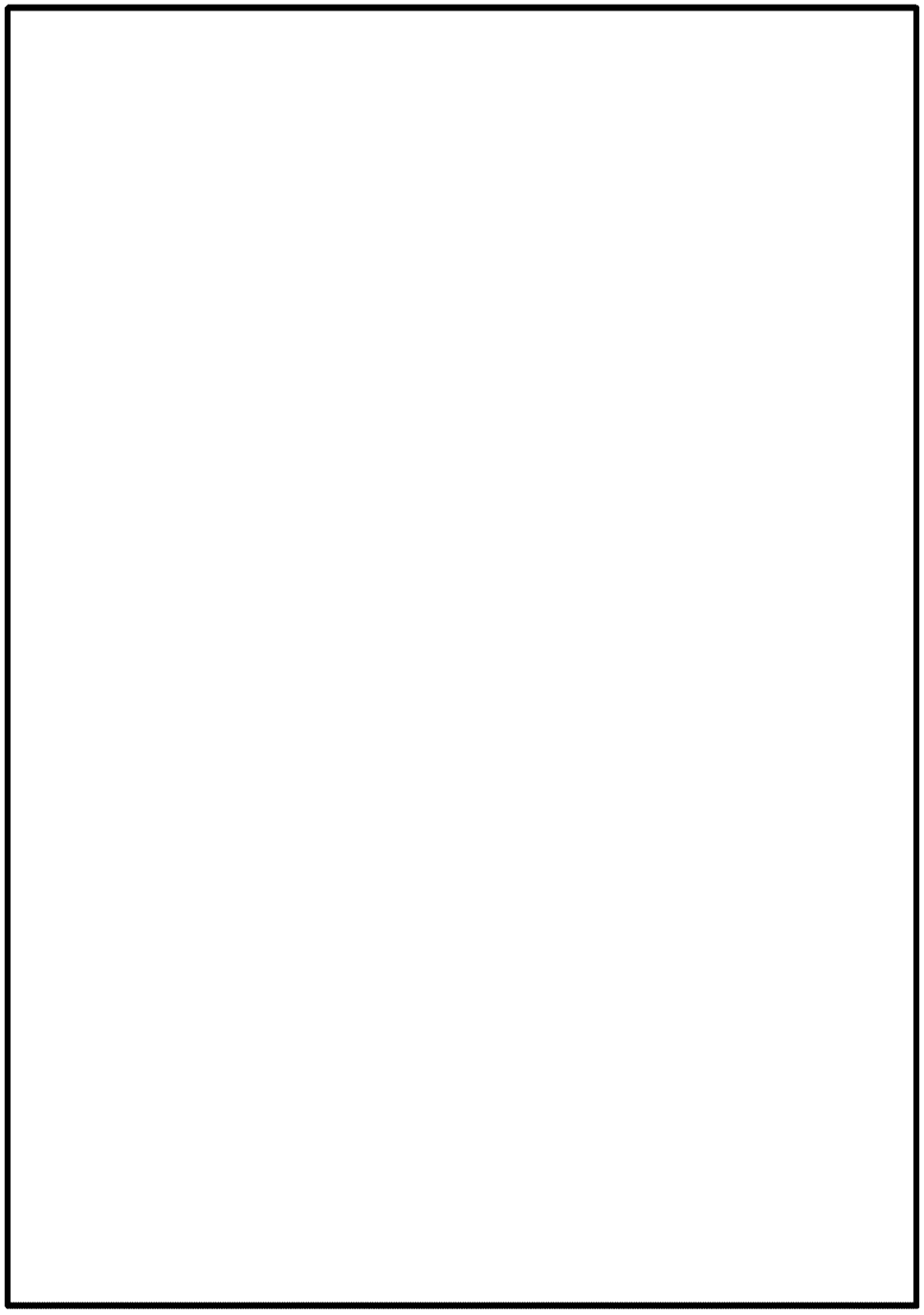
(b)(4)



(b)(4)



(b)(4)



(b)(4)

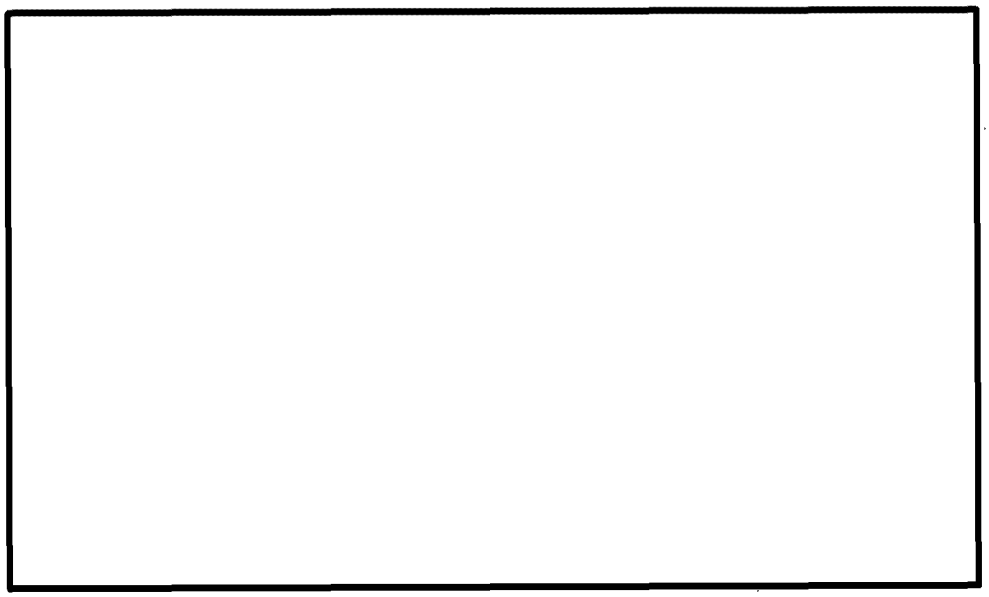


EXHIBIT A TO ADDENDUM

ADA CERTIFICATION

(TO BE COMPLETED BY FRANCHISEE'S ARCHITECT, ENGINEER, ADA CONSULTANT, OR OTHER LICENSED PROFESSIONAL)

In connection with the proposed [NAME AND LOCATION OF HOTEL] (the "Hotel"), I hereby represent and certify to [FRANCHISEE] and to Marriott International, Inc. that:

(i) I have used professionally reasonable efforts to ensure that the Hotel conforms to and complies with the design standards and requirements of the Americans with Disabilities Act ("ADA"), the ADA Architectural Guidelines ("ADAAG"), and all other related or similar state and local laws, regulations, and other requirements governing public accommodations for persons with disabilities in effect at the time that this certification is made, and

(ii) In my professional judgment, the Hotel does in fact conform to and comply with such design standards and requirements.

By: _____

Print Name: _____

Firm: _____

Date: _____

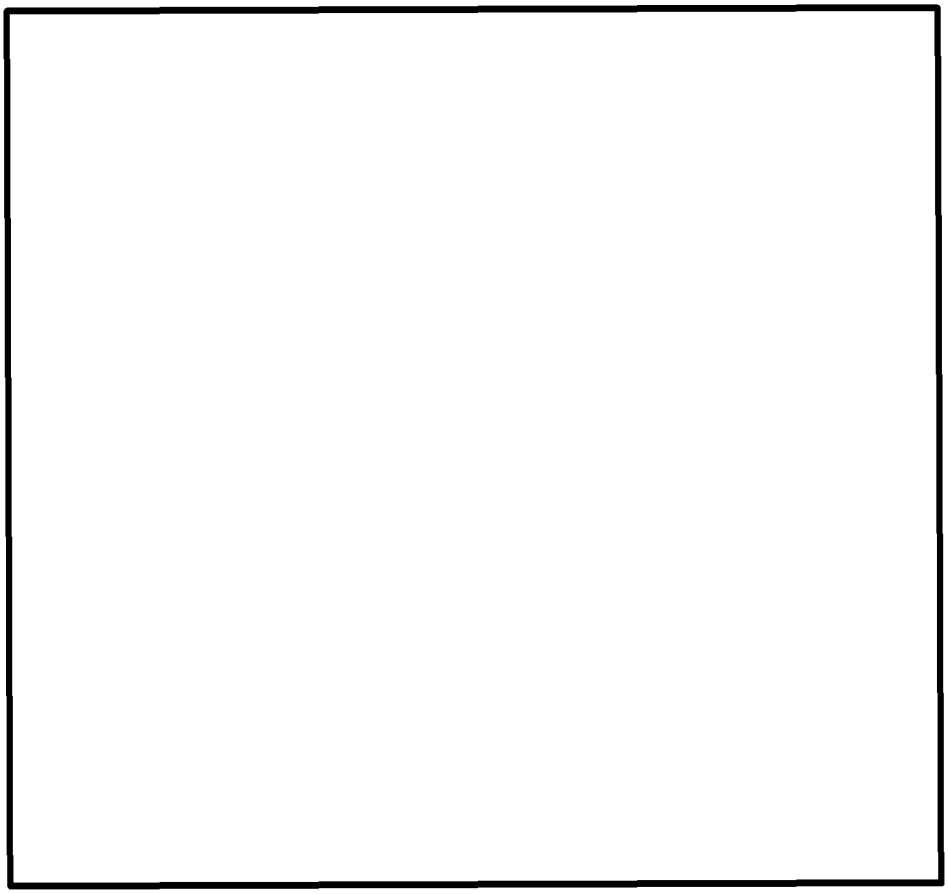
EXHIBIT B TO ADDENDUM

to Franchise Agreement dated _____
between
MARRIOTT INTERNATIONAL, INC.,
and
_____

MARRIOTT INTERNATIONAL, INC.
10400 Fernwood Road
Bethesda, Maryland 20817

Date

(b)(4)



Respectfully submitted,

FOR MARRIOTT INTERNATIONAL, INC.

By: _____(SEAL)
Name:
Title:

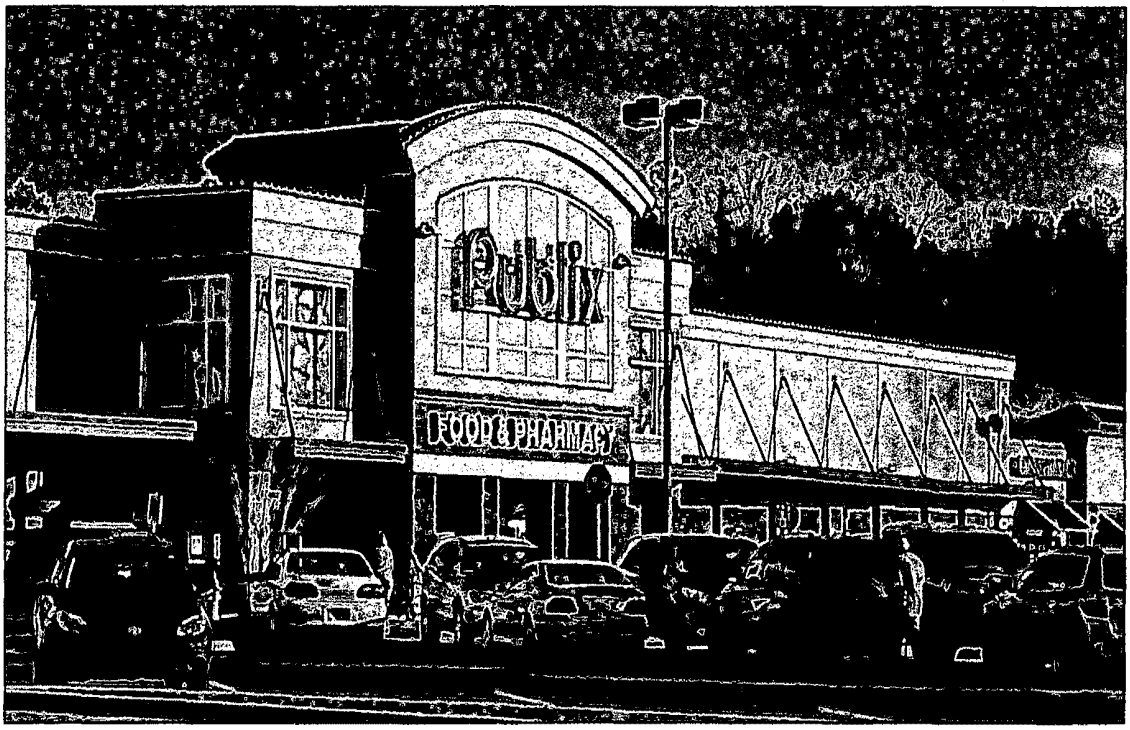
AGREED AND ACCEPTED:

FOR FRANCHISEE:

By:_____(SEAL)
Name:
Title:

369350v3 - BiloxiD' Iberville- MS
Courtyard 317825v5 (03/31/2007)
12/31/07

ENCORE RETAIL SHOPPING CENTER



ENCORE RETAIL, LLC

A HYPOTHETICAL RETAIL SHOPPING CENTER PROJECT FOR REVIEW BY THE USCIS

(b)(4)

Note:

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10.4 Job Creation Requirement 60
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GLOSSARY OF TERMS

The following definitions and terms shall apply in this Business Review unless otherwise specifically provided to the contrary.

Key Definitions

Company – Encore Retail, LLC, a Delaware limited liability company ("Encore Retail"). The "Company" and "Encore Retail" are one and the same entity and are used interchangeably in this Business Review.

Encore Raleigh-Durham Regional Center – ERC Raleigh/Durham LLC, a Delaware limited liability company, which will function as the Regional Center. Also referred to as ("Raleigh-Durham Regional Center" or "ERDRC").

Encore Global Investment Management, LLC – Encore Global Investment Management, LLC, is a Delaware limited liability company, ("EGIM"), which will own and operate Encore's network of Regional Centers.

Encore Enterprises, Inc. – Encore Enterprises, Inc., the parent corporation of all Encore subsidiaries, is a Mississippi formed corporation, ("Encore"), which wholly owns all subsidiaries mentioned in this Business Review unless stated to the contrary.

Encore Retail – Encore Retail, LLC, a Delaware limited liability company, which will own and develop the Raleigh-Durham Retail Center project.

Encore Raleigh-Durham Retail Center, LP – Encore Raleigh-Durham Retail Center, LP, a Delaware limited partnership whose partners are: Encore Retail, LLC as its general partner, and each of the foreign investors as limited partners.

Raleigh-Durham Retail Center Project – An undertaking to develop a retail shopping center property in the Region.

Region – Four (4) counties in the Greater Raleigh-Durham Area, centered around Raleigh-Durham, North Carolina (see map in "Executive Summary"). These counties include Orange, Wake, Johnston and Durham Counties.

Encore Raleigh Retail Center, LLC – A Delaware limited liability company ("Encore Raleigh Retail Center or ERRC") designated as the job creating entity for the Encore Raleigh-Durham Retail Center project, which will borrow Investor funds from the EB-5 lender, Encore Raleigh-Durham RC Fund I, LP ("ERDRC Fund I, LP"), for job-creating purposes.

Encore Raleigh-Durham RC Fund I, LP – A Delaware limited partnership formed for the purpose of pooling Investor funds into one source for purpose of investment into a USCIS approved hotel development project. ("ERDRC Fund I, LP")

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Other Definitions

EB-5 Investor – An Alien Entrepreneur who is an Investor and is seeking to obtain a visa pursuant to the Immigration Act.

[redacted]

EB-5 Program – There are two distinct EB-5 pathways for an alien investor to gain lawful permanent residence, the Basic Program and the Regional Center Pilot Program. Both programs require that the alien investor make a capital investment of either $500,000 or $1,000,000 (depending on whether the investment is in a TEA or not) in a new commercial enterprise located within the United States. The new commercial enterprise must create or preserve 10 full-time jobs for qualifying U.S. workers within two years of the alien investor's admission to the United States as a Conditional Permanent Resident (CPR). When making an investment in a new commercial enterprise affiliated with a USCIS-designated regional center under the Regional Center Pilot Program, an alien investor may satisfy the job creation requirements of the program through the creation of either direct or indirect jobs. Notably, an alien investing in a new commercial enterprise under the Basic Program may only satisfy the job creation requirements through the creation of direct jobs. If the regional center proposal bases its predictions regarding the number of direct or indirect jobs that will be created through EB-5 investments in the regional center, in whole or in part, by offering investment opportunities to EB-5 investors with the reduced $500,000 threshold, then the Targeted Employment Areas (TEAs), Rural Areas (areas with populations under 20,000 people) and areas of high unemployment (areas with unemployment rates 150% or more of the national rate), should be identified. Note: An alien filing a regional center affiliated Form 1-526 must still establish that the investment will be made in a TEA at the time of filing of the alien's Form 1-526 petition, or at the time of the investment, whichever occurs first, to qualify for the reduced $500,000 capital investment threshold.

[redacted]

High Unemployment Area – A geographical area, which has experienced unemployment of at least 150 percent of the national average rate. See INA § 203(b)(5)(B)(ii).

Immigration Act – The Immigration Act at 8 USC 1153(b)(5)(A)(i)-(iii), (B)(i)-(iii), (C)(i)-(iii) and (D).

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[redacted]

Person – Any individual, firm, partnership, corporation, limited liability company, or any other form of legal entity.

[redacted]

Project Documents – (a) Partnership Agreement; (b) Business Review; and (c) Agreement for Sale and Purchase (together with attached I-924 petition in Appendix D). (Full documents provided at I-526 stage for actual project).

ROI – Return on investment.

Rural Area (a "RA") – A geographical area located both outside of a Metropolitan Statistical Area ("MSA") and outside of a city or town having a population of 20,000 or more based on the most recent decennial census of the United States. See INA § 203(b)(5)(B)(iii) and 8 CFR §204.6(j)(6)(i).

Targeted Employment Area (a "TEA") – A Rural Area, a defined term, or an area designated by the state as a High Unemployment Area, a defined term.

[redacted]

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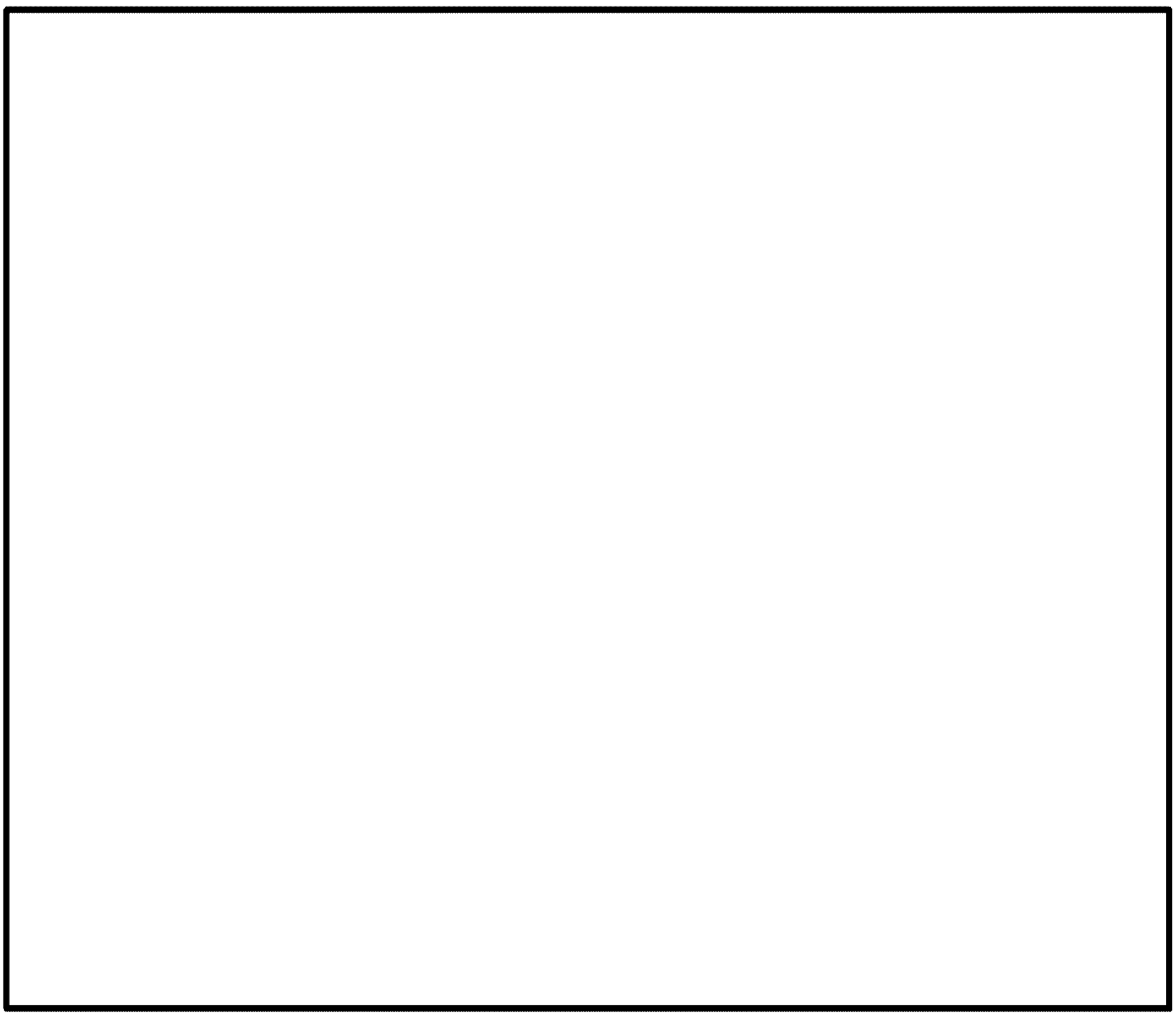
1.0 EXECUTIVE SUMMARY

The Project	
Business Plan Summary	
Project Costs and Capitalizations	
Project Development & Schedule	
TEA Designation	The project, if developed within a Targeted Employment Area (TEA), would require each EB-5 investor to invest $500,000. If the project is not within a TEA, each EB-5 investor would be required to invest $1,000,000.
Job Creation Sufficiency	This project would create [redacted] jobs), which visa vie would support [redacted] EB-5 investors in or outside of a TEA.

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1.1 Description of the Company



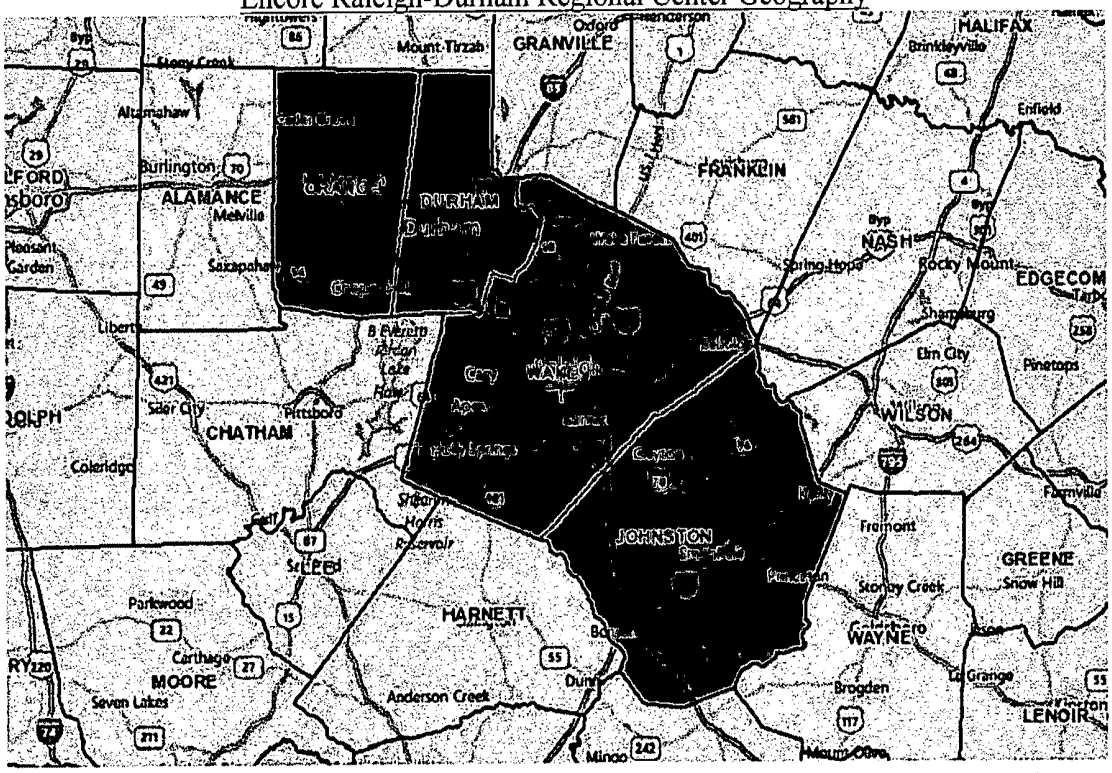
1.2 Venture Overview



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Encore Raleigh-Durham RC is seeking approval as a United States Citizenship and Immigration Service (USCIS) designated EB-5 Regional Center, in Raleigh-Durham, North Carolina, that has as its geographical area four (4) contiguous counties in North Carolina: Wake, Durham, Johnston and Orange counties are shown on the map below.

Encore Raleigh-Durham Regional Center Geography



1.3 Corporate Structure

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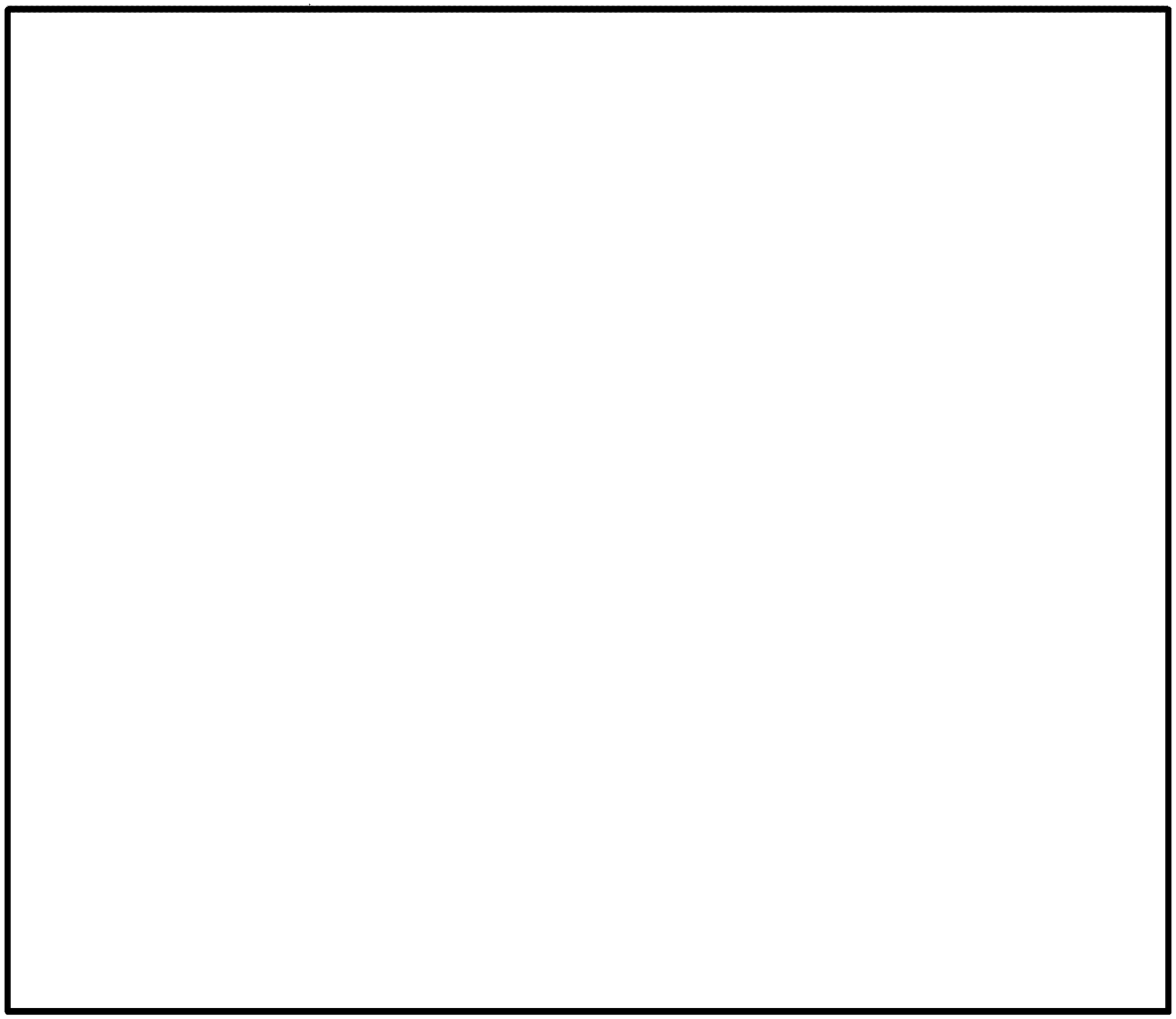
1.4 Path of Funds



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1.5 Mission Statement

Encore Retail, LLC is a subsidiary of Encore Enterprises, Inc. Encore Retail was founded in 2008 as a fully integrated retail center developer, owner and operator. The company is involved in all aspects of retail development projects and acquisitions including, ground-up developments, joint ventures and mixed-use developments.



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1.6 Implementation of Business Plan

1.7 Financial

1.8 Sources of Proceeds

1.9 Use of Proceeds

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1.10 Management, Staff, and Employees

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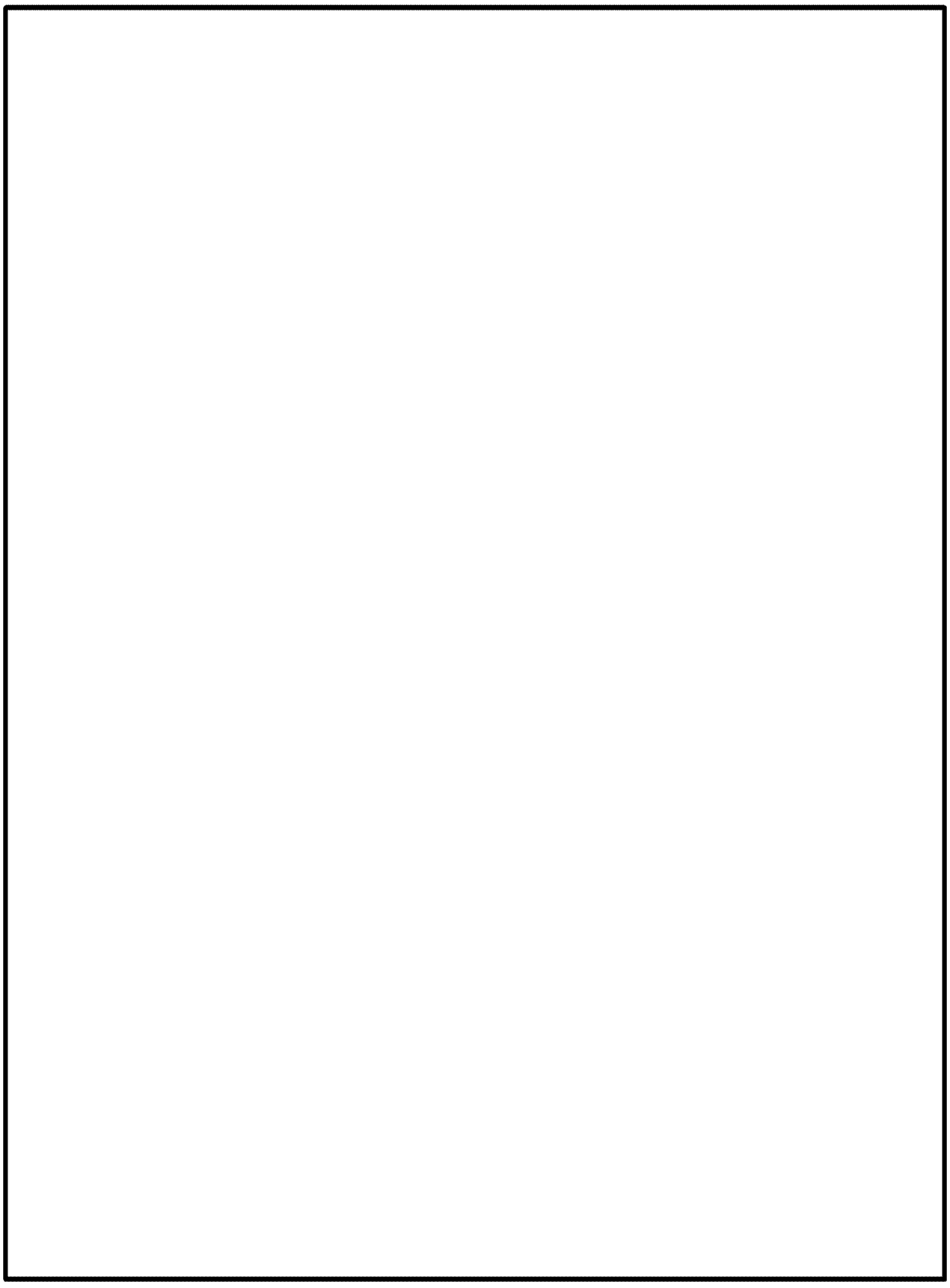
2.0 ENCORE HYPOTHETICAL RALEIGH-DURHAM RETAIL CENTER

PROJECT SPECIFICATIONS
Retail Shopping Center

2.1 Comparable Historical Project Overview (Pelham Towne Center, Pelham Alabama)

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3.0 MARKET ANALYSIS

3.1 Overview

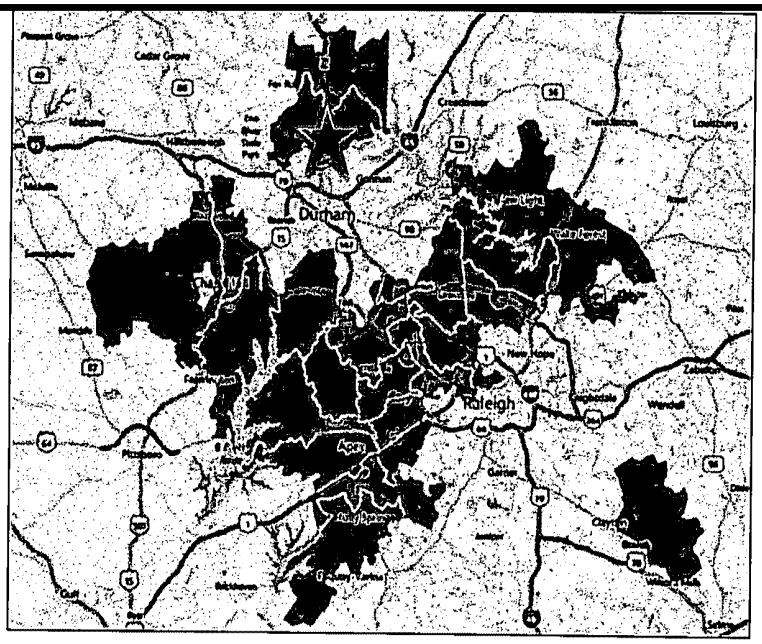
3.2 Market Selection

3.3 Submarket Selection

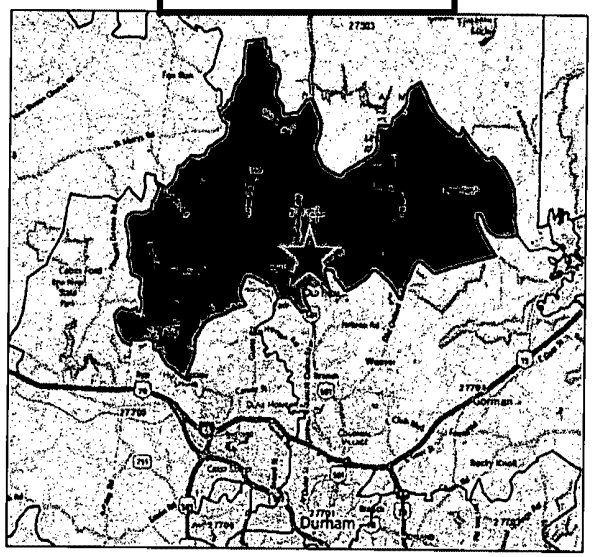
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Zip Code Map for the Raleigh-Durham RC Geography



Summary:



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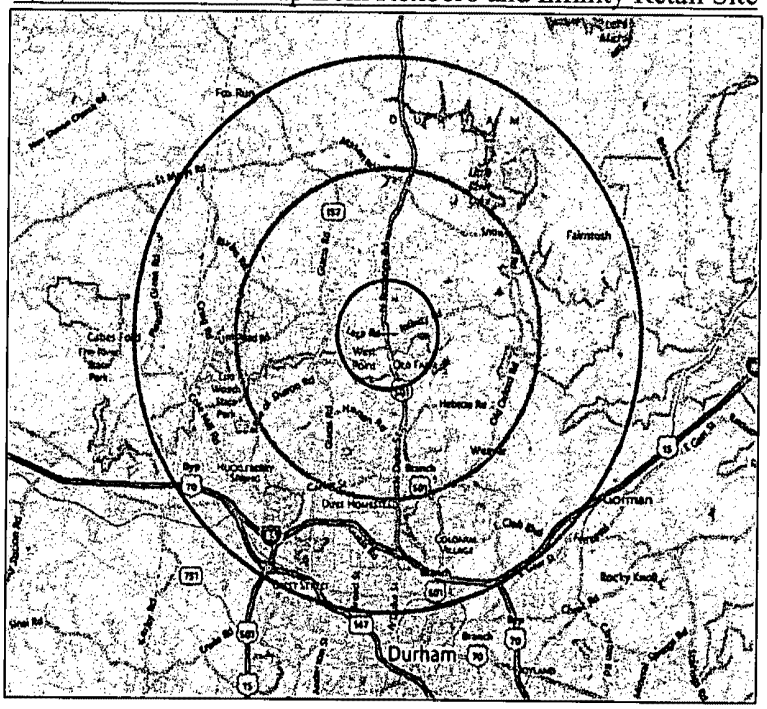
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Summary:

Radius Population Demographics Summary

1, 3, 5-Mile Radius Map from Roxboro and Infinity Retail Site

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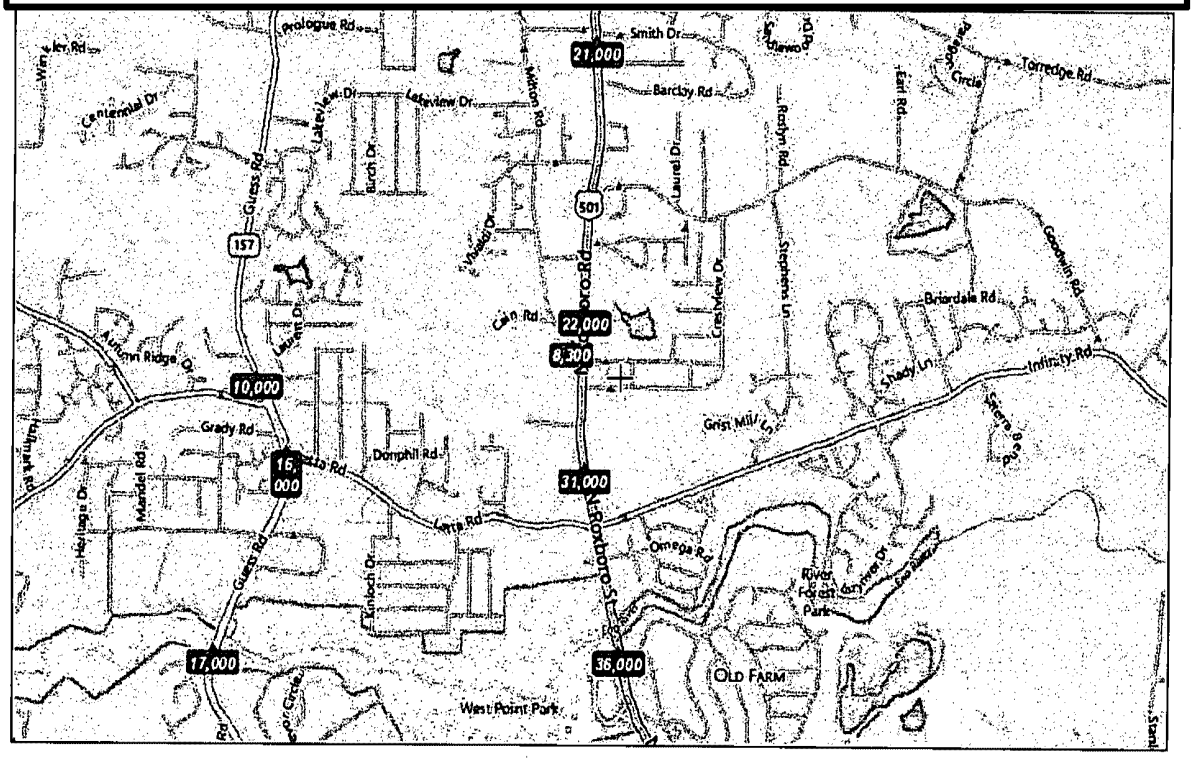


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Summary: Within the 1, 3, and 5-mile radius of the proposed site the population is as follows:

1, 3, 5-Mile Radius Demographics Statistics

Traffic Counts – Vehicles Per Day



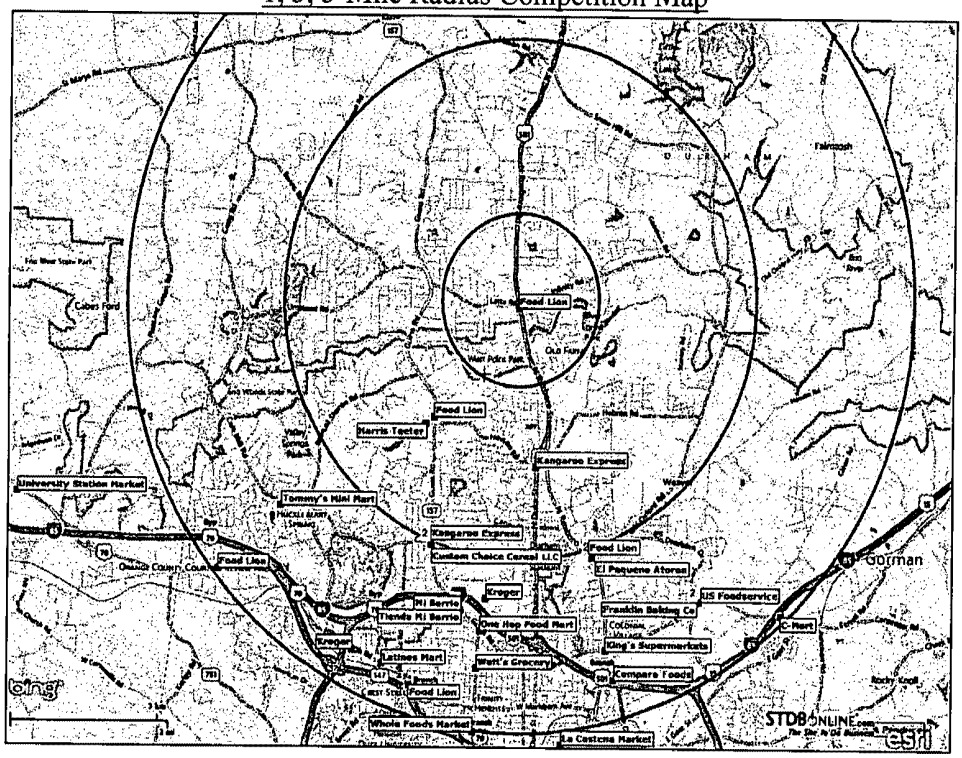
Summary:

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3.4 North Durham Submarket Competition

1, 3, 5-Mile Radius Competition Map



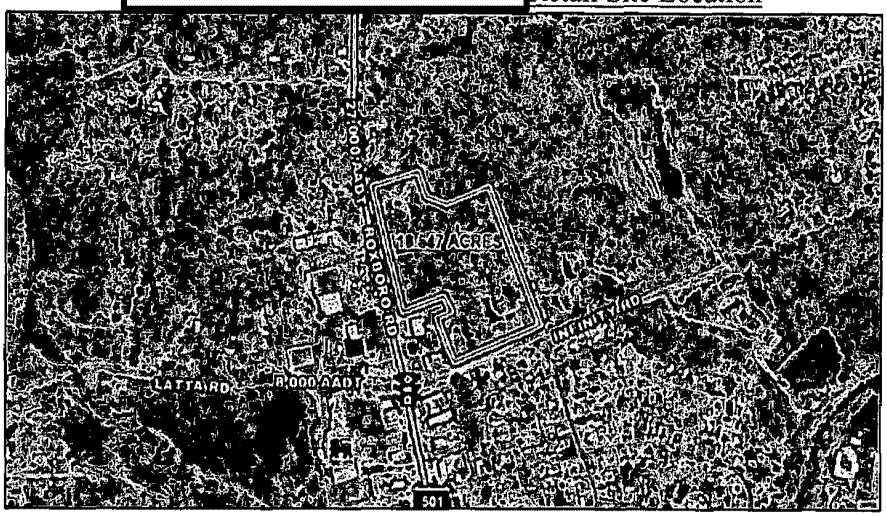
Summary:

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Site Location

[redacted] Retail Site Location



[redacted]

3.5 North Durham Submarket Rental Rates Survey

[redacted]

Shopping Center Market Historical Rental Rates

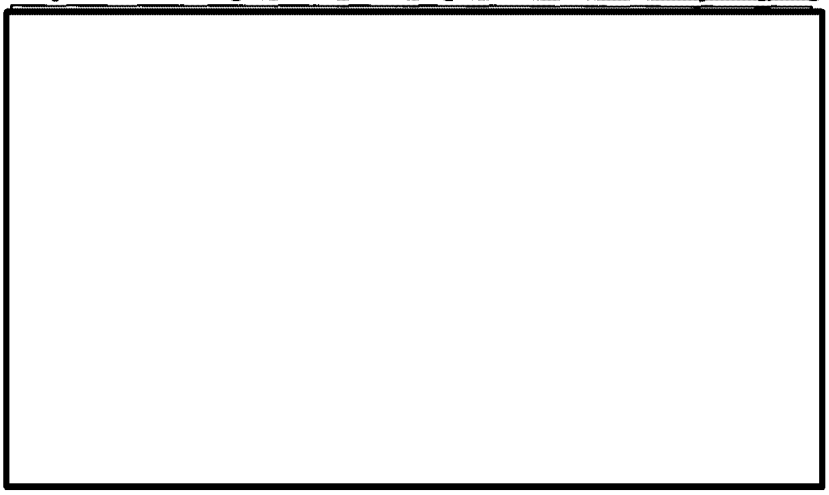
[redacted]

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Summary:

Loopnet.com Average Market Rents

Loopnet.com Raleigh-Durham Average Retail Rents Per Square-Foot



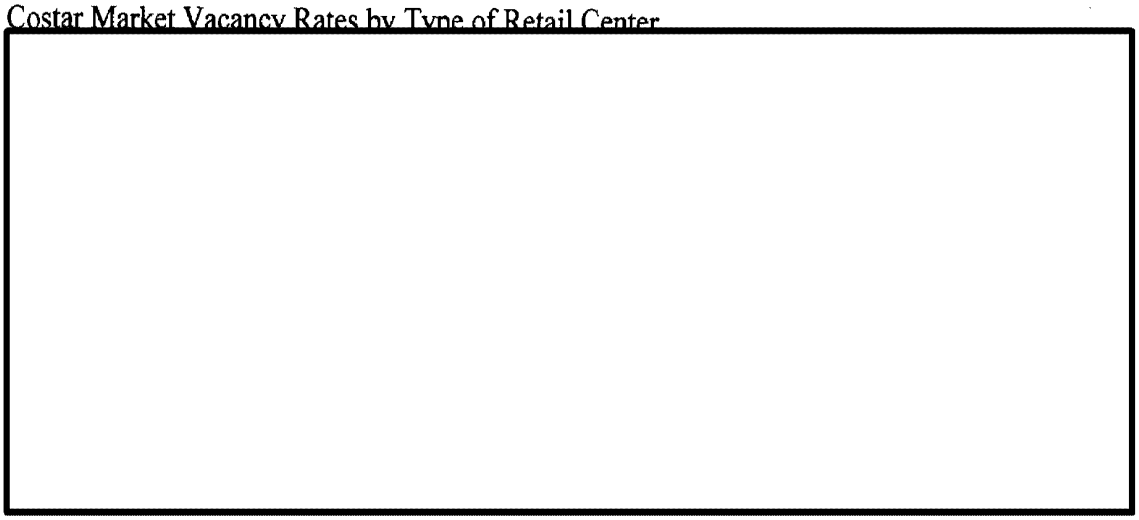
Summary:

[1] The CoStar Retail Report, Raleigh/Durham Retail Market Mid-Year 2012

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Costar Raleigh-Durham Retail Market Vacancy Rates

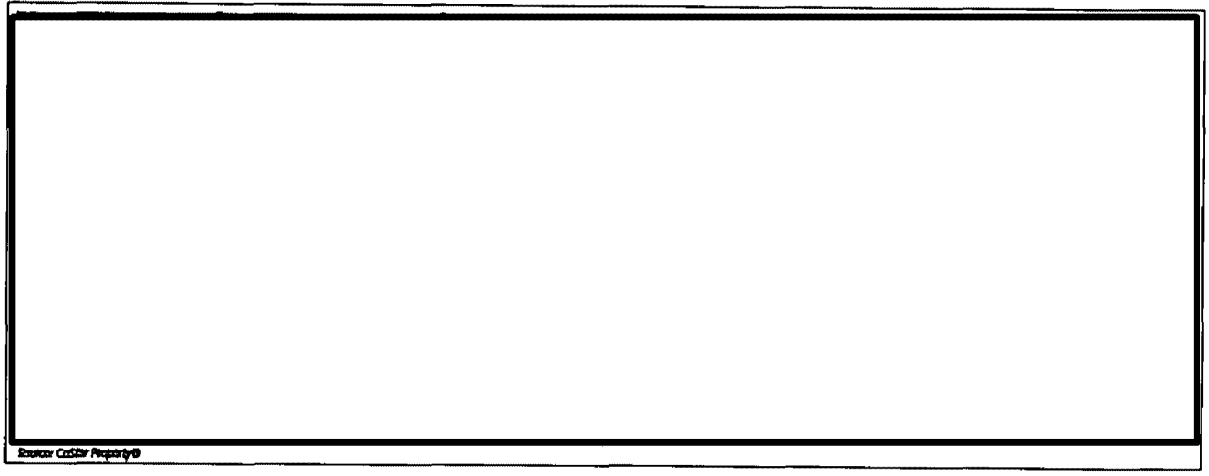
Costar Market Vacancy Rates by Type of Retail Center



Summary:

Shopping Center Market Vacancy Statistics (CoStar)

Shopping Center Vacancy Statistics



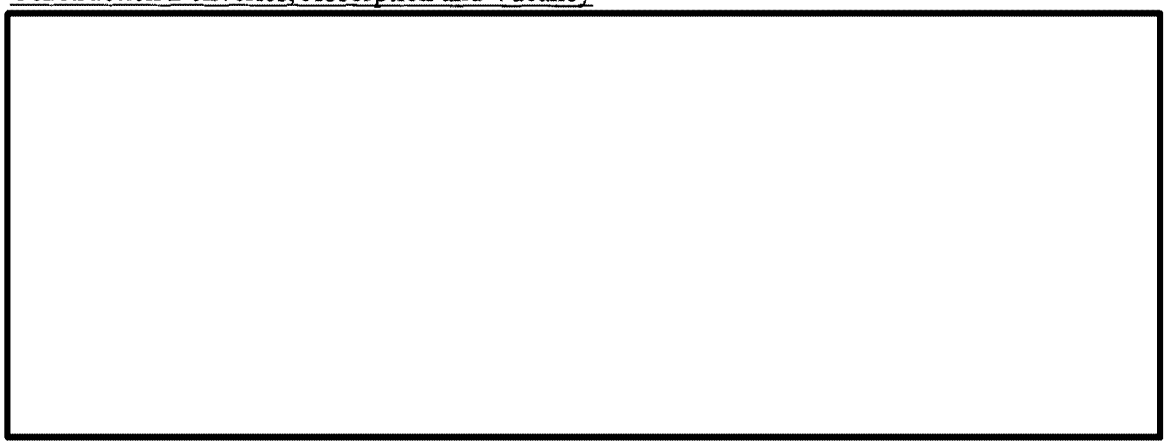
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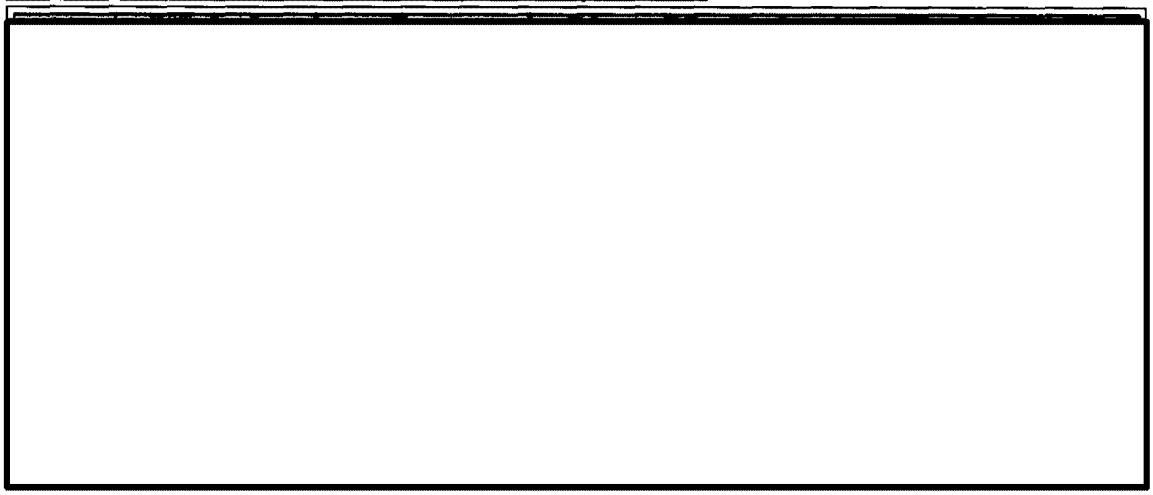
3.6 North Durham Submarket Construction Deliveries, Absorptions and Vacancy



Construction Deliveries, Absorption and Vacancy



Construction, Deliverables and Vacancy Summary Statistics



3.7 North Durham Submarket Gap Analysis



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CCIM Calculator Input Sheets

Retail Market Analysis - Assumption Input Worksheet

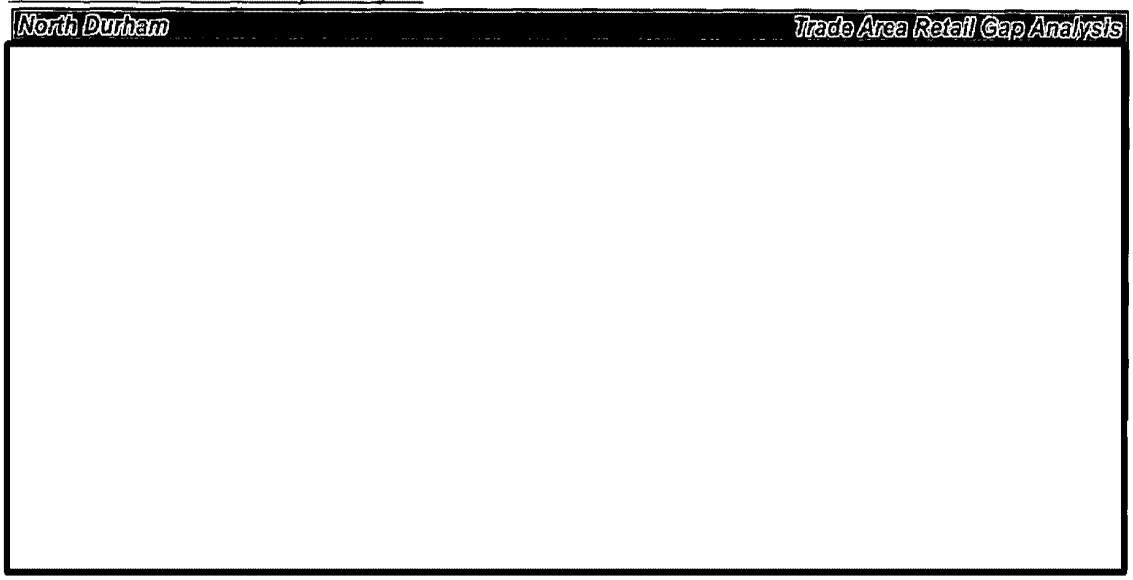
The outputs from the residential gap analysis worksheet CCIM calculator are as follows:

North Durham Retail Marketplace Profile

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Summary:

North Durham Retail Gap Analysis



Summary:

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4.0 FINANCIAL ANALYSIS

4.1 General

4.2 Investment Summary

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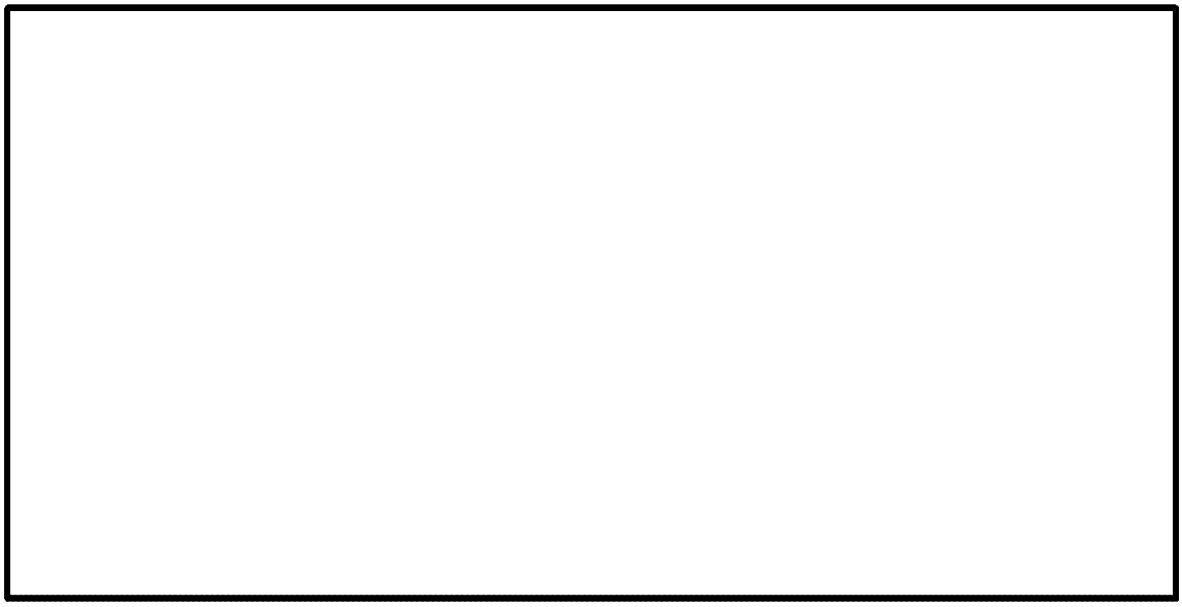
4.3 Investment Timeline

Encore Retail Investment Timeline





4.4 Sources of Proceeds



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MEANS 2012 data combined with soft costs information, land acquisition prices, and other costs detailed later in this section. The sources of the proceeds for this project are as follows:

Source of Funds	Amount	Percentage

Summary:

4.5 Use of Proceeds

Use of Funds	Amount

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Summary:

Loopnet.com Pad Site Sale Comps

Loopnet.com Retail Land Sale Comps

4.6 Construction and Development Costs

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Development Costs	Soft Costs	Land Costs	Anchor Hard Costs	In-Line Hard Costs	Total Dev Costs

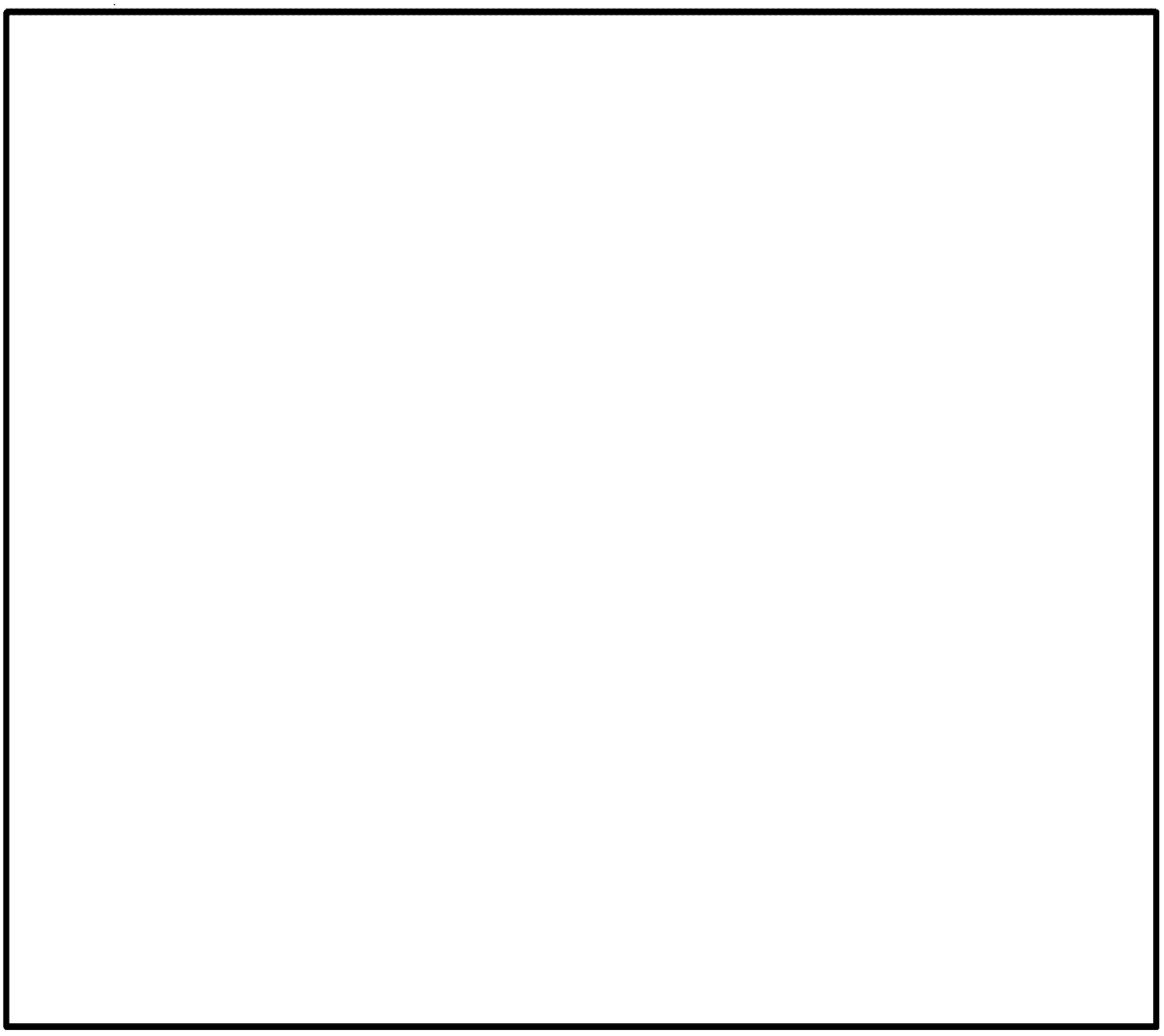
Summary: *See* Exhibit 2

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4.7 Industry Comparables



[3] Construction costs based upon www.meanscostworks.com "Square Foot Estimator" 2012 year data by RS Means

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attached as Exhibit 3 to this Business Review, that will be the format the company will use going forward for retail center development projects.

RS MEANS Grocery Store Average Square Foot Construction Cost

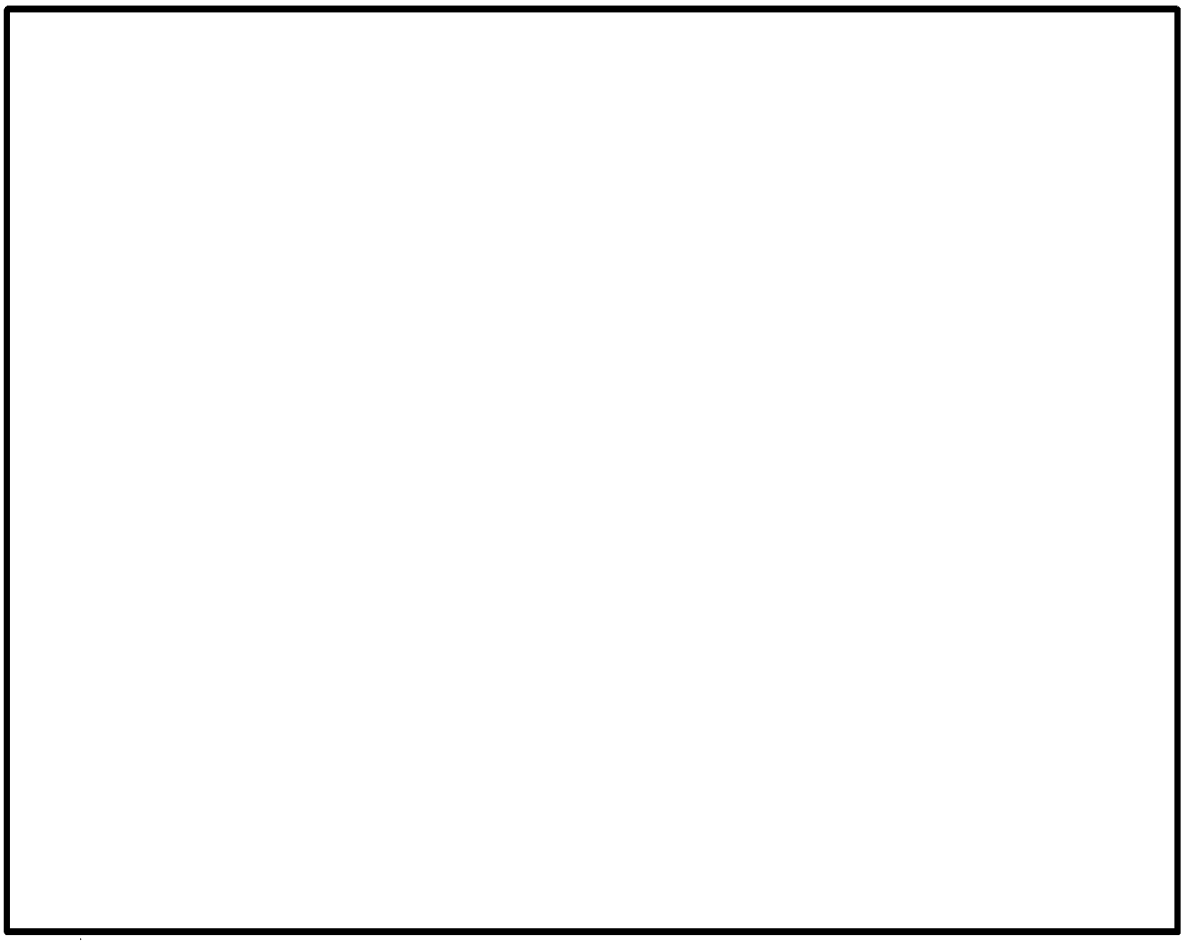
RS MEANS In Line Retail Store Average Square Foot Construction Cost

Summary:

RS MEANS Square Foot Estimator Online Summary (GROCERY STORE ONLY)

The following steps and information are provided for the USCIS to validate and easily recreate Encore's results from the RS MEANS online construction costs calculator. A free trial is available with full access to use. Please visit www.meanscostworks.com to create a login and follow the steps below to recreate Encore's results.

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RS MEANS Square Foot Estimator Online Summary (IN-LINE RETAIL ONLY)

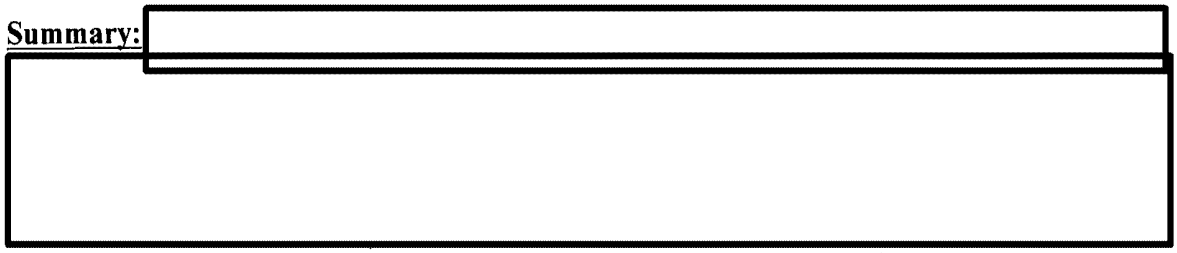


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Summary:



4.8 Financial Pro Forma



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The following table provides a complete listing of projected revenues for the Raleigh-Durham Retail Center:

Retail Center Operations Revenues

RALEIGH DURHAM RETAIL DEVELOPMENT
SCHEDULE OF PROSPECTIVE CASH FLOW

For the Years Ending	Year 1 Dec-2013	Year 2 Dec-2014	Year 3 Dec-2015	Year 4 Dec-2016	Year 5 Dec-2017	Year 6 Dec-2018

Summary:

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Operations Expenses

Summary:

Retail Center Projected Expenses

RALEIGH DURHAM RETAIL DEVELOPMENT
SCHEDULE OF PROSPECTIVE EXPENSES

For the Years Ending	Year 1 Dec-2013	Year 2 Dec-2014	Year 3 Dec-2015	Year 4 Dec-2016	Year 5 Dec-2017	Year 6 Dec-2018

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Schedule of Prospective Cash Flows

Retail Center Cash Flows

RALEIGH DURHAM RETAIL DEVELOPMENT
SCHEDULE OF PROSPECTIVE CASH FLOW

For the Years Ending	Year 1 Dec-2013	Year 2 Dec-2014	Year 3 Dec-2015	Year 4 Dec-2016	Year 5 Dec-2017	Year 6 Dec-2018

Summary:

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Loan and Debt Service Summary

RALEIGH DURHAM RETAIL DEVELOPMENT INDIVIDUAL LOAN SUMMARY					
For the Years Ending	Year 1 Dec-2013	Year 2 Dec-2014	Year 3 Dec-2015	Year 4 Dec-2016	Year 5 Dec-2017

Summary:

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Project Level Returns

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RALEIGH DURHAM RETAIL DEVELOPMENT
PROSPECTIVE RETURNS & RESALE SUMMARY

For the Years Ending	Year 1 Dec-2013	Year 2 Dec-2014	Year 3 Dec-2015	Year 4 Dec-2016	Year 5 Dec-2017
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Summary:

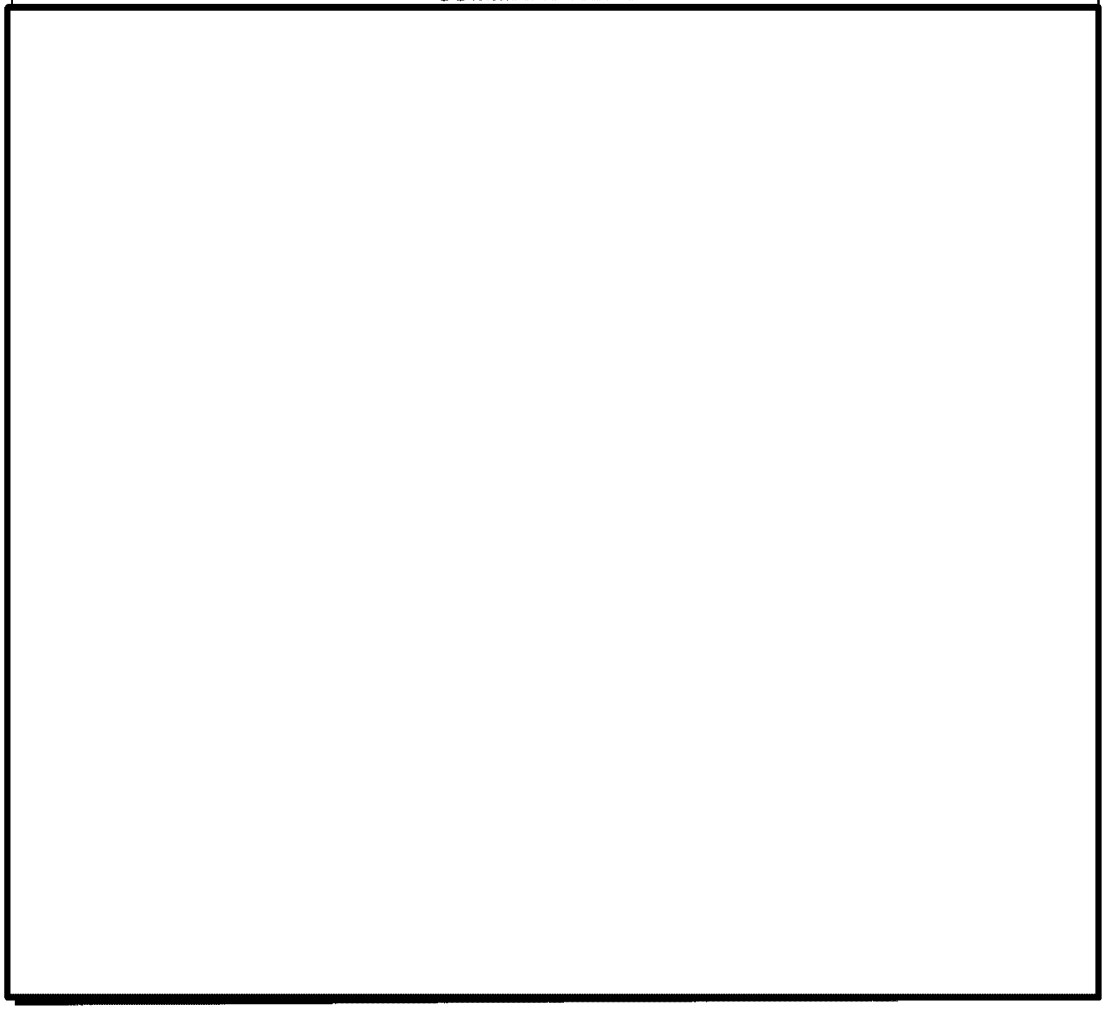
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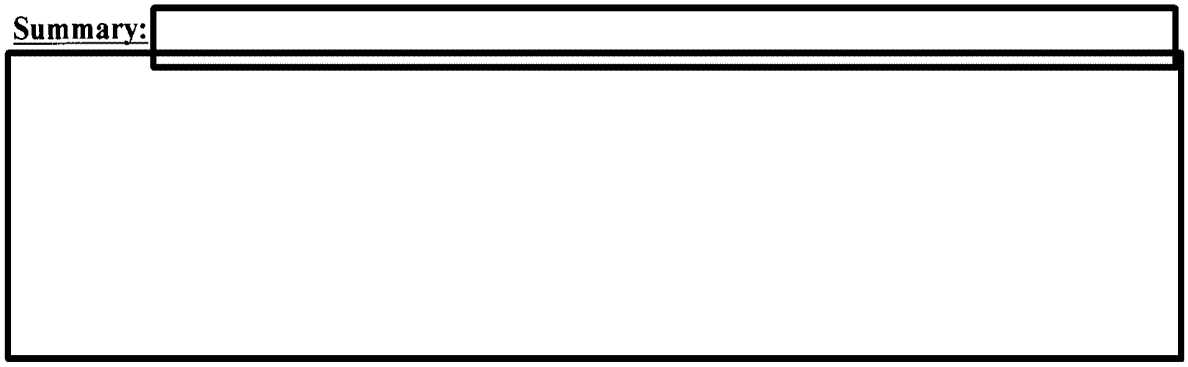
4.9 Financial Summary and Analysis

Below is the summary development and financial information for the Raleigh-Durham Retail Center:

ENCORE RETAIL, LLC
RALEIGH DURHAM RETAIL DEVELOPMENT
SUMMARY REPORT



Summary:



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Encore Raleigh-Durham Retail Center Financial Analysis Summary

Year Four (4)

[redacted]

[redacted]

4.10 Foreign Investor Return on Investment

[redacted]

Exit Strategy

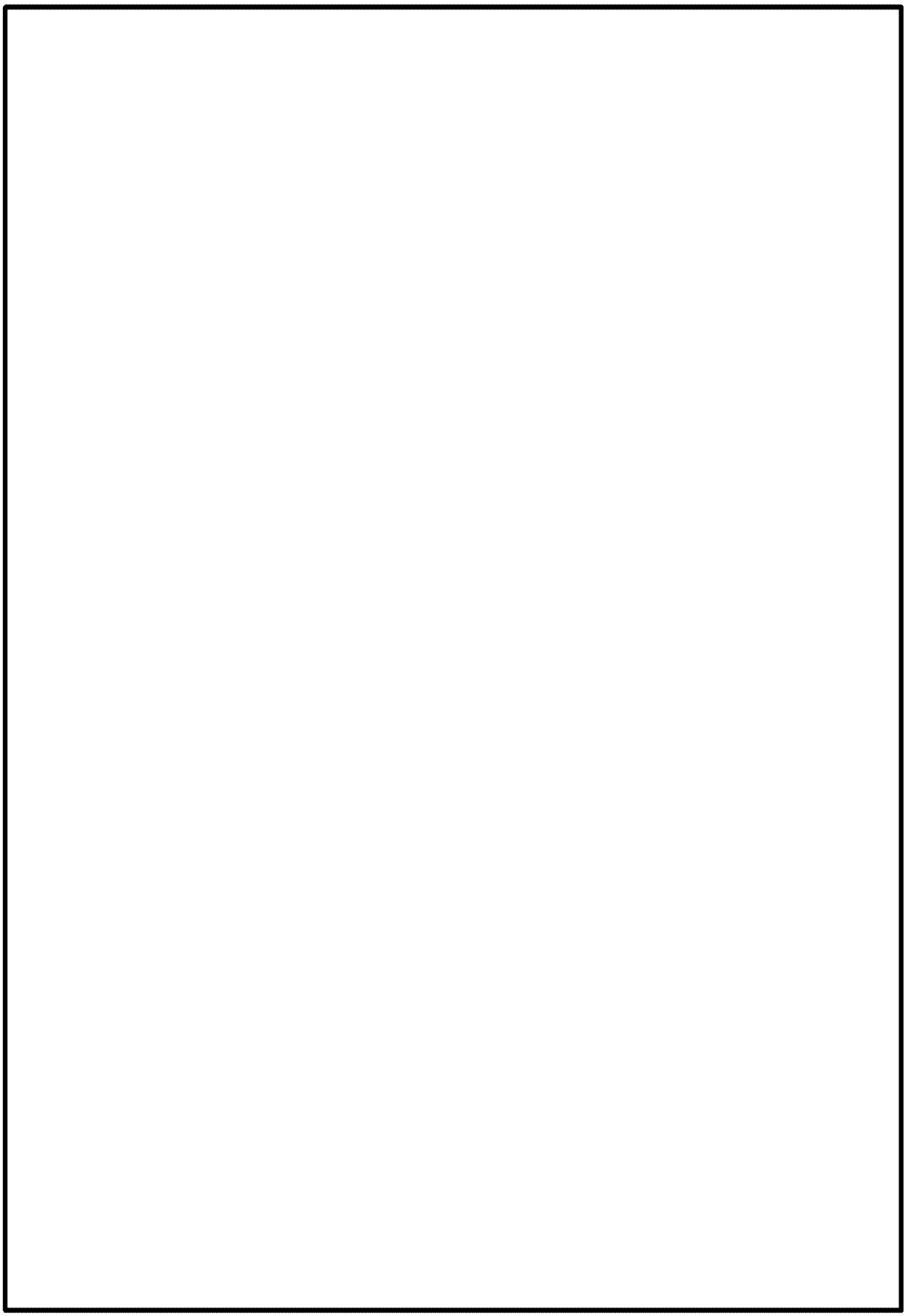
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4.11 Method of Financing

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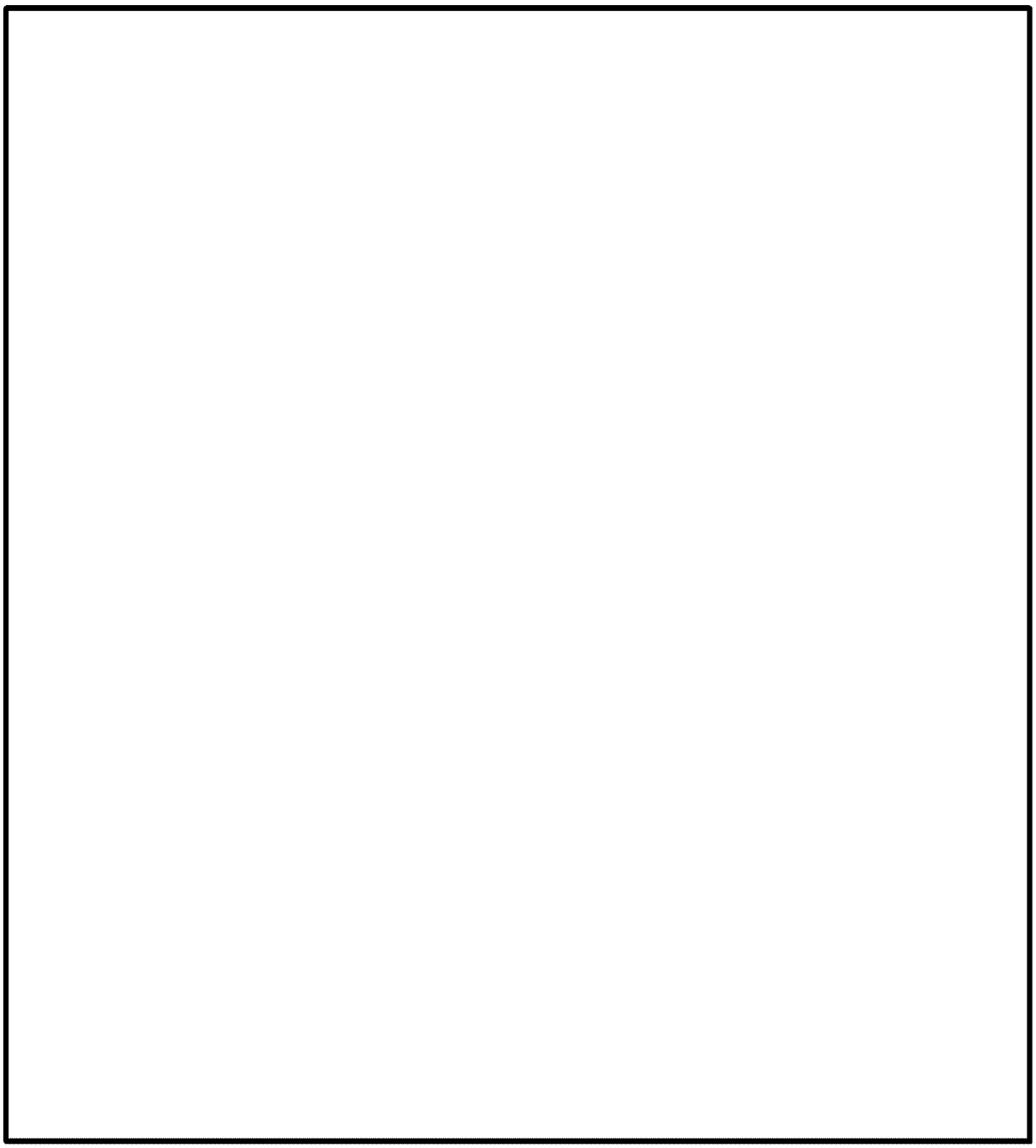


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4.12 Cautionary Statements Regarding Projections



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5.0 EMPLOYMENT AND STAFFING

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5.1 Job Descriptions

NOTE: (The information contained herein in Section 5.1 is provided, not as a means to count direct jobs, rather to demonstrate property expenses for transparency of parameters.)

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6.0 MANAGEMENT

6.1 Encore Raleigh-Durham Regional Center Management Team

The management team of EGIM and each Encore sponsored real estate project undertaken by the Regional Center will have hands on management from the executive management team of Encore Enterprises, Inc., and the presidents of the affiliated Encore companies.

Bharat Sangani, MD, Chairman and Founder of Encore Enterprises

When he founded Encore Enterprises, Inc. in 1999, Dr. Bharat Sangani's vision was to create a vertically integrated commercial real estate investment corporation comprised of specialized companies designed to address specific real estate sectors. His plan was to leverage the expertise of seasoned professionals with proven real estate development and acquisition track records, as well as deep sector-specific insights and relevant market knowledge. Today, Encore offers an end-to-end approach, with services ranging from development and construction to management and investments. Dr. Sangani is a Fellow of the American College of Cardiology and the American College of Chest Physicians, as well as a member of nine other organizations in the United States, England and India.

Patrick Barber, President and CEO of Encore Enterprises

Patrick Barber brings more than 30 years and $4 billion of commercial real estate experience to his position as a board member, president and CEO of Encore Enterprises, Inc. In this role, Mr. Barber manages Encore's day-to-day focus on growth opportunities through acquisition, development, equity and finance. Under his leadership over the past decade, Encore acquired more than $1.2 billion in properties, and developed and re-developed over 80 hospitality, family and retail properties. Mr. Barber is an advisory board member with the Urban Land Institute.

Mahesh Shetty, Chief Operating Officer and Chief Financial Officer of Encore Enterprises

Mahesh Shetty has management oversight and responsibility for all of Encore's financial functions, overseeing all revenues, costs and capital expenditures. With more than 25 years of experience as a senior finance executive, including 11 years of experience in the hospitality and commercial real estate industry, Mr. Shetty served in leadership roles at PricewaterhouseCoopers, LLP. Mr. Shetty is a Certified Public Accountant, a Certified Information Technology Professional and a chartered accountant (FCA). He holds a bachelor's degree from Osmania University, India, and received his M.B.A. from the University of Texas at Dallas.

Alan Murray, General Counsel of Encore Enterprises

Alan Murray has over 30 years of experience in managing the legal and administrative aspects of commercial real estate. Before joining Encore, he spent six years with Dave and Busters, Inc., where he helped guide the company through a tax-free spin-off from its NYSE parent to become an independent NYSE company. In addition, Mr. Murray served more than five years as vice president and general counsel for TGI Fridays, Inc., where he played a critical role in company expansion and revenue growth.

Rick Chess, President of Encore Equities

Rick Chess brings 28 years of securities and commercial real estate experience as the president of Encore Equities. In his career, Mr. Chess has closed $2 billion in real estate transactions and raised $270 million in equity for (United Dominion Realty, ManEquity, Triple Net and ARCM). In his role with Encore, Mr. Chess oversees the equity placement for all of Encore's real estate investments and manages Encore's Diversified Income Fund operations.

Prior to Encore, Mr. Chess was president of American Realty Capital Markets where he oversaw all operations of the managing broker-dealer. Mr. Chess was previously director of 1031 transactions for Triple Net Properties where he raised over $100 million of equity for Reg. D offerings and non-traded REITs. He has also served as real estate manager for Winstar Wireless where Mr. Chess oversaw the negotiation and installation of wireless communications technology inside urban areas, and was an associate with CB/Richard Ellis. Mr. Chess has held positions with United Dominion Realty, ManEquity (Manufacturers Life Insurance), Anderson & Strudwick, the Richmond Chamber of Commerce, the Pennsylvania General Assembly and the Allegheny County Law Department.

Mr. Chess attended the University of Richmond Law School where he received a Juris Doctorate of Law, and he attended the University of Pittsburgh where he earned his Bachelor of Science in Psychology and Economics. Mr. Chess holds the following FINRA securities licenses: 7; 63; and 39.

Nicholas Barber, President of Encore Retail

Nic Barber joined Encore in 2000 as the director of development and acquisitions and has quickly become a key member of the executive management team. He has been responsible for many facets of Encore's real estate transaction operations, including management of the day-to-day sourcing of all of the company's future acquisition and development projects, providing oversight to Encore's financial analyst staffing and presenting projects for approval to the investment committee and board of directors.

He has also been responsible for overseeing the due diligence, pre-development, acquisition and development processes, and assisting with sourcing and structuring of new debt and equity for approved projects. Since joining Encore, Mr. Barber has successfully closed over $1.2 billion of real estate underwriting, negotiating, financing and development transactions.

In January 2008, Mr. Barber was named president of Encore's newly formed Retail division. In this role, he is focused on continuing the company's management philosophies to lead a dynamic portfolio growth strategy of developing and acquiring profitable retail properties. His experience in closing complicated real estate transactions with Encore Enterprises provides an added advantage in determining the proper deal structure and analyzing financing options that are available in the marketplace. Mr. Barber holds a Bachelor of Science in Accounting from the University of Louisiana.

Glenn Pedersen, President of Encore Hospitality

Glenn Pedersen began his career as president of Pineapple Management Services in 1994. His responsibilities are to oversee hotel development, construction, design and management,

including contract negotiations, guest and employee satisfaction, capital expenditure planning, budgeting and the day-to-day operations of all hotels. Mr. Pedersen has been involved in the hotel industry for over 34 years, starting out his career as a front office manager of the Royal Sonesta Hotel in New Orleans, Louisiana in 1976. Through his hard work, dedication and design for achievement, he has been a picture of success throughout his career.

Glenn Pedersen began working for Marriott International in 1980 where he was assigned to the New Orleans Marriott full service hotel. After four years in the full service hotel division he was given the responsibility of opening his first Marriott hotel in Columbus, Georgia. He was completely responsible for the operation of the hotel and was proud to produce $2.5 million dollars in annual sales in the first year. Having proven his ability to succeed, Mr. Pedersen was promoted to the Marriott Corporation/Courtyard division regional director of rooms in 1987, where, during the course of 14 months, oversaw the opening of 25 hotels.

In November of 1987, Mr. Pedersen was promoted again to regional manager of the Courtyard/Fairfield Inn division in Georgia and Alabama, where he supervised the complete strategic and operational responsibility of 29 Courtyard and Fairfield Inns, representing over $75 million dollars in sales. At that time, Mr. Pedersen achieved the highest market share and yield goals in the Southeastern United States, and was one out of only four managers to qualify for Courtyard Division Achievement Forum recognition program seven straight years.

In 1994 Mr. Pedersen left Marriott International and started Pineapple Management Services where he developed, built and opened 20 Marriott hotels in three-and-a-half years.

Brad Miller, President of Encore -Family

Brad Miller has over 25 years of family development and investment experience. He is a senior executive with a distinguished career in building relationships, and leading investment and management teams in the real estate and software industries. His decisive and pro-active management style is one of the many assets he brings to Encore Retail, LLC. Over his prestigious career, he has overseen the development and acquisition of over 20,000 family units.

Prior to joining Encore Retail, LLC, Mr. Miller served as a national partner for Fore Property Company where he oversaw development activities in multiple markets, including Florida, Arizona, Nevada and Texas. He also was directly responsible for developing the first ever LEED Certified family community in North Texas.

Mr. Miller's prestigious career also includes service as CEO for a subsidiary of Olympus Real Estate Partners, a former affiliate and real estate investment arm of Hicks, Muse, Tate & Furst. He also served as managing director of the Investments Division where he oversaw development of approximately 3,000 residential lots and 20-plus investments comprising $350 million in asset value. In addition, he was a 17 year residential partner with Lincoln Property Company and oversaw development and investment activities for a division of Archstone Smith. Mr. Miller has a Bachelor of Business Administration in Accounting from Texas Christian University and is a Certified Public Accountant in Texas. He also is a Certified Class "A" General Contractor in Florida.

Mark Cypert, President of Encore Office

Mark Cypert brings to Encore Enterprises more than two decades of expertise and a proven track record in managing commercial real estate investments completing approximately $1.8 billion in commercial office investments and acquiring, developing and managing over 15 million square-feet of commercial office space during his career.

As a member of Encore's senior leadership team, Mr. Cypert is focused on the day to day operations of the office division, as well as raising institutional investor equity and managing Encore's research and underwriting programs. Prior to joining Encore, he was managing director and principal of Cawley Partners where he oversaw the firm's commercial real estate investment funds. Mr. Cypert previously served as senior vice president of CRT Properties (NYSE office REIT) where he oversaw the firms Southwestern and Mid-Atlantic regions. He also was the director of asset management for UBS Realty Investors, where he was responsible for an office investment portfolio in the Central U.S.

Mr. Cypert is a senior instructor for the CCIM Institute with a specialty in commercial real estate market analysis. Mr. Cypert has a Bachelor of Science in Construction Engineering Technology from Texas Tech University.

Brad Markoff, General Counsel of Encore Asia

Brad Markoff has 30 years of legal experience that he brings to Encore Asia as the company's general counsel. Mr. Markoff oversees the legal activities of Encore Asia and all of Encore's operations pertaining to the company's foreign investor programs and real estate operations.

Mr. Markoff continues to serve as managing partner of Locke Lord's Hong Kong office, Chair of its Asia Practice and a principal in its Capital Markets, REIT and International practice groups. He is well known for his experience in complex financing transactions, including business rollups and strategic investments in a wide variety of industry segments, including real estate investment trusts, technology and financial institutions. In his practice, Mr. Markoff regularly handles a wide range of corporate and real estate finance, securities, corporate governance and mergers and acquisitions matters, and he has worked closely with many of the world's major investment banking firms. His clients include National Governments and governmental agencies, public and private Real Estate Companies (including developers, operators, investors, brokerages and service companies), REITs, Investment and Commercial Banks, Private Equity Funds and Trust Companies.

He has been active as a Board Member of both the National Association of Real Estate Investment Trusts (NAREIT) and the Asia Pacific Real Estate Association (APREA).

He is a frequent speaker on topics related to cross border finance, REITs, innovative financing structures and mergers and acquisitions, having spoken at numerous conferences and university programs around the world, including the United States, Australia, Hong Kong, the People's Republic of China, Vietnam, South Korea, Singapore, the Philippines, South Africa and the United Kingdom.

Locke Lord Bissell & Liddell (HK) LLP is a part of Locke Lord LLP (USA), an international law firm with offices in Atlanta, Austin, Chicago, Dallas, Hong Kong, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco and Washington, D.C. The firm consistently ranks among American Lawyer's top 100 U.S. law firms.

Specialties

In addition to his capital markets practice, Mr. Markoff has been active in legislative initiatives in the REIT and finance industry in the US and Asia, including drafting of NAREIT's responses to the initiatives proposed in the wake of the accounting irregularities of Enron & WorldCom; the Philippine REIT framework; and Mainland China's (PRC) ABS/Securitization law. He has also advised study groups and other interested parties in the PRC on the adoption of a REIT scheme.

7.0 RALEIGH-DURHAM

7.1 Raleigh-Durham

The Research Triangle, also known as Raleigh-Durham or Raleigh-Durham-Chapel Hill, and commonly referred to as simply "The Triangle", is a region in the Piedmont of North Carolina in the United States, anchored by North Carolina State University, Duke University, University of North Carolina at Chapel Hill, and cities of Raleigh, Durham, and Chapel Hill respectively. The eight-county region, officially named the Raleigh-Durham-Cary CSA, comprises the Raleigh-Cary and Durham-Chapel Hill metropolitan areas and the Dunn Micropolitan Statistical Area. A 2009 Census Estimate put the population at 1,742,816. The Raleigh-Durham television market includes a broader 23-county area, which includes Fayetteville, and has a population of 2,726,000 persons.

The "Triangle" name was cemented in the public consciousness in the 1950s with the creation of Research Triangle Park, home to numerous high-tech companies and enterprises. Although the name is now used to refer to the geographic region, "The Triangle" originally referred to the universities, whose research facilities, and the educated workforce they provide, have historically served as a major attraction for businesses located in the region. The region should not be confused with "The Triad", which is a North Carolina region adjacent to and directly west of the Triangle comprising Greensboro, Winston-Salem, and High Point, among other cities. Most of the Triangle is represented by, and closely associated with, the second, fourth and thirteenth congressional districts. *(Source: Wikipedia.org)*

7.2 Demographics

Some population and median household income figures for areas within a 1-mile, 3-mile, and 5-mile radius from the proposed project site in Durham, North Carolina:

	1-mile radius	3-mile radius	5-mile radius
2010 Population:	4,947	35,497	82,587
2010 Median HH Income:	$66,210	$63,158	$56,649

Source: Loopnet.com property site demographics

7.3 Research Triangle

It is one of the most prominent high-tech research and development centers in the United States. It was created in 1959 by state and local governments, nearby universities, and local business interests. Karl Robbins bought the land where the park is now built. The park is 7,000 acres (2,833 ha) situated in a pine forest with approximately 630 acres (255 ha) for development. The park is adjacent to Interstate 40 and the Durham Freeway. It is managed by the Research Triangle Foundation, a private non-profit organization. The park is home to the second largest IBM operation in the world, dwarfed only by the one in India; the company has around 11,000 employees in RTP. The park hosts one of GlaxoSmithKline's largest R&D centers with approximately 5,000 employees. *(Source: Wikipedia.org)*

(b)(4)

8.0 REGIONAL INFORMATION

The counties that comprise the Region were selected due to their proximity and the similar nature of their geographical, demographic, and economic statistics. These four (4) contiguous counties constitute a portion of a natural region in North Carolina, and are centered on Raleigh-Durham, North Carolina. The area around Raleigh-Durham is generally defined Raleigh-Durham-Cary, NC Combined Statistical Area (CSA). These counties are a mix of urban and rural areas, and are dominated by similar industries, similar in demographic makeup, and economically interconnected.

8.1 Raleigh-Durham Regional Center Demographics (RC Geography Demographics)

Population

Household Summary

Housing Summary

Households by Income Summary

(b)(4)

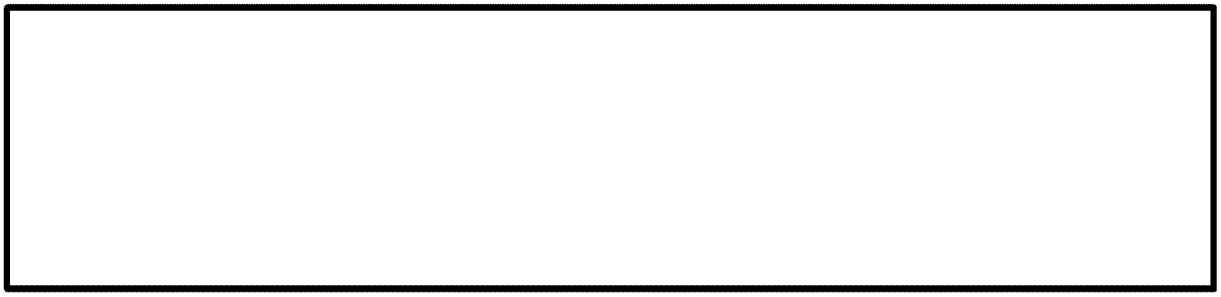
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Population by Education Summary



Population by Employment Summary



(b)(4)

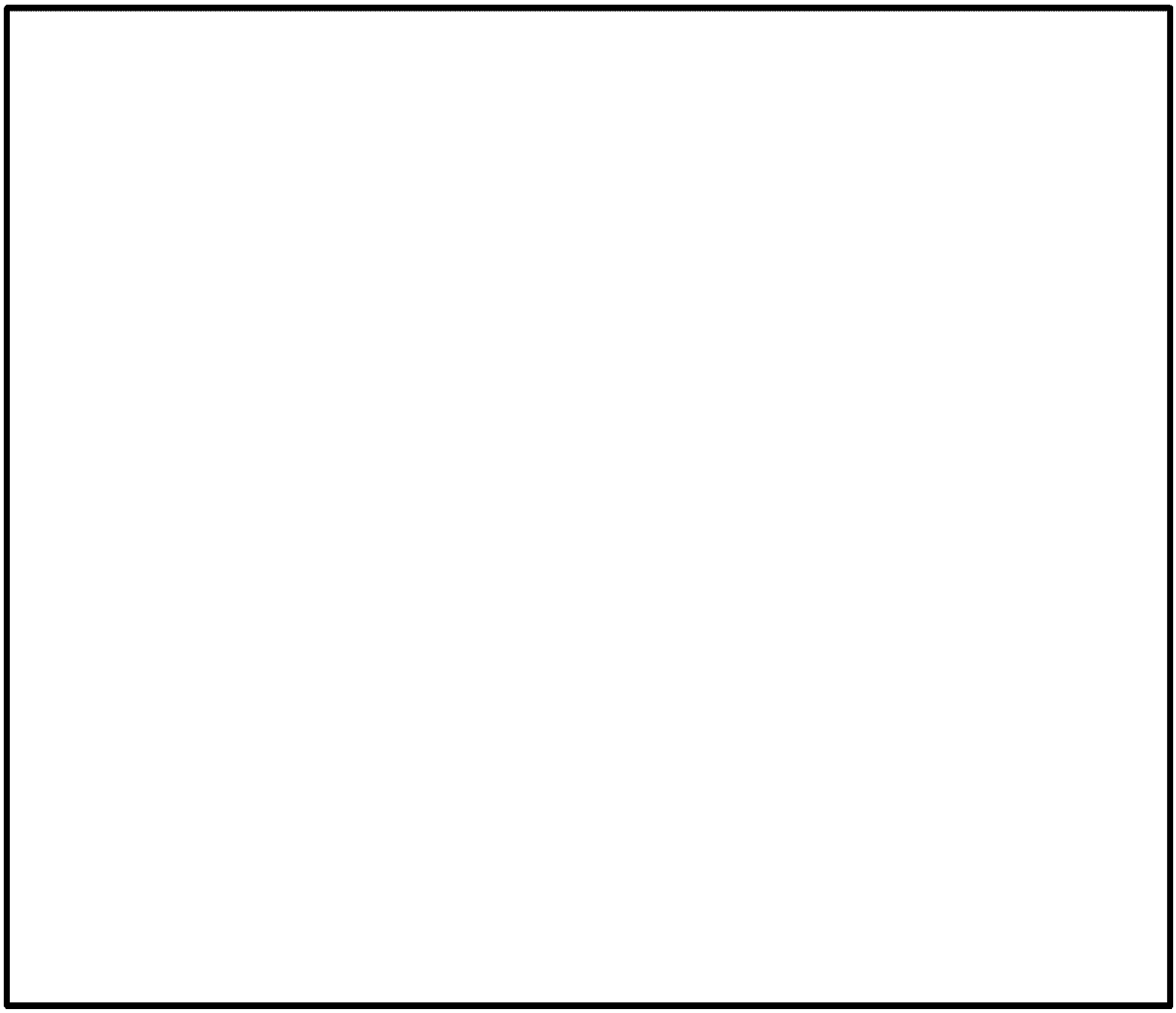
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9.0 PARTNERSHIP INFORMATION

9.1 Office of the Partnership

The contact address of the Partnership is as listed on the cover page.

9.2 Structure of the Partnership



9.3 Advantages of a Limited Partnership

A limited partnership is a limited liability entity, much like a corporation or limited liability company. The primary advantage of a limited partnership is that the owners of limited partnership interests in a limited partnership are not personally liable for the debts or obligations of the entity.

(b)(4)

9.4 Flexible Profit Distribution

A limited partnership enjoys certain flexibility regarding the distribution of profits and/or cash flow that is not necessarily the same as the ownership of interests in the Partnership.

9.5 Key Features

-
-
-

9.6 Flow-Through Taxation

9.7 Independent Advice

(b)(4)

10.0 EB-5 INVESTOR AND REGIONAL CENTER INFORMATION

The immigrant EB-5 Program is a highly beneficial permanent residence option for the wealthy individual. Since there is no quota waiting list in this preference category, it enables a foreign national to obtain permanent residence status more expeditiously than with most other options.

The EB-5 category requires an investment of $1 million (or $500,000 in a high unemployment or rural area TEA) in a job creating commercial enterprise that will employ 10 full-time U.S. workers per investor. Although the investor's role cannot be completely passive, he or she does not have to be involved in any way in the day-to-day management of the business unless he or she wants to do so. It is critically important that the investor be able to document the lawful source of investment funds and whether his or her own or funds were given to him or her as a gift.

The permanent residence obtained by the investor is conditional for two (2) years or twenty-four (24) months and can be made permanent upon satisfying USCIS that the investment proceeds have not been withdrawn and the requisite jobs have been created at the end of the two-year period.

10.1 Regional Centers

The investor may invest in his or her own commercial enterprise or in a commercial enterprise owned by other parties. The investor may also choose to invest in a pre-approved "regional center." Regional centers are geographical areas for which USCIS has determined that investments will create the necessary 10 jobs per investor, whether directly or indirectly, in the regional center's approved geographical area. Virtually all of the regional centers are in geographical areas that include Targeted Employment Areas or TEAs with high unemployment where $500,000 is the required amount of investment. Most of the regional centers involve limited partnership investments for which having the rights of a limited partner is considered sufficient to make the investor not completely passive. The business plan functions as a proposal to act as a regional center for the Region.

10.2 Immigrant Investors: Two Choices, One Goal

Foreign nationals seeking permanent resident status in the U.S. are relying on the investment route more frequently than ever before. Various reasons might be surmised for the increase in popularity of the investment option, including the increasing unavailability of other options under U.S. immigration laws and the significantly decreased value of the U.S. dollar. The result is that the required amount of investment—either $500,000 or $1,000,000—translates into smaller equivalent amounts to foreign nationals using currencies with greatly enhanced value in conversions to dollars.

The foreign national who wishes to use the investment option for permanent residence has two basic choices. One choice is to find his or her own individual investment vehicle in which he or she will invest and play a role in management or policymaking. The second option is a

government-approved "regional center" investment. Both options have advantages and disadvantages that will be discussed in further detail.

As an overview, the major advantage of the individual investment option is that the foreign national accomplishes not only an immigration purpose, but also a purpose of investing in a business that may provide significant returns as well as a source of income and a livelihood on an ongoing basis. However, there are far more immigration law hurdles to be overcome than with the regional center investment.

The regional center investment is often the quickest and most secure option (assuming the investment is made in a regional center with a strong immigration track record). The immigration process is often quicker and there are far fewer legal issues to be confronted. However, the investor is not running his or her own business and the rate of return may be lower than in a successful individual investment.

10.3 What is the Minimum Investment?

With either option, the amount of the investment is $1,000,000, unless the investor can prove that the investment is in a "rural area," or in an area that has experienced unemployment of at least 150% of the national average rate. If so, the amount of the required investment is $500,000. Most (but not all) of the regional centers are located in such $500,000 "Targeted Employment Areas."

10.4 Job Creation Requirement

Both options require the investor to prove that his or her investment has resulted in the creation of "full-time employment" of 10 U.S. workers. The big difference is that individual investors must prove direct employment of the 10 employees. With regional centers, U.S. Citizenship and Immigration Services (USCIS) has pre-approved the employment creation using a standard that allows a combination of direct, indirect and induced employment using various accepted econometric models. In the case of Encore, RIMS II TYPE II multipliers were used to perform the job creation calculations, and is the preferred and accepted methodology of the USCIS.

10.5 Role of Foreign Investors as Limited Partners

Both investment options prohibit purely passive investment. In other words, the investor must be engaged in the "management" of the enterprise. In this regard, it should be noted that most of the regional centers organize limited partnerships into which the foreign investors invest. The limited partnerships invest into an EB-5 approved enterprise, usually in the form of a loan. Pursuant to regulation, if the petitioning investor is a limited partner and the limited partnership agreement provides the petitioner with the rights, powers and duties normally granted to limited partners under the Uniform Limited Partnership Act, the investor will be considered sufficiently engaged in the management of the enterprise. As a practical and legal matter, this requirement can be met by a limited partner without the necessity of the investor committing to any specific amount of time or engaging in any day-to-day management, since such activities are performed by the general partner.

10.6 Potential Investment Hurdles & Risk Mitigation

One of the biggest stumbling blocks for the individual investor is proving that the investment has been made in a "new commercial enterprise." This issue can be resolved in advance if the project has been pre-approved for foreign investments through a regional center. A "new commercial enterprise" can be created by an individual investor in one of three ways:

- Establishing a brand new business;
- Acquiring an existing business and engaging in significant "restructuring or reorganization" (although this alternative is rarely used and has not been defined); or,
- Expanding an existing business.

This option requires the investor to prove not only the creation of 10 new jobs but also the expansion of either net worth or the number of employees of the business by at least 40%. If the investor invests in a "troubled business" (a business with substantial losses as quantified by the regulations), there may be an opportunity to qualify based on preserving existing employees as opposed to adding new ones.

Another significant issue for both the individual and the regional center investor is proving the "lawful source of funds." Substantial documentation is required to prove that the investor did not acquire the funds through unlawful means. If the funds are the result of a gift, this requirement must be met for the giftor as well. Similarly, if the funds are the result of a loan from an individual, this requirement is applicable to the creditor. Documentation utilized to meet this requirement may include tax returns, real estate transactions, securities transactions, inheritance documentation, stock dividends, employment records, bank records, etc.

Related to—but separate from—the lawful source of funds requirement is the requirement to trace the funds from the individual investor to the new commercial enterprise. In some cases this is as simple as a wire transfer document from an individual's bank account to the investment enterprise. In other cases involving countries with restrictions on outbound currency transfers, this can be extremely complex, often involving transfers to multiple parties. It is important to note that the investment must come from the individual investor. An investment from a corporate entity, including a wholly owned corporate entity, will not qualify.

10.7 Qualifying for Green Card Status

With both the individual and the regional center investor, upon approval of the permanent resident application, the foreign national receives "conditional permanent resident status." This means that the "green card" that the investor receives is valid for two years. During the 21- to 24-month window after approval, the investor must file an application to remove conditions on residence. As part of this process, the investor must prove that the investment funds have not been withdrawn and that the requisite jobs have been created. For individual investors, this can be highly problematic if the vicissitudes of business are such that a downturn in the economy has resulted in a reduction in the workforce. For the regional center investor, although indirect

employment creation in the community is allowed and although USCIS has pre-approved the employment creation element for purposes of approval of the original investor petition, the regional center has the burden to prove two years later that the actual projected employment has occurred. For this reason, even though all of the regional centers have been pre-approved, the choice of regional center is a critical one. As of the date of this article, only a small number of the regional centers have actually gone through the entire process resulting in successful permanent green cards for their investors.

While the immigrant investor options are not the panacea for all foreign nationals seeking permanent residence status in the U.S., it has provided a solution for many during times when other traditional paths have been blocked. For the investors who choose this option, it is important to put together a team including not only the immigration lawyer, but also business, tax, and/or securities counsel, to advise on the multiplicity of issues that go into determining whether the investor option is a good decision for a particular client.

11.0 EXHIBITS

[Attached in following pages.]

Exhibit 1. CoStar Retail Report Mid-Year 2012 Raleigh/Durham Retail Market

[Attached in following pages.]

THE COSTAR RETAIL REPORT

MID-YEAR 2012

Raleigh/Durham Retail Market



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RALEIGH/DURHAM RETAIL MARKET

METHODOLOGY

The CoStar Retail Report calculates Retail statistics using CoStar Group's base of existing, under construction and under renovation Retail buildings in each given metropolitan area. All Retail building types are included, including Community Center, Freestanding Retail, Neighborhood Center, Power Center, Regional Mall, Specialty Center and Unanchored Strip Center, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Retail Report are calculated using Triple Net (NNN) rental rates.

For information on subscribing to CoStar's other products and services, please contact us at 1-877-7COSTAR, or visit our web site at www.costar.com

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TERMS & DEFINITIONS

Anchor Tenant: A large national or regional retailer that serves as a primary draw for a shopping center; a store strategically located in a retail property in order to enhance, bring attention to, or increase traffic at the property. Sometimes called a "destination" tenant, usually these tenants lease at least 25,000 SF.

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

Community Center: A shopping center development that has a total square footage between 100,000 – 350,000 SF. Generally will have 2-3 large anchored tenants, but not department store anchors. Community Center typically offers a wider range of apparel and other soft goods than the Neighborhood Center. Among the more common anchors are supermarkets and super drugstores. Community Center tenants sometime contain retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured as a strip, in a straight line, or an "L" or "U" shape.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Freestanding Retail: Single tenant building with a retail tenant. Examples include video stores, fast food restaurant, etc.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

General Retail: Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don't meet any of the more detailed use code descriptions.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Lifestyle Center: An upscale, specialty retail, main street concept shopping center. An open center, usually without anchors, about 300,000 SF GLA or larger, located near affluent neighborhoods, includes upscale retail, trendy restaurants and entertainment retail. Nicely landscaped with convenient parking located close to the stores.

Mall: The combined retail center types of Lifestyle Center, Regional Mall and Super Regional Mall.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Neighborhood Center: Provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood with a supermarket being the principal tenant. In theory, the typical GLA is 50,000 square feet. In practice, the GLA may range from 30,000 to 100,000 square feet.

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Outlet Center: Usually located in a rural or occasionally in a tourist location, an Outlet Center consists of manufacturer's outlet stores selling their own brands at a discount. 50,000 – 500,000 SF. An Outlet Center does not have to be anchored. A strip configuration is most common, although some are enclosed malls and others can be arranged in a village cluster.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Power Center: The center typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants. 250,000 – 600,000 SF. A Power Center is dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or "category killers," i.e.,

stores that offer tremendous selection in a particular merchandise category at low prices.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Regional Mall: Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store with a minimum GLA of 100,000 square feet, as the major drawing power. For even greater comparative shopping, two, three, or more department stores may be included. In theory a regional center has a GLA of 400,000 square feet, and may range from 300,000 to more than 1,000,000 square feet. Regional centers in excess of 750,000 square feet GLA with three or more department stores are considered Super Regional. (See also: Super Regional Mall).

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Shopping Center: The combined retail center types of Community Center, Neighborhood Center and Strip Center.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Specialty Center: The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center.

Sports & Entertainment: A facility suited for recreational activities, including: Amusement Facility, Aquatic Facility/Swimming Pool, Bowling Alley, Casino/Gaming Facility, Equestrian Center/Stable, Fitness, Court and Spa Facility, Golf Related, Racetrack, Skating Rink, Ski Resort, Sports Arena/Stadium, and Theatre/Performing Art Facility.

Strip Center: A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Super Regional Mall: Similar to a regional mall, but because of its larger size, a super regional mall has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional malls, the typical configuration is as an enclosed mall, frequently with multiple levels (See also: Regional Mall).

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Theme/Festival Center: These centers typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. Sometimes the biggest appeal of these centers is to tourists; they can be anchored by restaurants and entertainment facilities. These centers, generally located in urban areas, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed-use projects. 80,000 – 250,000 SF.

Under Construction: The status of a building that is in the process of being developed, assembled, built or constructed. A building is considered to be under construction after it has begun construction and until it receives a certificate of occupancy.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

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RALEIGH/DURHAM RETAIL MARKET

OVERVIEW

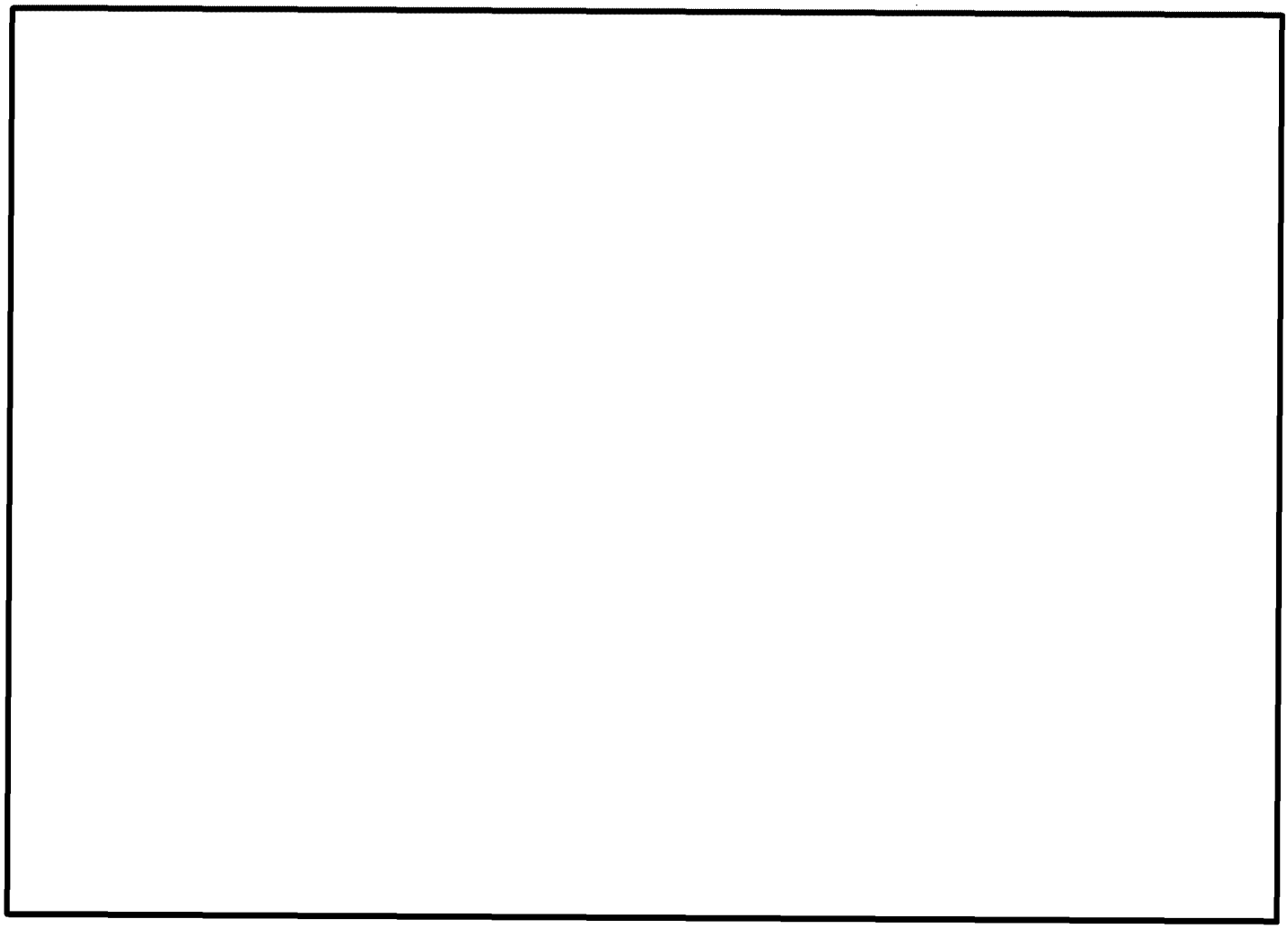
RALEIGH/DURHAM RETAIL MARKET

OVERVIEW

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RALEIGH/DURHAM RETAIL MARKET

OVERVIEW



CoStar Markets & Submarkets

In analyzing metropolitan areas in the U.S., CoStar has developed geographic designations to help group properties together, called Regions, Markets and Submarkets. Regions are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are then divided into Markets, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Markets	Submarkets

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RALEIGH/DURHAM RETAIL MARKET

INVENTORY & DEVELOPMENT

HISTORICAL DELIVERIES 1982 - 2012

Source: CoStar Property® * Future deliveries based on current under construction buildings.

CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Source: CoStar Property®

RECENT DELIVERIES

Source: CoStar Property®

FUTURE DELIVERIES

Source: CoStar Property®

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RALEIGH/DURHAM RETAIL MARKET

INVENTORY & DEVELOPMENT

HISTORICAL CONSTRUCTION STARTS & DELIVERIES

RECENT DELIVERIES BY PROJECT SIZE OF YEAR-TO-DATE DEVELOPMENT

Source: CoStar Property®

RECENT DEVELOPMENT BY TENANCY

Based on GLA Developed for Single & Multi Tenant Use

EXISTING INVENTORY COMPARISON

Based on Total GLA

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SELECT YEAR-TO-DATE DELIVERIES

Based on Project Square Footage

Source: CoStar Property®

RALEIGH/DURHAM RETAIL MARKET

INVENTORY & DEVELOPMENT

SELECT TOP UNDER CONSTRUCTION PROPERTIES

Based on Project Square Footage

Source: CoStar Property®

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RALEIGH/DURHAM RETAIL MARKET

FIGURES AT A GLANCE

GENERAL RETAIL MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

MALL MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

POWER CENTER MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

RALEIGH/DURHAM RETAIL MARKET

FIGURES AT A GLANCE

SHOPPING CENTER MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

SPECIALTY CENTER MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

TOTAL RETAIL MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

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RALEIGH/DURHAM RETAIL MARKET

FIGURES AT A GLANCE

GENERAL RETAIL SUBMARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

MALL SUBMARKET STATISTICS

Mid-Year 2012

RALEIGH/DURHAM RETAIL MARKET

FIGURES AT A GLANCE

POWER CENTER SUBMARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

SHOPPING CENTER SUBMARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

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RALEIGH/DURHAM RETAIL MARKET

FIGURES AT A GLANCE

SPECIALTY CENTER SUBMARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

TOTAL RETAIL SUBMARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

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RALEIGH/DURHAM RETAIL MARKET

FIGURES AT A GLANCE

GENERAL RETAIL MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

MALL MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

POWER CENTER MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

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RALEIGH/DURHAM RETAIL MARKET

FIGURES AT A GLANCE

SHOPPING CENTER MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

SPECIALTY CENTER MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

TOTAL RETAIL MARKET STATISTICS

Mid-Year 2012

Source: CoStar Property®

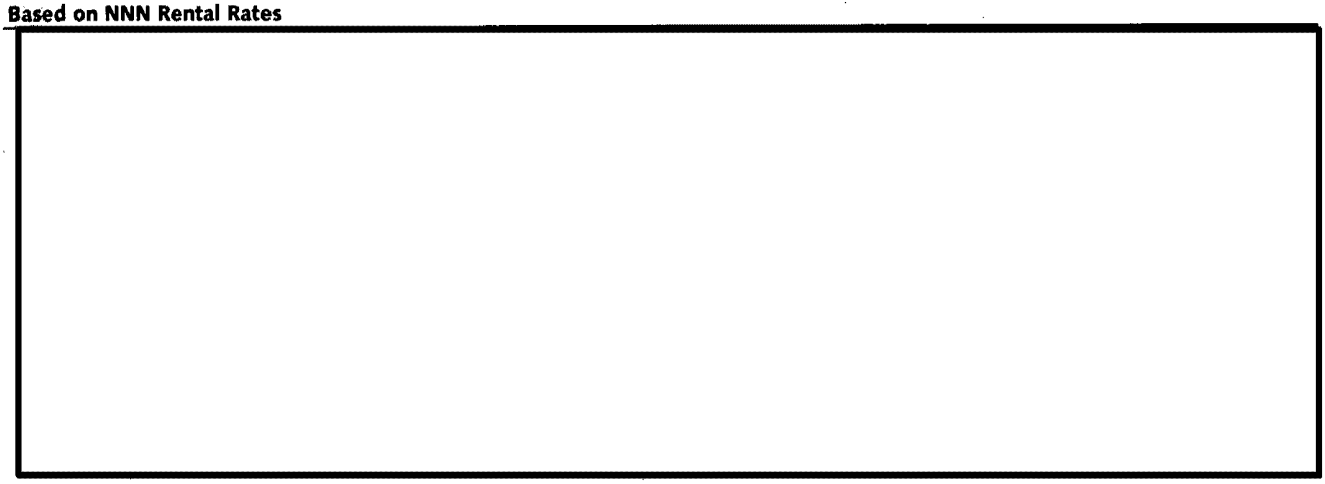
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RALEIGH/DURHAM RETAIL MARKET

LEASING ACTIVITY

HISTORICAL RENTAL RATES

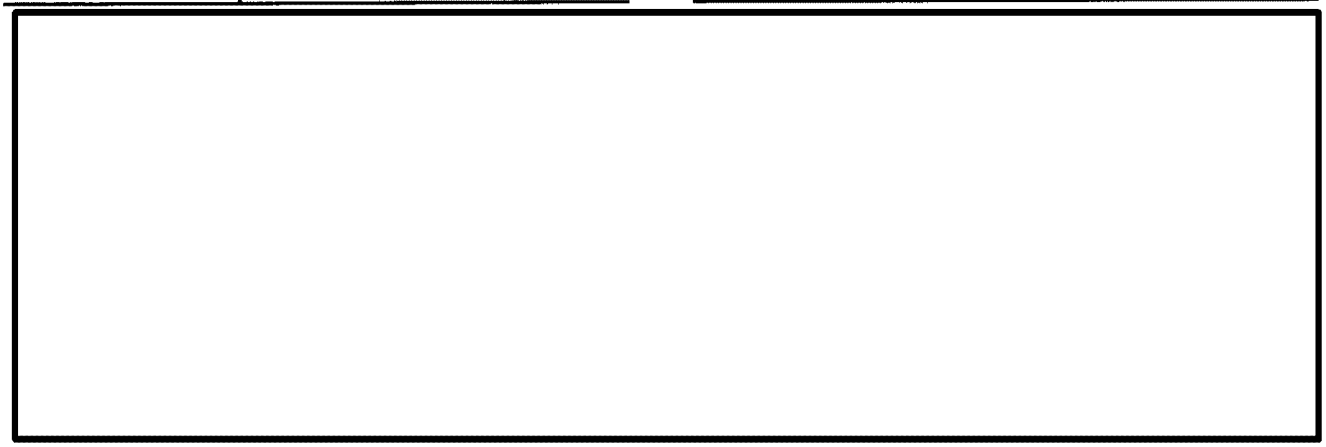
Based on NNN Rental Rates



Source: CoStar Property®

VACANCY BY AVAILABLE SPACE TYPE

Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

VACANCY BY BUILDING TYPE

Percent of All Vacant Space by Building Type

Source: CoStar Property®

GLA BY BUILDING TYPE

Ratio of Total GLA by Building Type



Source: CoStar Property®

FUTURE SPACE AVAILABLE

Space Scheduled to be Available for Occupancy*

** Includes Under Construction Spaces* *Source: CoStar Property®*

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SELECT TOP RETAIL LEASES Based on Leased Square Footage For Deals Signed in 2012

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company

Source: CoStar Property®
* Renewal

RALEIGH/DURHAM RETAIL MARKET

SALES ACTIVITY

THE OPTIMIST SALES INDEX

Average of Two Highest Price/SF's and Two Lowest Cap Rates

Source: CoStar COMPS®

SALES VOLUME & PRICE

Based on Retail Building Sales of 15,000 SF and Larger

Source: CoStar COMPS®

SALES ANALYSIS BY BUILDING SIZE

Based on Retail Building Sales From April 2011 - March 2012

Source: CoStar COMPS®

U.S. PRICE/SF COMPARISON

Based on Retail Building Sales of 15,000 SF and Larger

Source: CoStar COMPS®

U.S. CAP RATE COMPARISON

Based on Retail Building Sales of 15,000 SF and Larger

Source: CoStar COMPS®

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RALEIGH/DURHAM RETAIL MARKET

SALES ACTIVITY

SELECT TOP SALES

Based on Sales from April 2011 Through June 2012

Source: CoStar COMPS®

SELECT SAME BUILDING SALES

Based On Recent Building Sales Compared to Prior Sale

SELECT LAND SALES

Based on Commercially Zoned Land Sales Occurring From April 2011 - June 2012

Source: CoStar COMPS®

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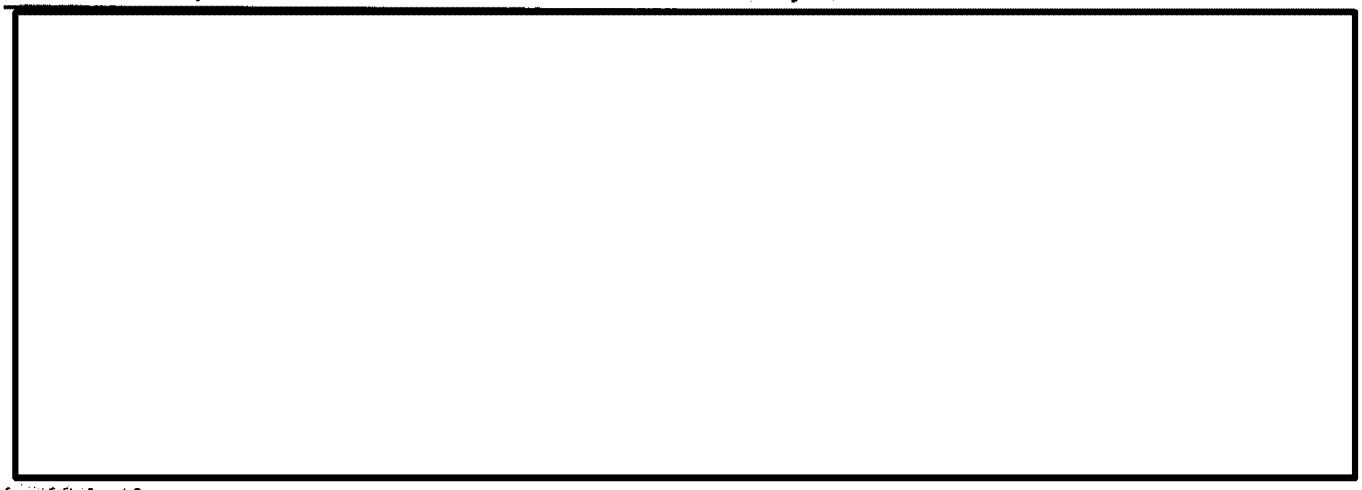
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RALEIGH/DURHAM RETAIL MARKET

CHATHAM COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

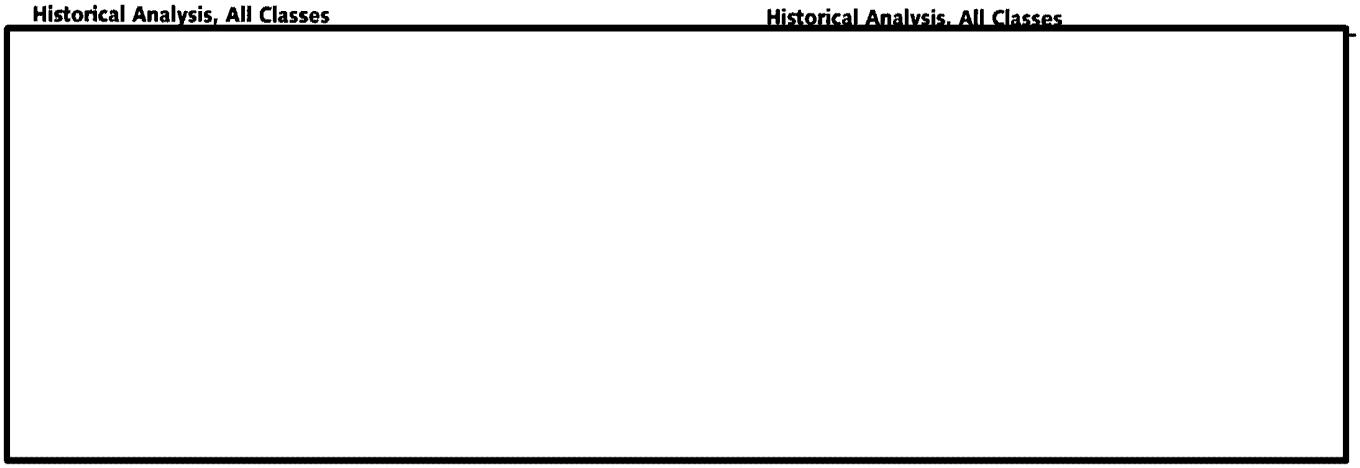
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

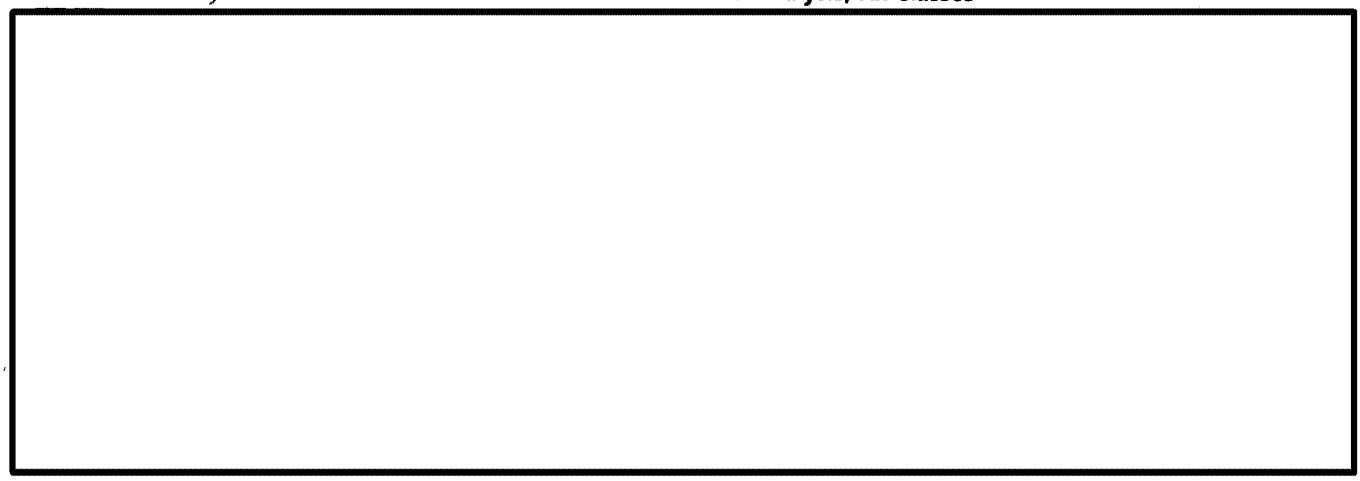
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RALEIGH/DURHAM RETAIL MARKET

DURHAM COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

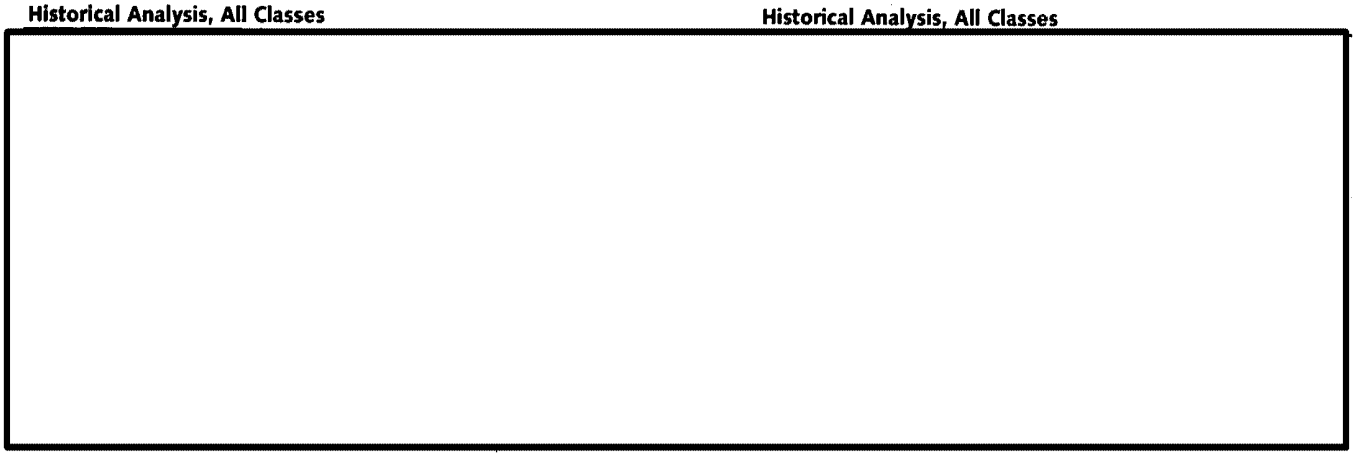
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

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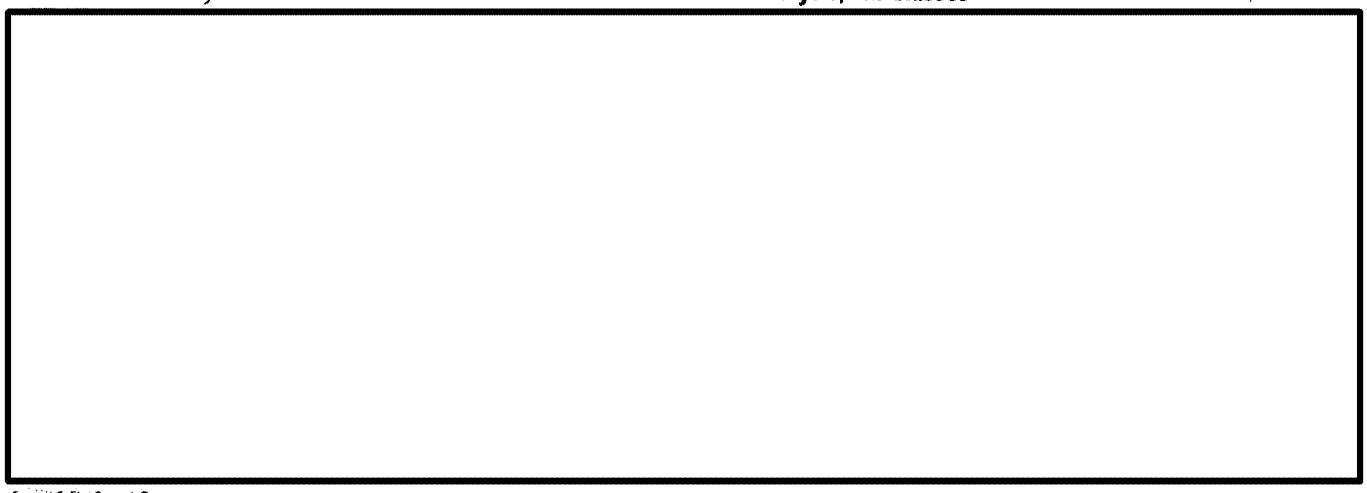
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RALEIGH/DURHAM RETAIL MARKET

EAST WAKE COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

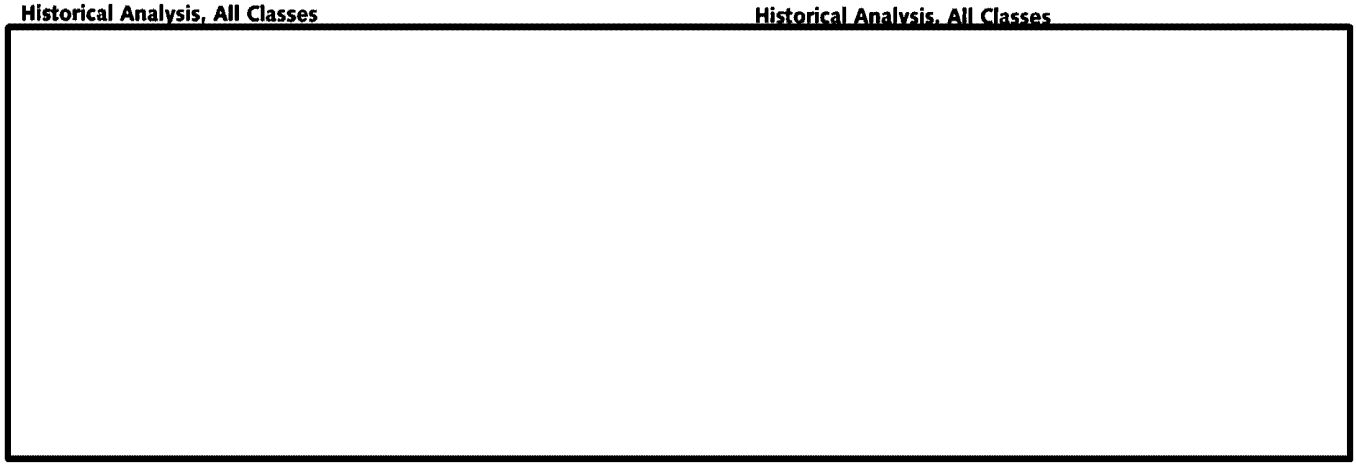
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

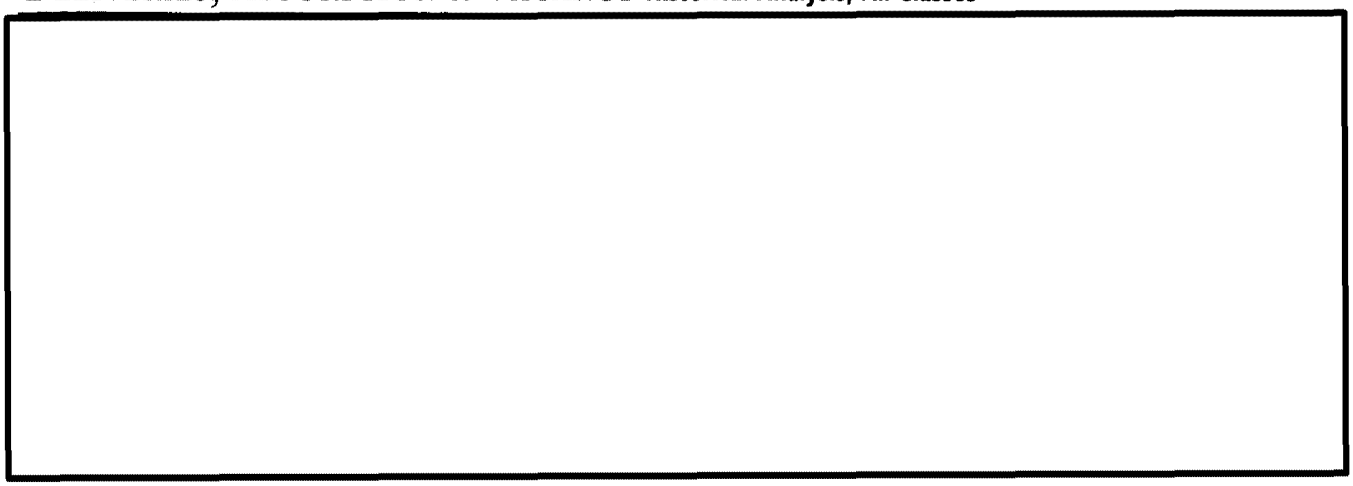
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RALEIGH/DURHAM RETAIL MARKET

FRANKLIN COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

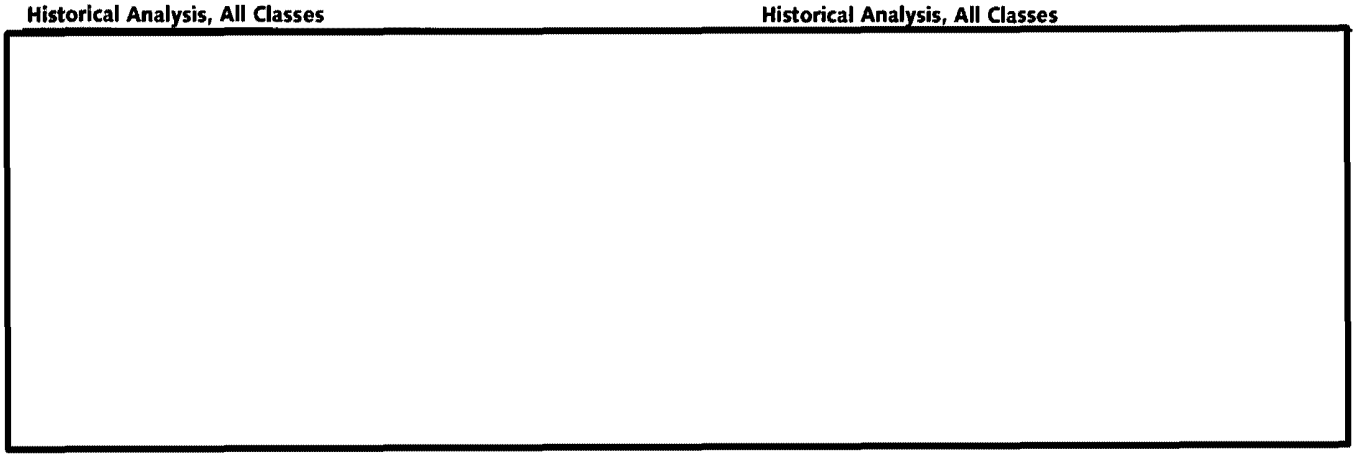
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

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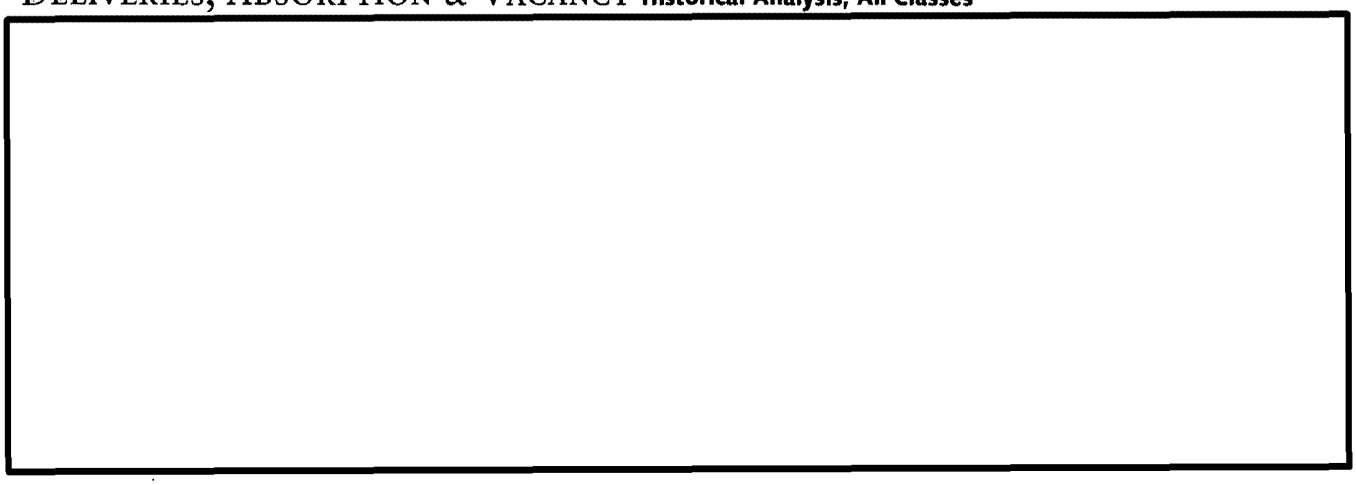
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RALEIGH/DURHAM RETAIL MARKET

GLENWOOD/CREEDMOOR MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

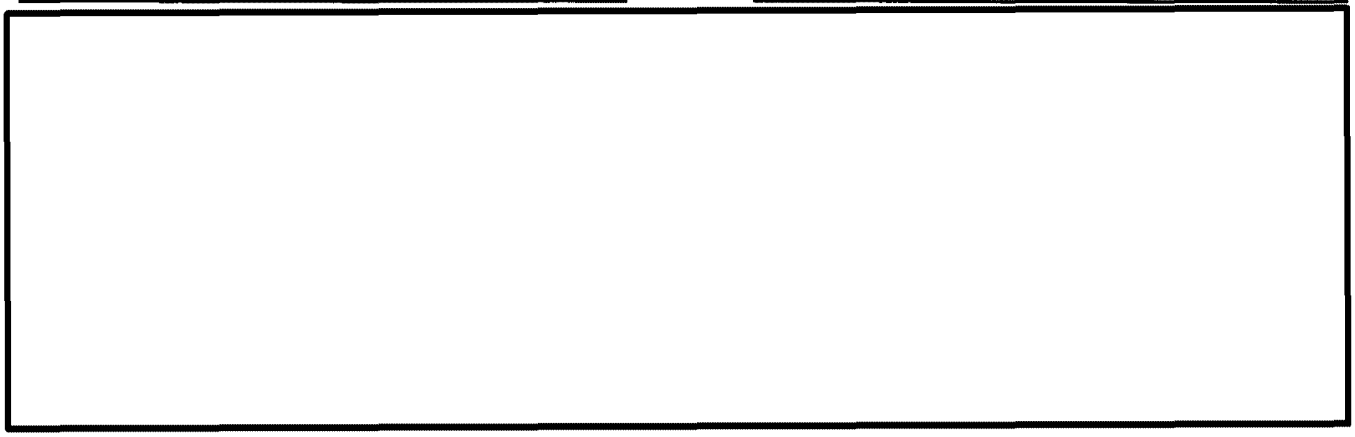
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

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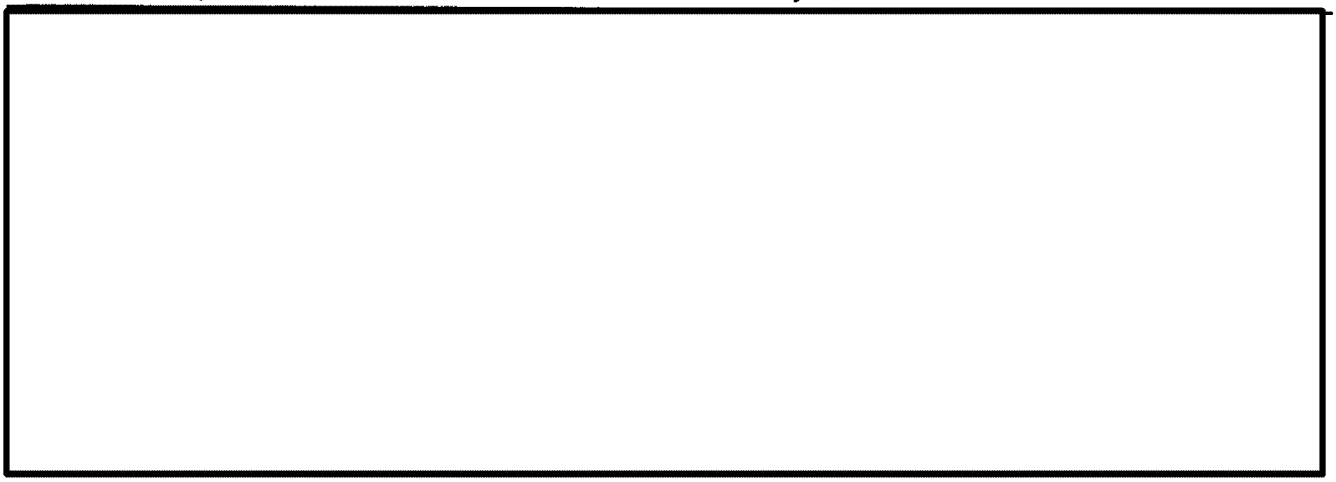
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RALEIGH/DURHAM RETAIL MARKET

JOHNSTON COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

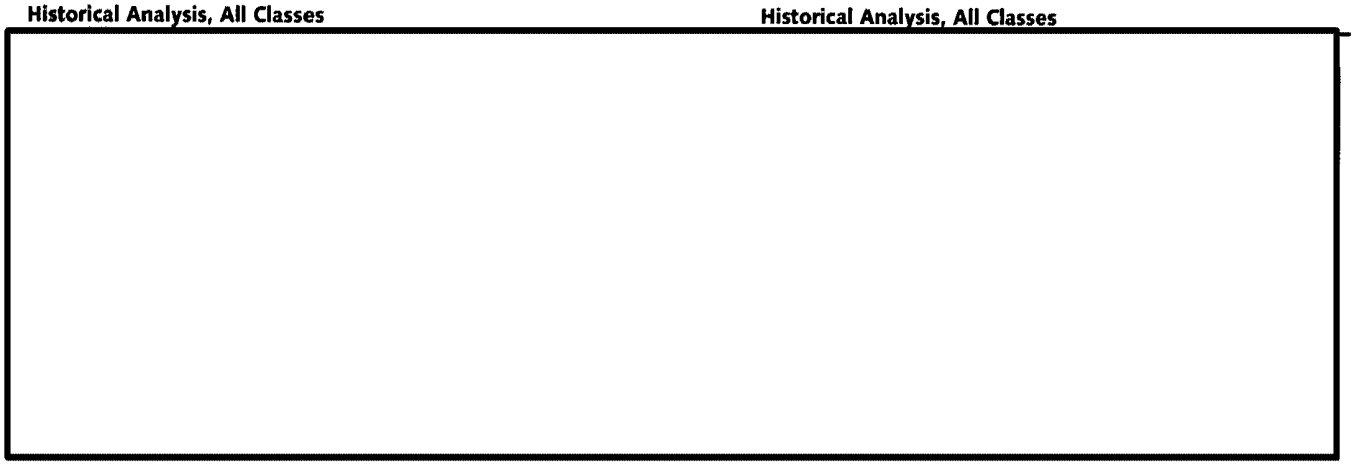
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

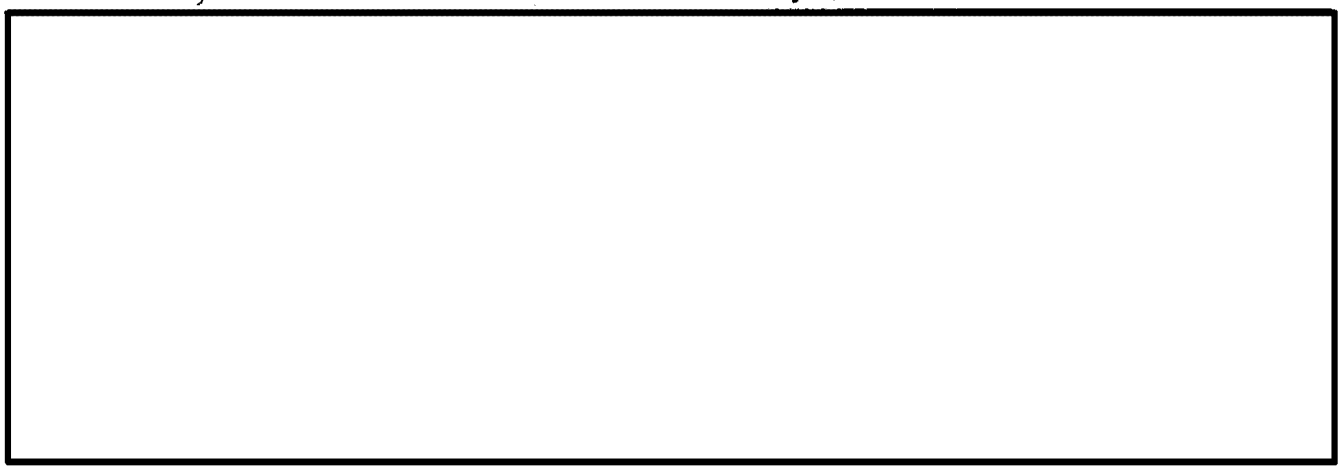
Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

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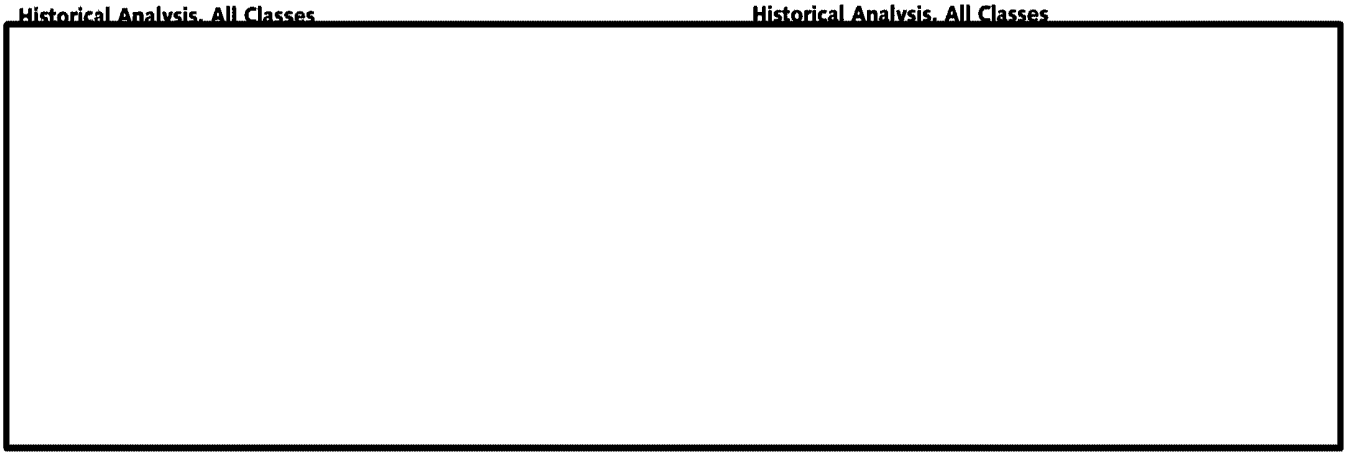
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

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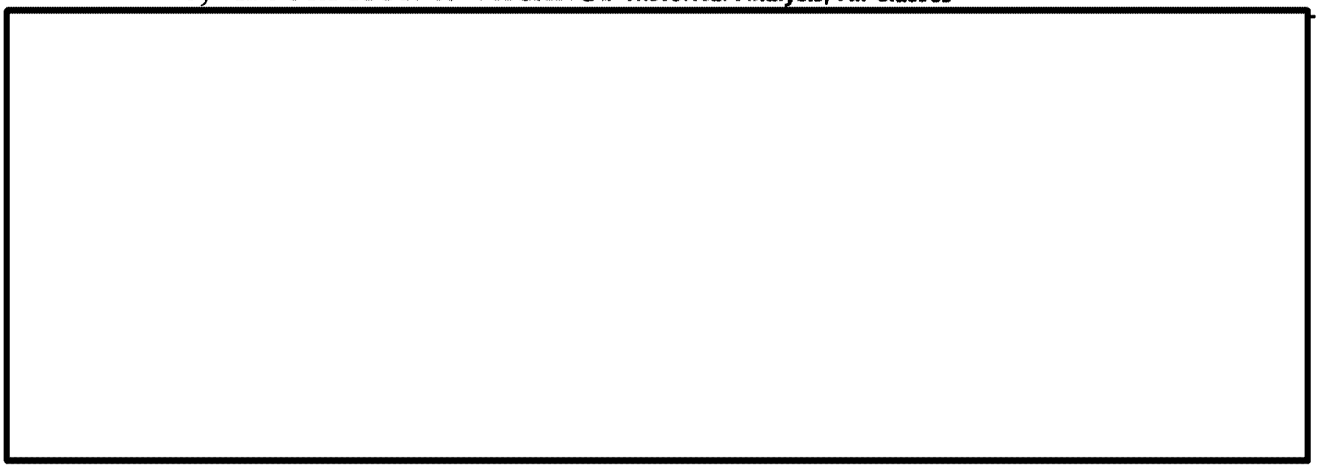
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RALEIGH/DURHAM RETAIL MARKET

ORANGE COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

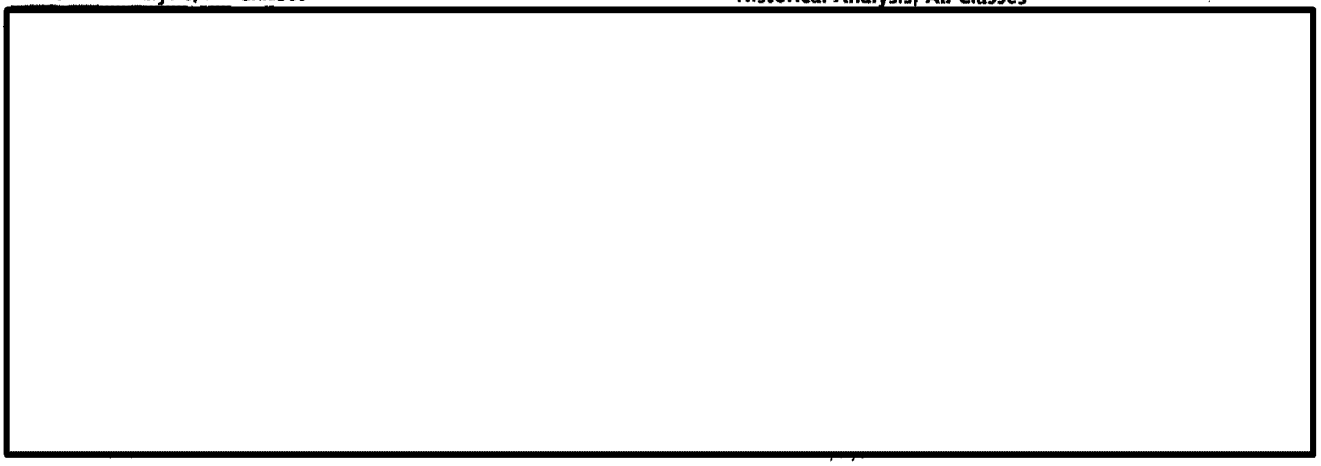
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



QUOTED RENTAL RATES

Historical Analysis, All Classes

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

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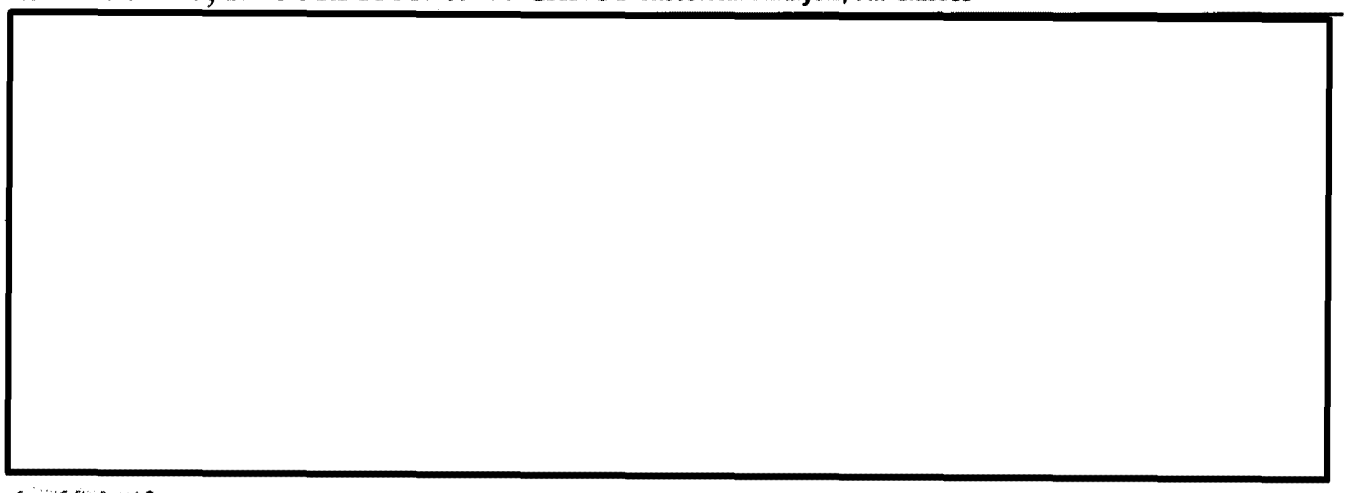
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RALEIGH/DURHAM RETAIL MARKET

PERSON COUNTY MARKET

MARKET HIGHLIGHTS - CLASS "A, B & C"

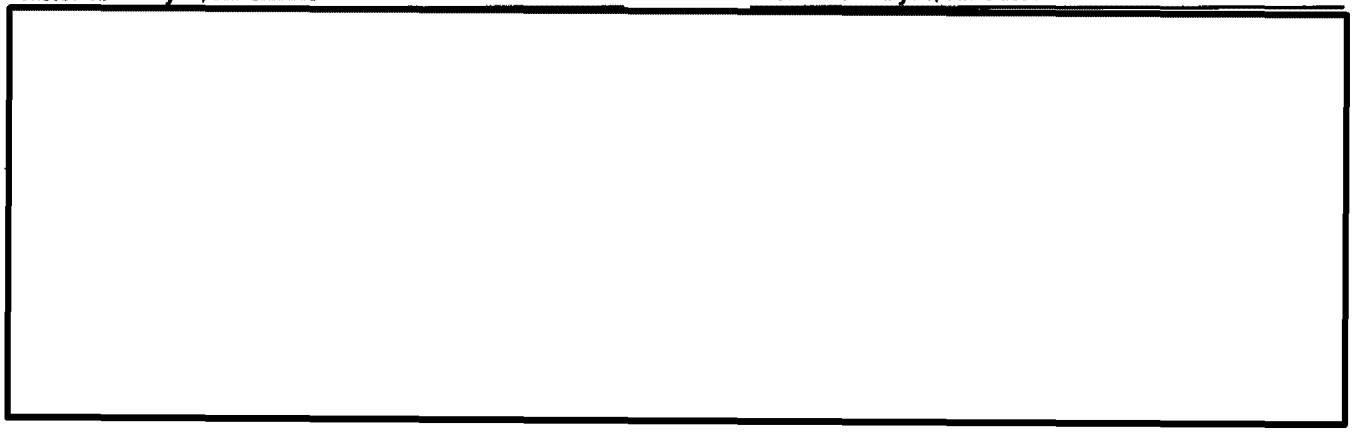
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

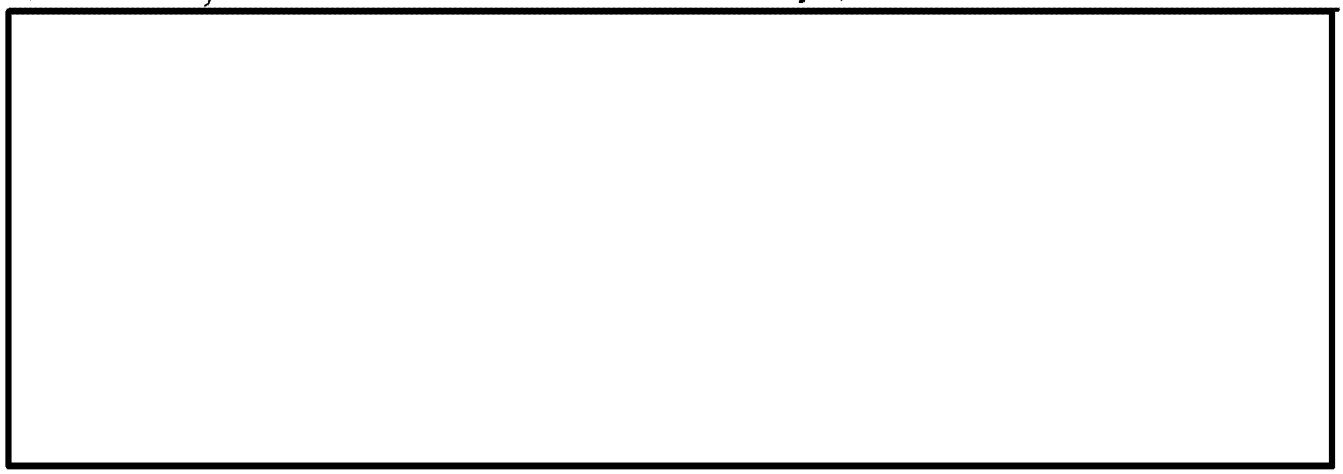
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RALEIGH/DURHAM RETAIL MARKET

RALEIGH MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	

Source: CoStar Property®

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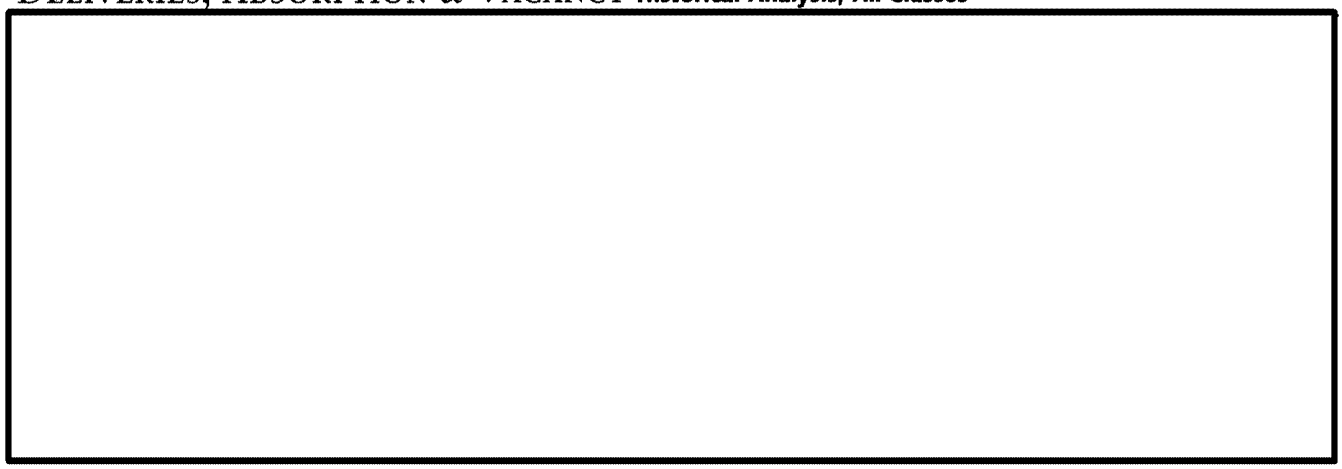
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RALEIGH/DURHAM RETAIL MARKET

RTP/RDU MARKET

MARKET HIGHLIGHTS - CLASS "A, B & C"

DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

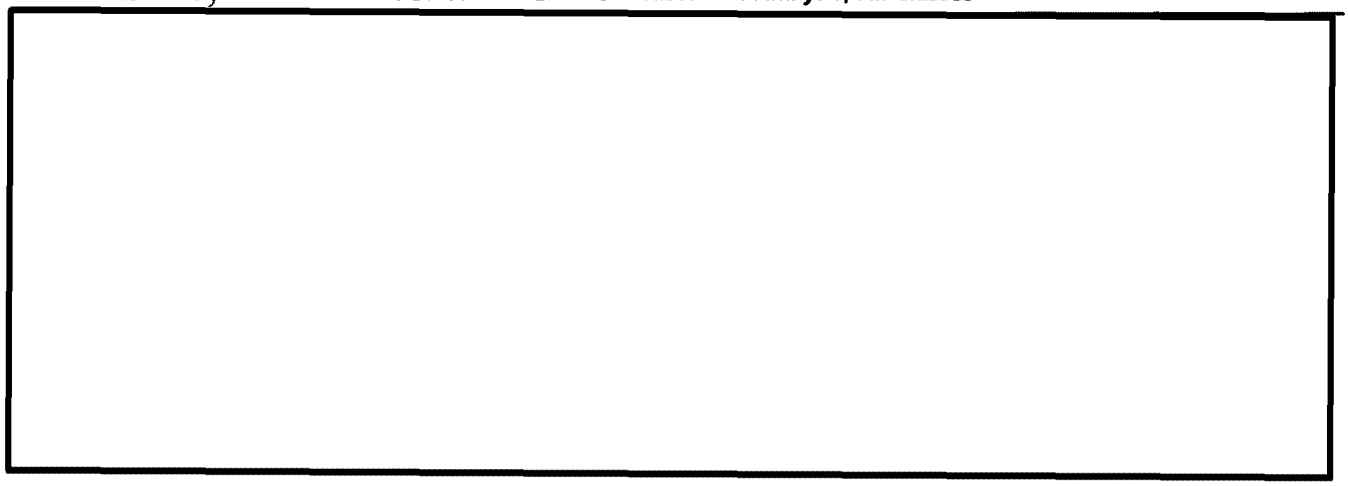
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RALEIGH/DURHAM RETAIL MARKET

WEST WAKE COUNTY MARKET

MARKET HIGHLIGHTS – CLASS "A, B & C"

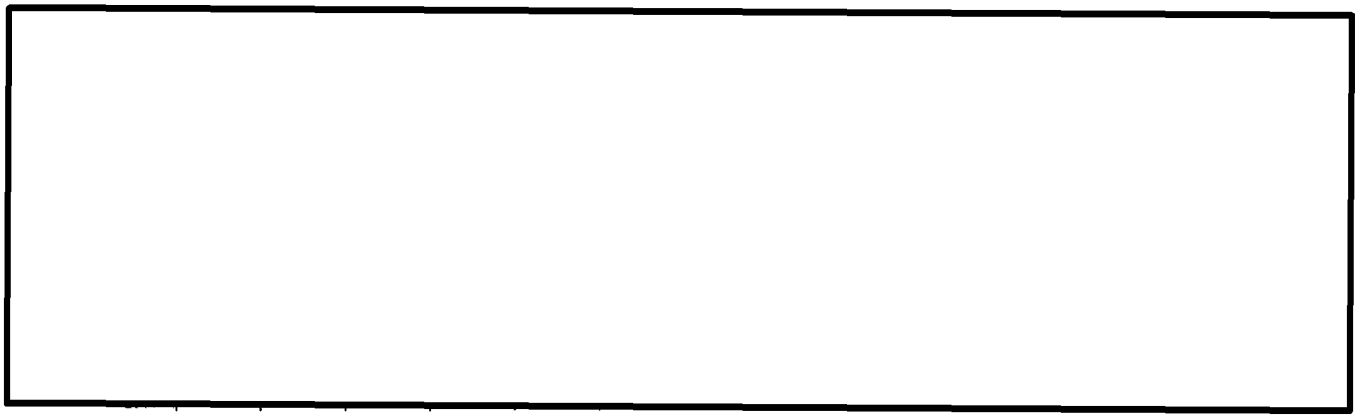
DELIVERIES, ABSORPTION & VACANCY Historical Analysis, All Classes



Source: CoStar Property®

VACANT SPACE

Historical Analysis, All Classes



Source: CoStar Property®

QUOTED RENTAL RATES

Historical Analysis, All Classes

Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	Rates

Source: CoStar Property®

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Exhibit 2. RS MEANS Construction Costs Per Square-Foot

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[Attached in following pages.]

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% of Total	Cost Per SF	Cost

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% of Total	Cost Per SF	Cost

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% of Total	Cost Per SF	Cost

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	% of Total	Cost Per SF	Cost

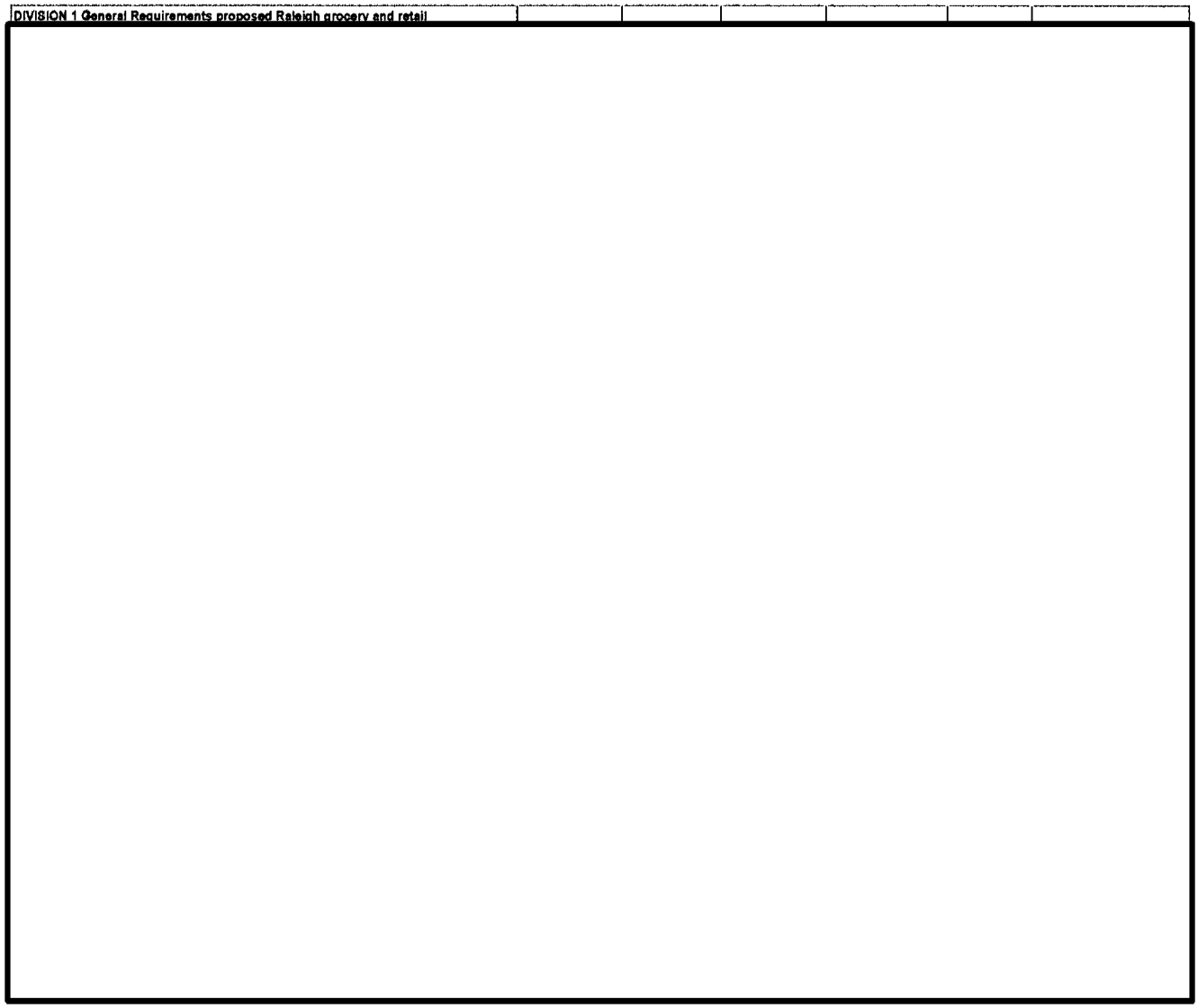
Exhibit 3. Encore Construction Group Sample Construction Estimate

The following construction estimate is for format purposes only for this analysis. The estimate has been produced using RS MEANS information per square-foot for the Raleigh-Durham market, but for this purpose is used to show the Service how ERDRC will present construction data in the future for transparency.

[Attached in following pages.]

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DIVISION 1 General Requirements proposed Raleigh grocery and retail



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			UNIT	ESTIMATED	ESTIMATE	ESTIMATED	SUB		

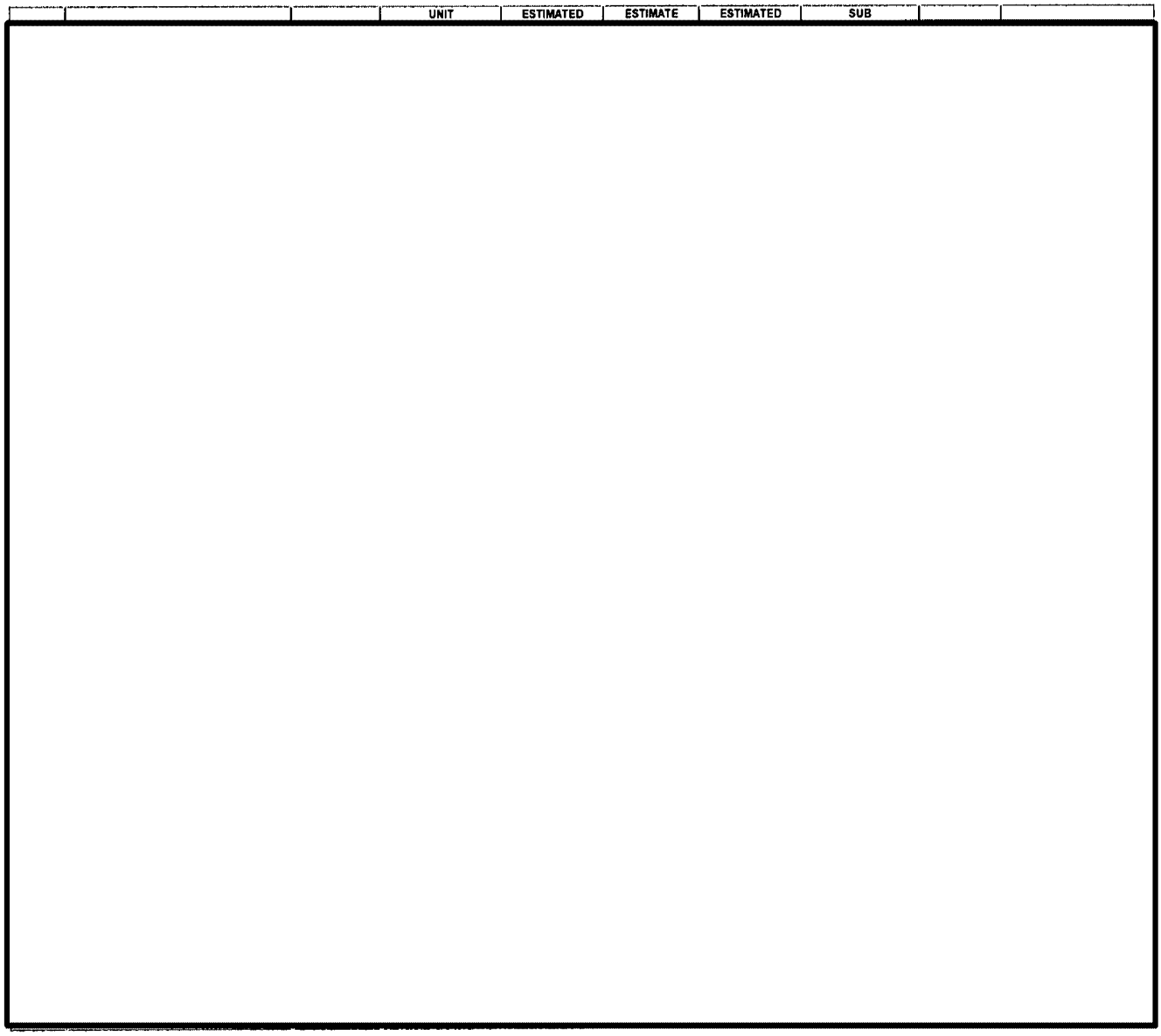
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			UNIT	ESTIMATED	ESTIMATE	ESTIMATED	SUB		

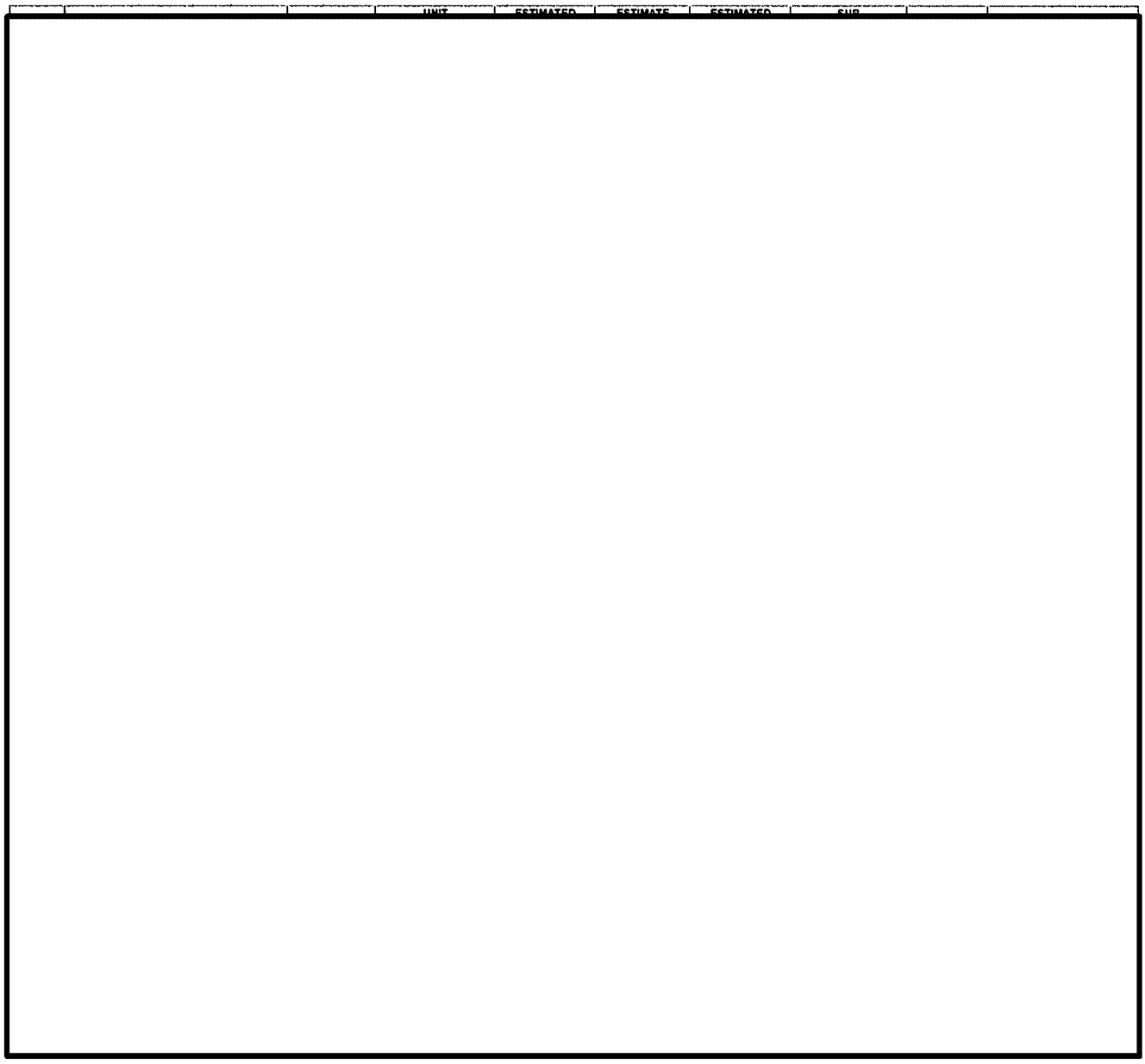
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			UNIT	ESTIMATED	ESTIMATE	ESTIMATED	SUB		

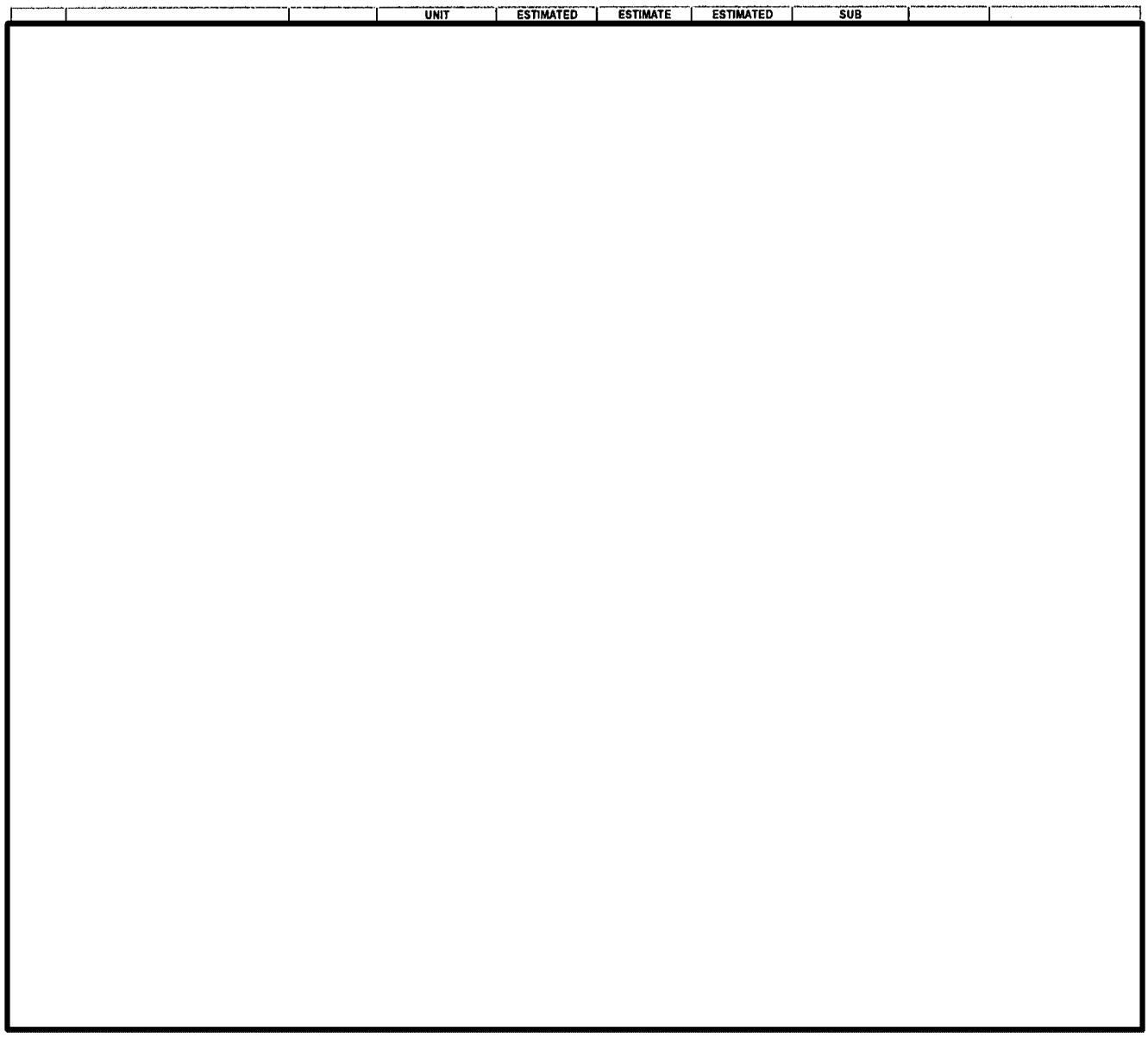
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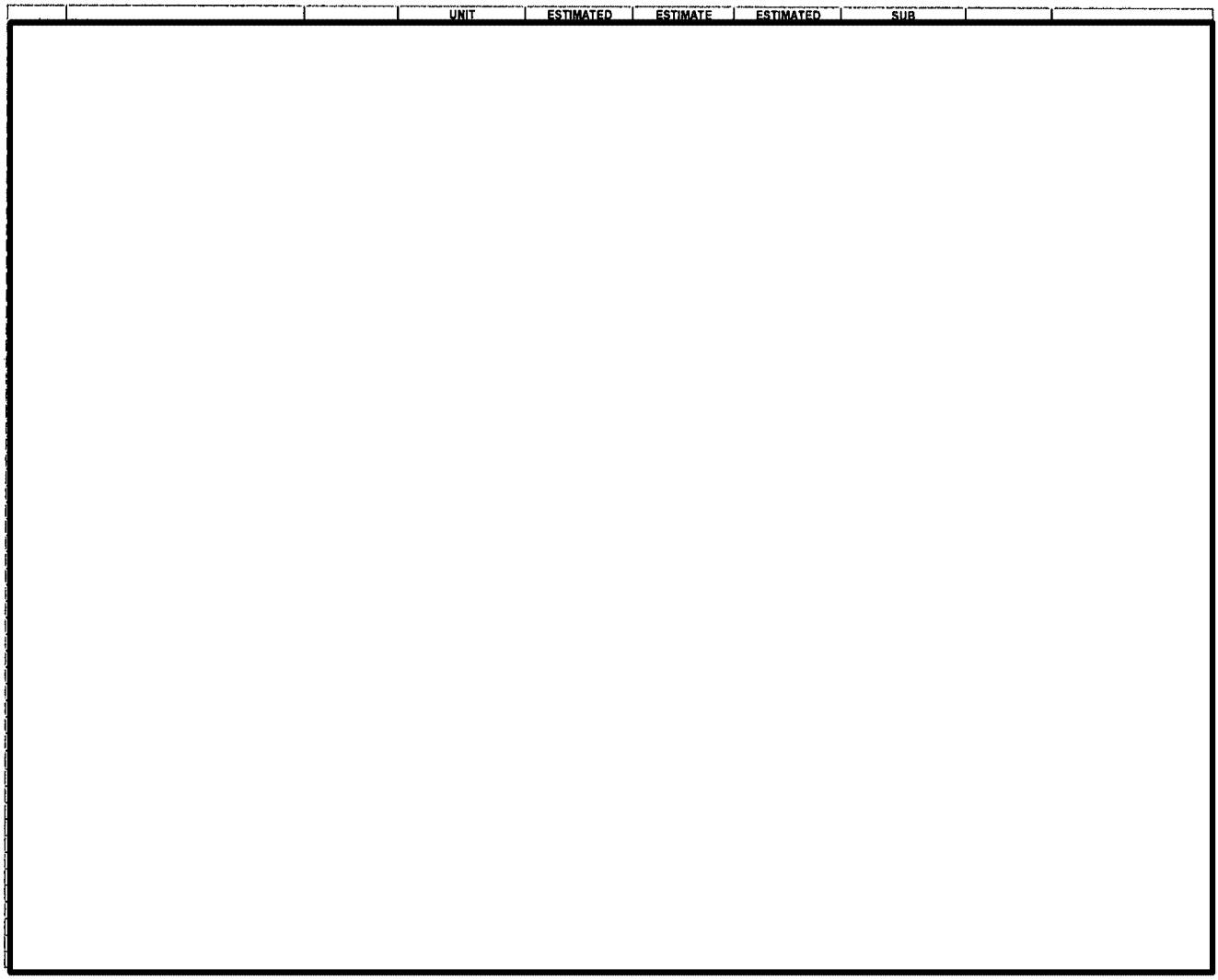
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			UNIT	ESTIMATED	ESTIMATE	ESTIMATED	SUB		

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ENCORE APARTMENT COMMUNITY



ENCORE MULTI-FAMILY, LLC

AN APARTMENT HOME COMMUNITY PROJECT FOR REVIEW BY THE USCIS

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Note:

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GLOSSARY OF TERMS

The following definitions and terms shall apply in this Business Review unless otherwise specifically provided to the contrary.

Key Definitions

Company – Encore Multi-Family, LLC, a Delaware limited liability company ("Encore Multi-Family"). The "Company" and "Encore Multi-Family" are one and the same entity and are used interchangeably in this Business Review.

Encore Raleigh-Durham Regional Center – ERC Raleigh/Durham, LLC, a Delaware limited liability company, which will function as the Regional Center. Also referred to as ("Raleigh-Durham Regional Center" or "ERDRC").

Encore Global Investment Management, LLC – Encore Global Investment Management, LLC, is a Delaware limited liability company, ("EGIM"), which will own and operate Encore Enterprises' network of Regional Centers.

Encore Enterprises, Inc. – Encore Enterprises, Inc., the parent corporation of all Encore subsidiaries, is a Mississippi formed corporation, ("Encore"), which wholly owns all subsidiaries mentioned in this Business Review unless stated to the contrary.

Encore Multi-Family – Encore Multi-Family, LLC, a Delaware limited liability company, which will own and develop the Raleigh-Durham Apartment Community.

Encore Raleigh-Durham Apartments, LP – Encore Raleigh-Durham Apartments, LP, a Delaware limited partnership whose partners are: Encore Multi-Family, LLC as its general partner, and each of the foreign investors as limited partners.

Raleigh-Durham Apartment Community – An undertaking to develop an apartment home community property in the Region.

Region – Four (4) counties in the Greater Raleigh-Durham Area, centered around Raleigh-Durham, North Carolina (see map in "Executive Summary"). These counties include Orange, Wake, Johnston and Durham Counties.

Encore Raleigh Multi-Family, LLC – A Delaware limited liability company ("Encore Raleigh Multi-Family or ERDMF") designated as the job creating entity for the Encore Raleigh-Durham Apartment Community project, which will borrow Investor funds from the EB-5 lender, Encore Raleigh-Durham RC Fund I, LP ("ERDRC Fund I, LP"), for job-creating purposes.

Encore Raleigh-Durham RC Fund I, LP – A Delaware limited partnership formed for the purpose of pooling Investor funds into one source for purpose of investment into a USCIS approved hotel development project. ("ERDRC Fund I, LP")

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Other Definitions

EB-5 Investor – An Alien Entrepreneur who is an Investor and is seeking to obtain a visa pursuant to the Immigration Act.

EB-5 Program – There are two distinct EB-5 pathways for an alien investor to gain lawful permanent residence, the Basic Program and the Regional Center Pilot Program. Both programs require that the alien investor make a capital investment of either $500,000 or $1,000,000 (depending on whether the investment is in a TEA or not) in a new commercial enterprise located within the United States. The new commercial enterprise must create or preserve 10 full-time jobs for qualifying U.S. workers within two years of the alien investor's admission to the United States as a Conditional Permanent Resident (CPR). When making an investment in a new commercial enterprise affiliated with a USCIS-designated regional center under the Regional Center Pilot Program, an alien investor may satisfy the job creation requirements of the program through the creation of either direct or indirect jobs. Notably, an alien investing in a new commercial enterprise under the Basic Program may only satisfy the job creation requirements through the creation of direct jobs. If the regional center proposal bases its predictions regarding the number of direct or indirect jobs that will be created through EB-5 investments in the regional center, in whole or in part, by offering investment opportunities to EB-5 investors with the reduced $500,000 threshold, then the Targeted Employment Areas (TEAs), Rural Areas (areas with populations under 20,000 people) and areas of high unemployment (areas with unemployment rates 150% or more of the national rate), should be identified. Note: An alien filing a regional center affiliated Form 1-526 must still establish that the investment will be made in a TEA at the time of filing of the alien's Form 1-526 petition, or at the time of the investment, whichever occurs first, to qualify for the reduced $500,000 capital investment threshold.

High Unemployment Area – A geographical area, which has experienced unemployment of at least 150 percent of the national average rate. See INA § 203(b)(5)(B)(ii).

Immigration Nationality Act – The Act at 8 USC 1153(b)(5)(A)(i)-(iii), (B)(i)-(iii), (C)(i)-(iii) and (D).

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[redacted]

Person – Any individual, firm, partnership, corporation, limited liability company, or any other form of legal entity.

[redacted]

Project Documents – (a) Partnership Agreement; (b) Business Review; and (c) Agreement for Sale and Purchase (together with attached the I-924 petition in Appendix B). (Full documents provided at I-526 stage for actual project).

ROI – Return on investment.

Rural Area (a "RA") – A geographical area located both outside of a Metropolitan Statistical Area ("MSA") and outside of a city or town having a population of 20,000 or more based on the most recent decennial census of the United States. See INA § 203(b)(5)(B)(iii) and 8 CFR §204.6(j)(6)(i).

Targeted Employment Area (a "TEA") – A Rural Area, a defined term, or an area designated by the state as a High Unemployment Area, a defined term.

[redacted]

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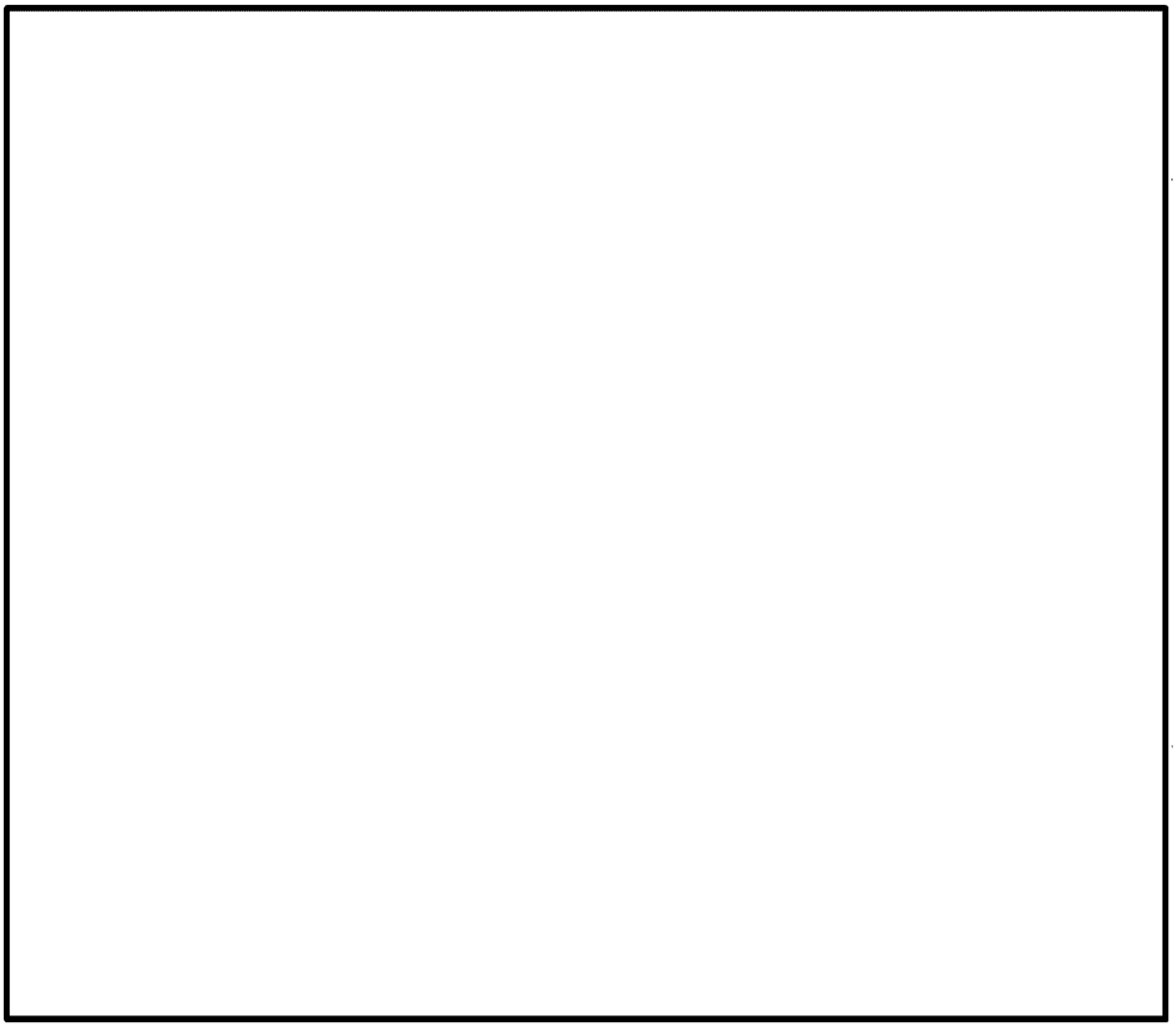
1.0 EXECUTIVE SUMMARY

The Project	
Business Plan Summary	
Project Costs and Capitalizations	
Project Development & Schedule	
TEA Designation	The project, if developed within a Targeted Employment Area (TEA), would require each EB-5 investor to invest $500,000. If the project is not within a TEA, each EB-5 investor would be required to invest $1,000,000.
Job Creation Sufficiency	This project would create [redacted] jobs), which visa vie would support [redacted] EB-5 investors in our outside of a TEA.

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1.1 Description of the Company



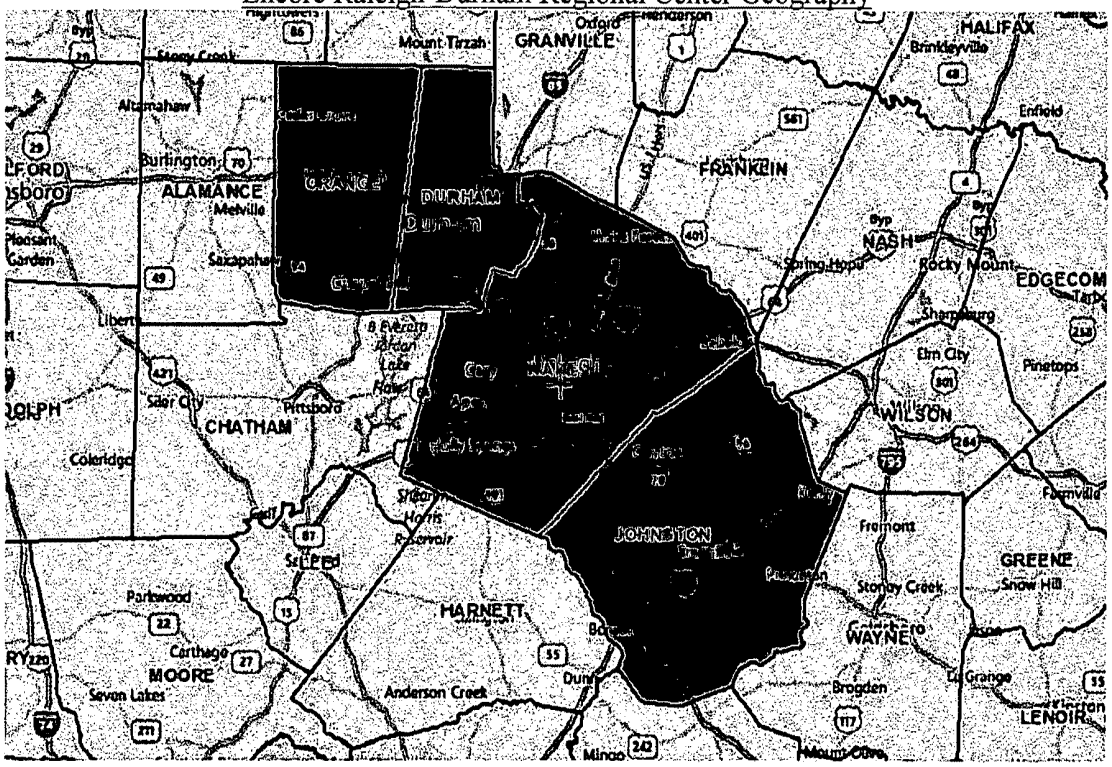
1.2 Venture Overview



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Encore Raleigh-Durham RC is seeking approval as a United States Citizenship and Immigration Service (USCIS) designated EB-5 Regional Center, in Raleigh-Durham, North Carolina, that has as its geographical area four (4) contiguous counties in North Carolina: Wake, Durham, Johnston and Orange counties are shown on the map below.

Encore Raleigh-Durham Regional Center Geography



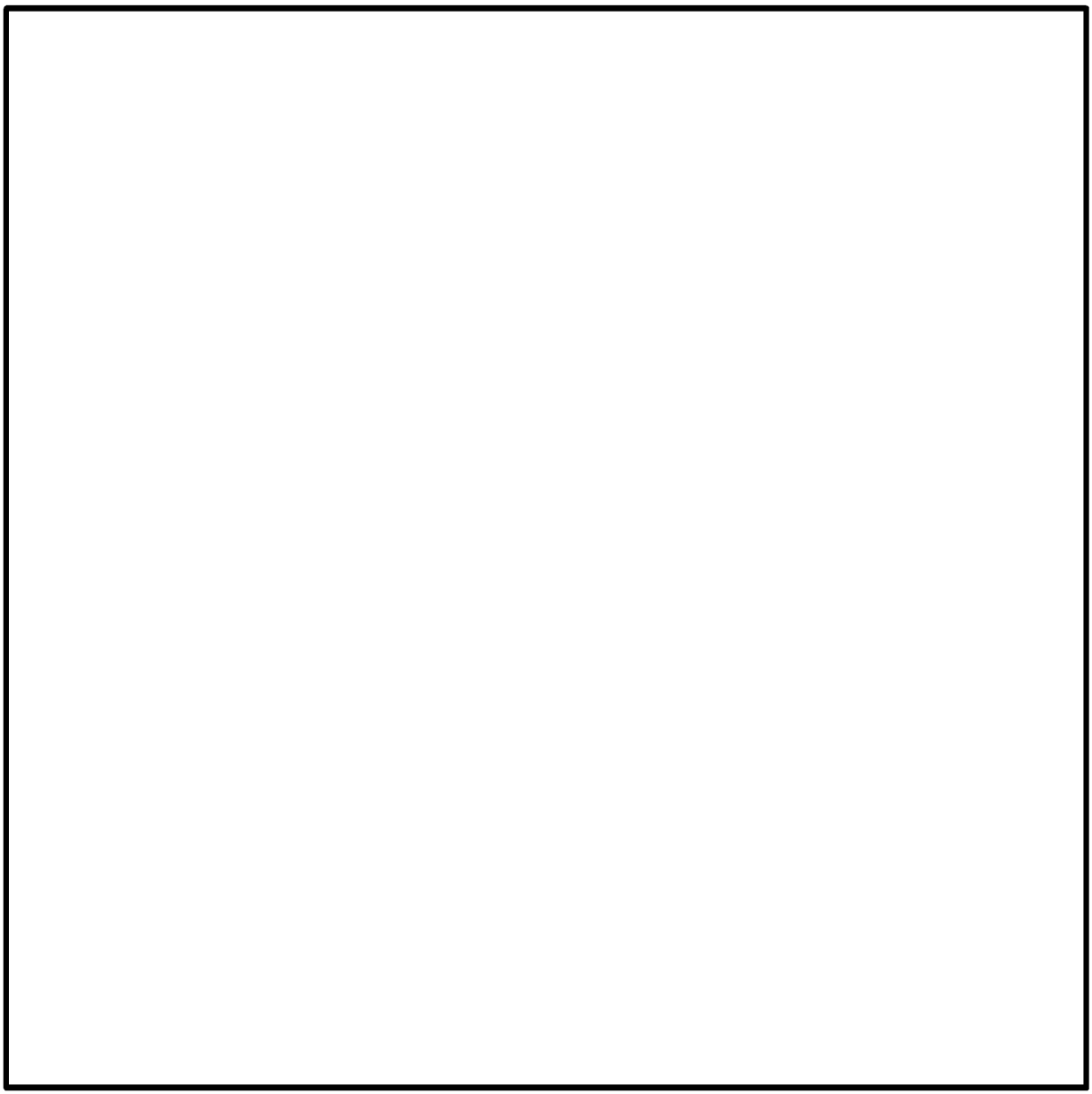
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1.3 Corporate Structure

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1.4 Path of Funds



1.5 Mission Statement

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Encore Multi-Family, LLC is a subsidiary of Encore Enterprises, Inc. EMF was founded in 2008 as a fully integrated multifamily developer, owner and operator. The company is involved in all aspects of multifamily development projects and acquisitions including, ground-up developments, joint ventures and mixed-use turnkey developments. Financing is secured

conventionally as well as through loans insured by the HUD 221(d)(4) program for market rate apartments.

1.6 Implementation of Business Plan

1.7 Financial

1.8 Sources of Proceeds

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[redacted]

1.9 Use of Proceeds

[redacted]

Please see the "Financial" section of this Business Review for more information regarding the Raleigh-Durham Apartment Community.

1.10 Management, Staff, and Employees

[redacted]

Please see the "Management" and "Employment and Staffing" section of this Business Review for more information on job descriptions of the property level management team.

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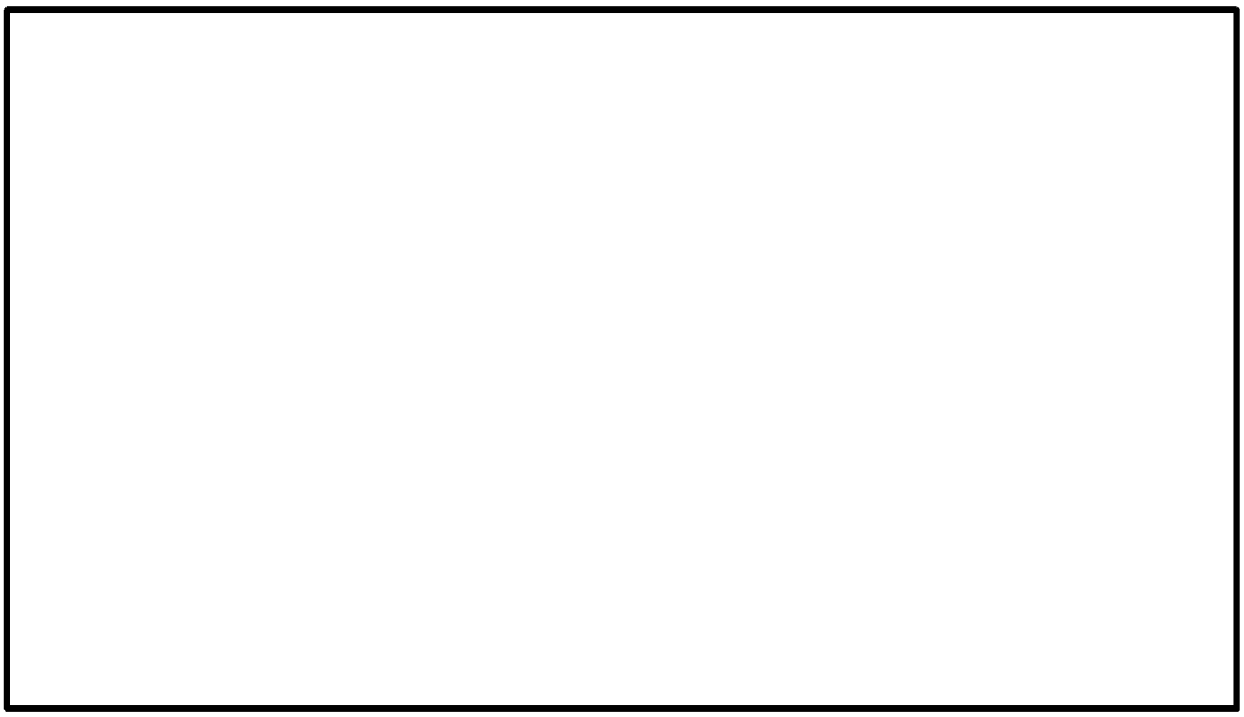
2.0 ENCORE HYPOTHETICAL VS ACTUAL APARTMENT HOME COMMUNITY

PROJECT SPECIFICATIONS
Multifamily Apartment Home Community

2.1 Comparable Historical Project Overview

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3.0 MARKET ANALYSIS

3.1 Overview

3.2 Market Selection

3.3 Submarket Selection

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Summary:

Annual Market Trend Report

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Summary:

Annual Market Trend Report

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3.4 Durham Market Area Employers

Summary:

Largest Employers by County

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3.5 West Durham Submarket Analysis

Summary:

Annual Market Trend Report

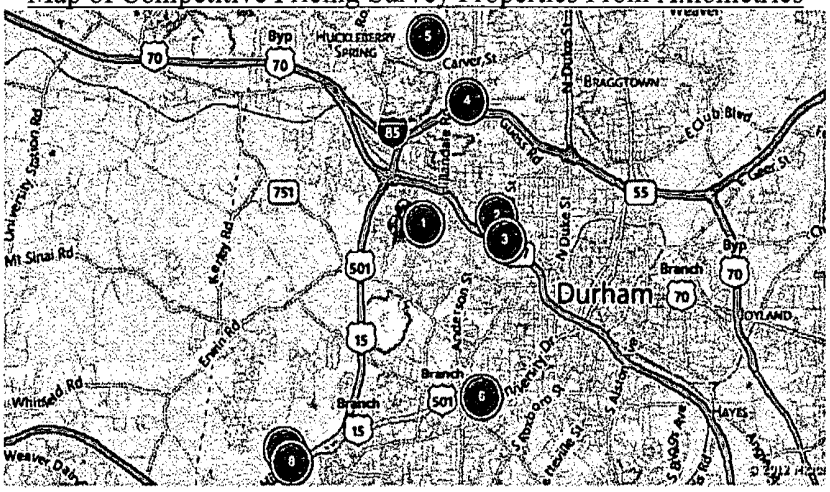
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3.6 West Durham Submarket Comparable Pricing Survey

Property Name	Address	Levels	Year Built	Units	Avg Unit Size	Avg Unit Rent	Avg Rent PSF	Occ

Map of Competitive Pricing Survey Properties From Axiometrics



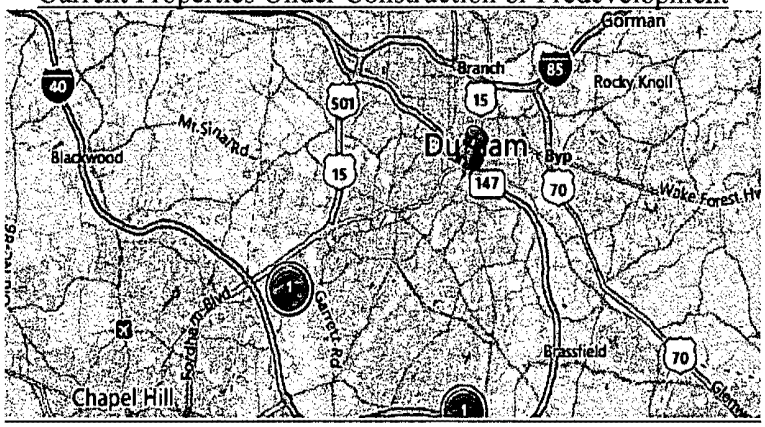
Summary:

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Summary:

3.7 West Durham Submarket Construction and Development Pipeline

Current Properties Under Construction or Predevelopment



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Residential Market Analysis - Assumption Input Worksheet

Submarket Area

The outputs from the residential gap analysis worksheet CCIM calculator are as follows:

Residential Market Gap Analysis Worksheet

Raleigh Durham CBSA — Metro Area Residential Gap Analysis

Summary:

Residential Market Gap Analysis Worksheet

5-mile radius from site in West Durham — Submarket Area Residential Gap Analysis

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Summary:



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3.8 West Durham Site Demographics

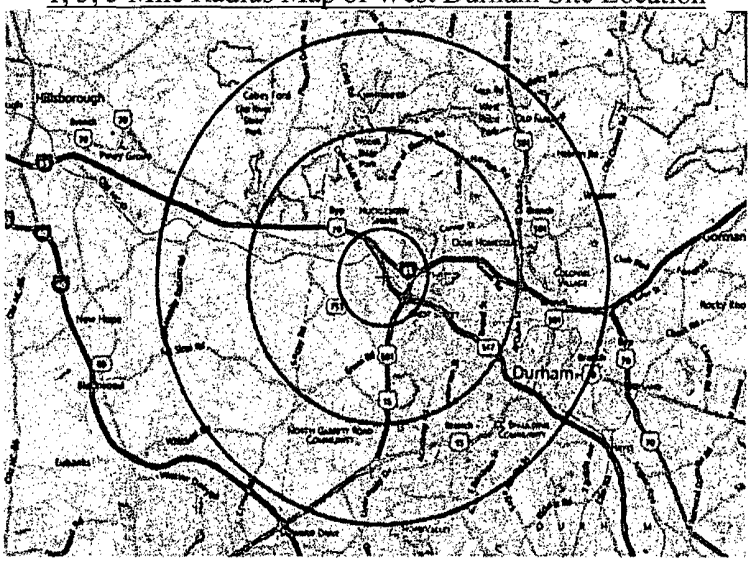
The size of the market area, measured by population and households, has changed from 2000 through the forecast year as follows for one mile from the proposed site location:

1-Mile Population and Households		
Year	Population	Households

3-Mile Population and Households		
Year	Population	Households

5-Mile Population and Households		
Year	Population	Households

1, 3, 5 Mile Radius Map of West Durham Site Location



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4.0 FINANCIAL ANALYSIS

4.1 General

4.2 Investment Summary

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4.3 Investment Timeline

Encore Multi-Family Investment Timeline



4.4 Sources of Proceeds



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Source of Funds	Amount	Percentage

Summary:

4.5 Use of Proceeds

Use of Funds	Amount

Summary:

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Land For Sale	Size (Acres)	Total Cost	Cost Per Acre

4.6 Construction and Development Costs

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[redacted]

200-Unit Apartment Community Complete Development Budget

Development Costs ($)	Soft Costs	RS MEANS Hard Costs	Land Costs	Total Dev Costs
[redacted]				

Summary: [redacted]

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4.7 Industry Comparables

[redacted]

Building Data

[redacted]

See Exhibit 2 for complete tabulation of building sizes and areas.

[redacted]

RS MEANS 3-Floor Apartment Building Average Square Foot Construction Cost

[redacted]

[1] Construction costs based upon www.meanscostworks.com "Square Foot Estimator" 2012 year data by RS Means

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Summary:

RS MEANS Square Foot Estimator Online Summary

A free trial account can be created if USCIS wishes to verify EMF's estimates.)

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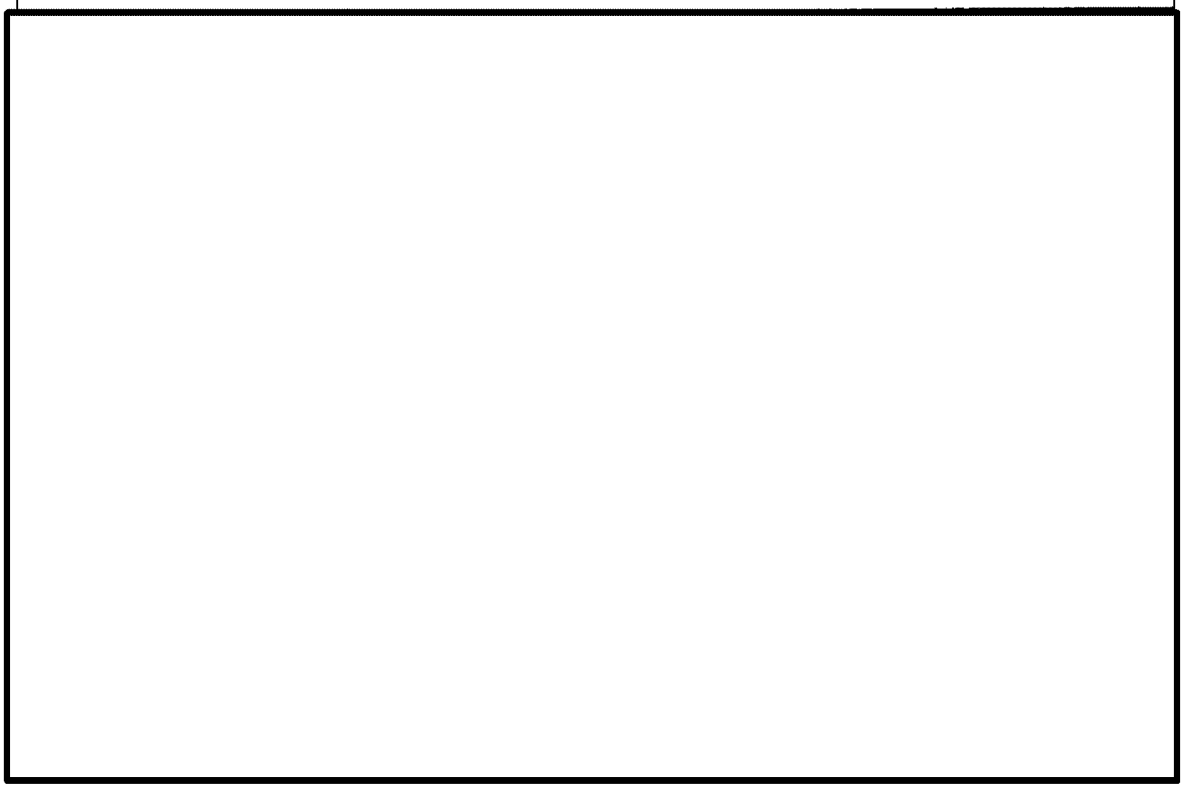
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4.8 Financial Pro Forma

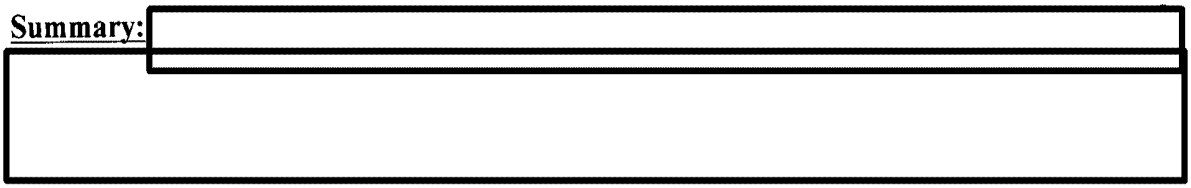


Raleigh-Durham Operations Revenues

OPERATING INCOME:	200	Units



Summary:



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Raleigh-Durham Operations Expenses



Raleigh-Durham Apartment Community Expenses

OPERATING EXPENSES	Per SF	Per Unit	Annual

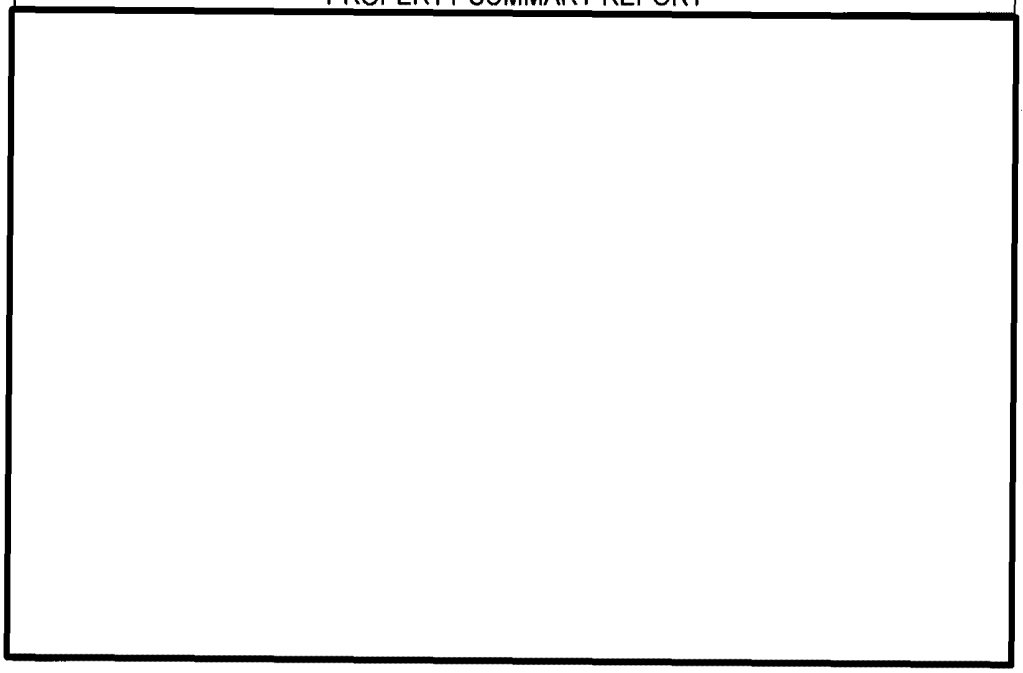
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4.9 Financial Summary and Analysis

Below is the complete development and financial summary analysis for the Raleigh-Durham Apartment Community:

PROPERTY SUMMARY REPORT



Summary: The above table summarizes basic information about the project total transaction costs, property size, financing structure and an example capital structure that will potentially be used for the Project.

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Schedule of Prospective Cash Flows

Stabilized Income and Expense Analysis

Summary:

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Loan and Debt Service Summary

Loan Summary

Resale of the Project

Resale Analysis By Year	Year 2	Year 3	Year 4	Year 5	Year 6

Summary:

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Encore Raleigh Durham Apartment Home Community Financial Analysis Summary

First Year

[redacted]

[redacted]

4.10 Foreign Investor Return on Investment

[redacted]

Exit Strategy

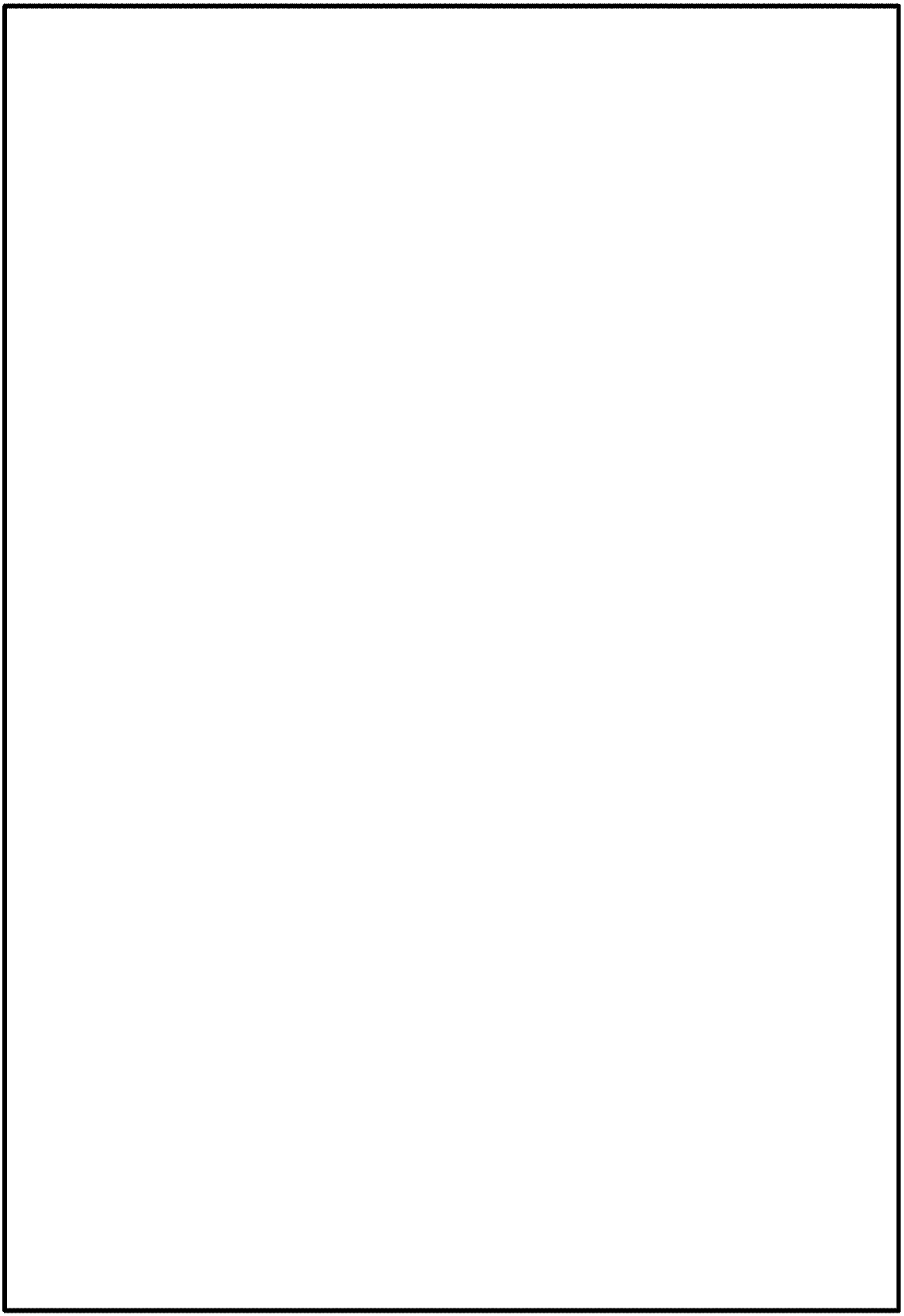
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4.11 Method of Financing

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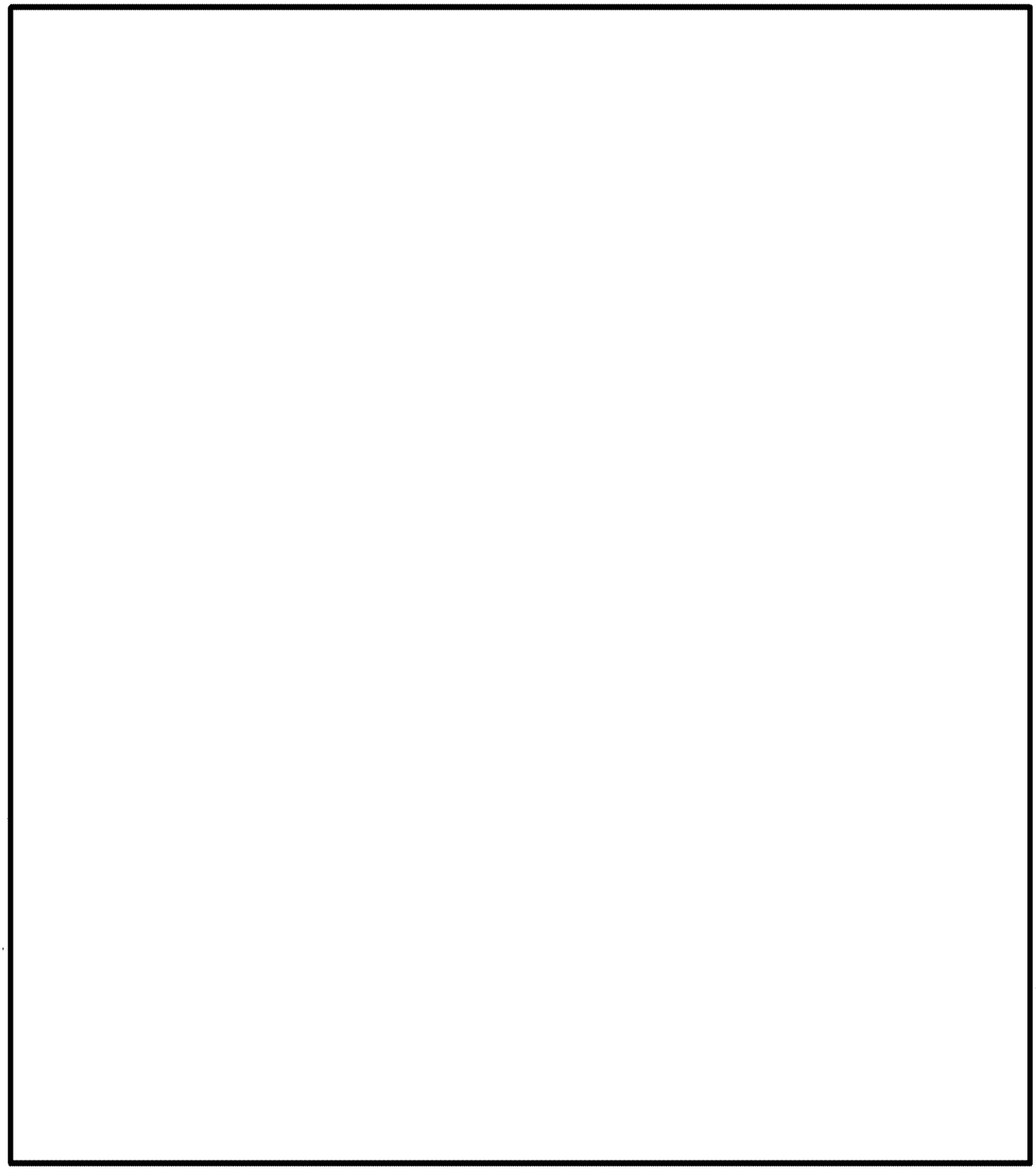
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4.12 Cautionary Statements Regarding Projections



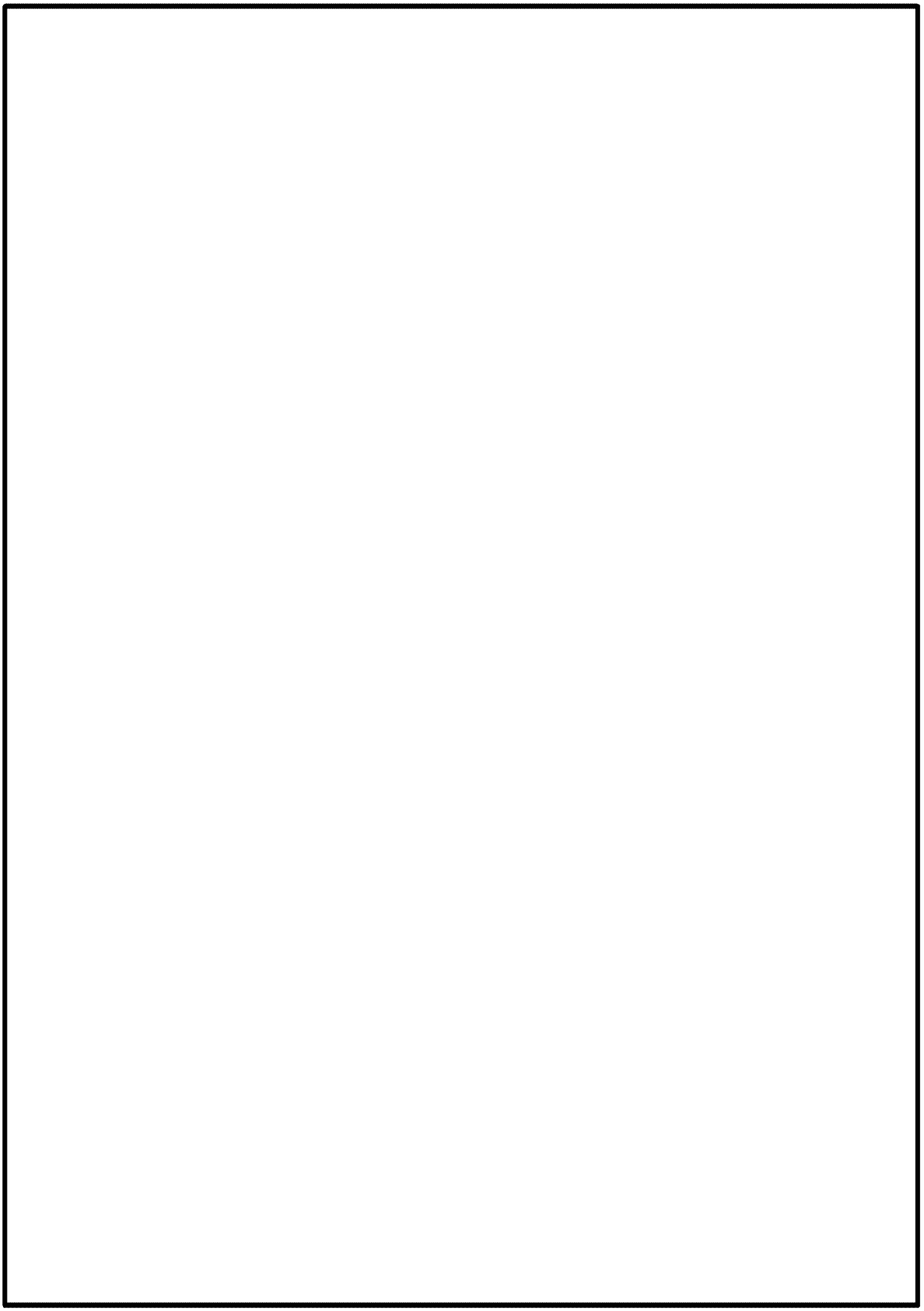
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5.0 EMPLOYMENT AND STAFFING



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5.1 Job Descriptions

Full-time direct job positions

Position	Full Time Direct Job	No. of Jobs	Payroll

**Payroll Burden includes benefits, payroll taxes, worker's compensation expenses, employee retirement contributions and employee accrued paid time off.*

The total direct job creation for full-time jobs for the Raleigh-Durham Apartment Home Community is [redacted] full-time direct jobs. For purpose of job creation for EB-5 investors, direct

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PROPERTY MANAGER

ASSISTANT MANAGER

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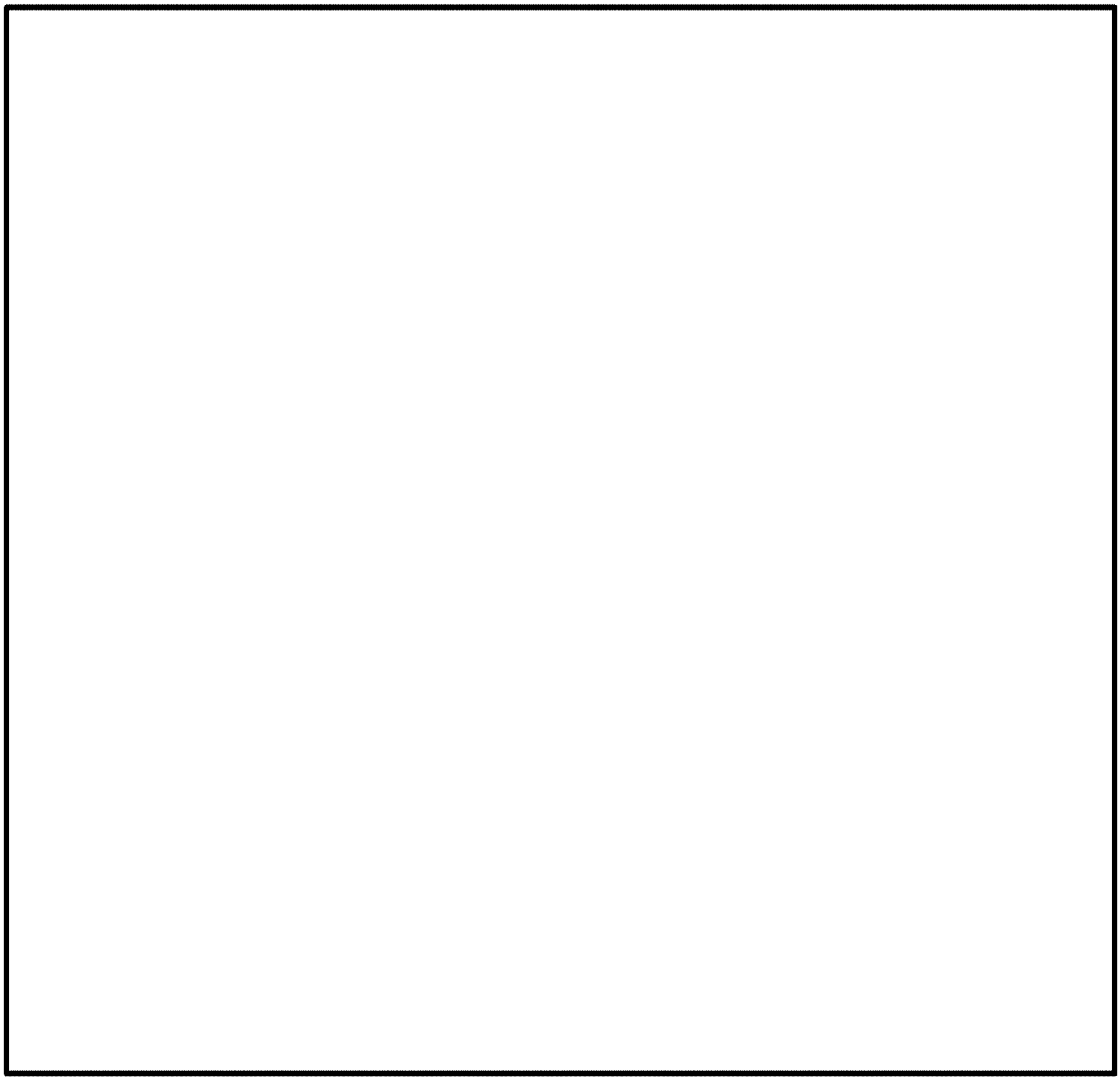
LEASING AGENTS

(b)(4)

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SERVICE SUPERVISOR



(b)(4)

SERVICE TECHNICIAN

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6.0 MANAGEMENT

6.1 Encore Raleigh-Durham Regional Center Management Team

The management team of EGIM and each Encore sponsored real estate project undertaken by the Regional Center will have hands on management from the executive management team of Encore Enterprises, Inc., and the presidents of the affiliated Encore companies.

Bharat Sangani, MD, Chairman and Founder of Encore Enterprises

When he founded Encore Enterprises, Inc. in 1999, Dr. Bharat Sangani's vision was to create a vertically integrated commercial real estate investment corporation comprised of specialized companies designed to address specific real estate sectors. His plan was to leverage the expertise of seasoned professionals with proven real estate development and acquisition track records, as well as deep sector-specific insights and relevant market knowledge. Today, Encore offers an end-to-end approach, with services ranging from development and construction to management and investments. Dr. Sangani is a Fellow of the American College of Cardiology and the American College of Chest Physicians, as well as a member of nine other organizations in the United States, England and India.

Patrick Barber, President and CEO of Encore Enterprises

Patrick Barber brings more than 30 years and $4 billion of commercial real estate experience to his position as a board member, president and CEO of Encore Enterprises, Inc. In this role, Mr. Barber manages Encore's day-to-day focus on growth opportunities through acquisition, development, equity and finance. Under his leadership over the past decade, Encore acquired more than $1.2 billion in properties, and developed and re-developed over 80 hospitality, multifamily and retail properties. Mr. Barber is an advisory board member with the Urban Land Institute.

Mahesh Shetty, Chief Operating Officer and Chief Financial Officer of Encore Enterprises

Mahesh Shetty has management oversight and responsibility for all of Encore's financial functions, overseeing all revenues, costs and capital expenditures. With more than 25 years of experience as a senior finance executive, including 11 years of experience in the hospitality and commercial real estate industry, Mr. Shetty served in leadership roles at PricewaterhouseCoopers, LLP. Mr. Shetty is a Certified Public Accountant, a Certified Information Technology Professional and a chartered accountant (FCA). He holds a bachelor's degree from Osmania University, India, and received his M.B.A. from the University of Texas at Dallas.

Alan Murray, General Counsel of Encore Enterprises

Alan Murray has over 30 years of experience in managing the legal and administrative aspects of commercial real estate. Before joining Encore, he spent six years with Dave and Busters, Inc., where he helped guide the company through a tax-free spin-off from its NYSE parent to become an independent NYSE company. In addition, Mr. Murray served more than five years as vice president and general counsel for TGI Fridays, Inc., where he played a critical role in company expansion and revenue growth.

Rick Chess, President of Encore Equities

Rick Chess brings 28 years of securities and commercial real estate experience as the president of Encore Equities. In his career, Mr. Chess has closed $2 billion in real estate transactions and raised $270 million in equity for (United Dominion Realty, ManEquity, Triple Net and ARCM). In his role with Encore, Mr. Chess oversees the equity placement for all of Encore's real estate investments and manages Encore's Diversified Income Fund operations.

Prior to Encore, Mr. Chess was president of American Realty Capital Markets where he oversaw all operations of the managing broker-dealer. Mr. Chess was previously director of 1031 transactions for Triple Net Properties where he raised over $100 million of equity for Reg. D offerings and non-traded REITs. He has also served as real estate manager for Winstar Wireless where Mr. Chess oversaw the negotiation and installation of wireless communications technology inside urban areas, and was an associate with CB/Richard Ellis. Mr. Chess has held positions with United Dominion Realty, ManEquity (Manufacturers Life Insurance), Anderson & Strudwick, the Richmond Chamber of Commerce, the Pennsylvania General Assembly and the Allegheny County Law Department.

Mr. Chess attended the University of Richmond Law School where he received a Juris Doctorate of Law, and he attended the University of Pittsburgh where he earned his Bachelor of Science in Psychology and Economics. Mr. Chess holds the following FINRA securities licenses: 7; 63; and 39.

Nicholas Barber, President of Encore Retail

Nic Barber joined Encore in 2000 as the director of development and acquisitions and has quickly become a key member of the executive management team. He has been responsible for many facets of Encore's real estate transaction operations, including management of the day-to-day sourcing of all of the company's future acquisition and development projects, providing oversight to Encore's financial analyst staffing and presenting projects for approval to the investment committee and board of directors.

He has also been responsible for overseeing the due diligence, pre-development, acquisition and development processes, and assisting with sourcing and structuring of new debt and equity for approved projects. Since joining Encore, Mr. Barber has successfully closed over $1.2 billion of real estate underwriting, negotiating, financing and development transactions.

In January 2008, Mr. Barber was named president of Encore's newly formed Retail division. In this role, he is focused on continuing the company's management philosophies to lead a dynamic portfolio growth strategy of developing and acquiring profitable retail properties. His experience in closing complicated real estate transactions with Encore Enterprises provides an added advantage in determining the proper deal structure and analyzing financing options that are available in the marketplace. Mr. Barber holds a Bachelor of Science in Accounting from the University of Louisiana.

Glenn Pedersen, President of Encore Hospitality

Glenn Pedersen began his career as president of Pineapple Management Services in 1994. His responsibilities are to oversee hotel development, construction, design and management,

including contract negotiations, guest and employee satisfaction, capital expenditure planning, budgeting and the day-to-day operations of all hotels. Mr. Pedersen has been involved in the hotel industry for over 34 years, starting out his career as a front office manager of the Royal Sonesta Hotel in New Orleans, Louisiana in 1976. Through his hard work, dedication and design for achievement, he has been a picture of success throughout his career.

Glenn Pedersen began working for Marriott International in 1980 where he was assigned to the New Orleans Marriott full service hotel. After four years in the full service hotel division he was given the responsibility of opening his first Marriott hotel in Columbus, Georgia. He was completely responsible for the operation of the hotel and was proud to produce $2.5 million dollars in annual sales in the first year. Having proven his ability to succeed, Mr. Pedersen was promoted to the Marriott Corporation/Courtyard division regional director of rooms in 1987, where, during the course of 14 months, oversaw the opening of 25 hotels.

In November of 1987, Mr. Pedersen was promoted again to regional manager of the Courtyard/Fairfield Inn division in Georgia and Alabama, where he supervised the complete strategic and operational responsibility of 29 Courtyard and Fairfield Inns, representing over $75 million dollars in sales. At that time, Mr. Pedersen achieved the highest market share and yield goals in the Southeastern United States, and was one out of only four managers to qualify for Courtyard Division Achievement Forum recognition program seven straight years.

In 1994 Mr. Pedersen left Marriott International and started Pineapple Management Services where he developed, built and opened 20 Marriott hotels in three-and-a-half years.

Brad Miller, President of Encore Multi-Family

Brad Miller has over 25 years of multifamily development and investment experience. He is a senior executive with a distinguished career in building relationships, and leading investment and management teams in the real estate and software industries. His decisive and pro-active management style is one of the many assets he brings to Encore Multi-Family, LLC. Over his prestigious career, he has overseen the development and acquisition of over 20,000 multifamily units.

Prior to joining Encore Multi-Family, LLC, Mr. Miller served as a national partner for Fore Property Company where he oversaw development activities in multiple markets, including Florida, Arizona, Nevada and Texas. He also was directly responsible for developing the first ever LEED Certified multifamily community in North Texas.

Mr. Miller's prestigious career also includes service as CEO for a subsidiary of Olympus Real Estate Partners, a former affiliate and real estate investment arm of Hicks, Muse, Tate & Furst. He also served as managing director of the Investments Division where he oversaw development of approximately 3,000 residential lots and 20-plus investments comprising $350 million in asset value. In addition, he was a 17 year residential partner with Lincoln Property Company and oversaw development and investment activities for a division of Archstone Smith. Mr. Miller has a Bachelor of Business Administration in Accounting from Texas Christian University and is a Certified Public Accountant in Texas. He also is a Certified Class "A" General Contractor in Florida.

Mark Cypert, President of Encore Office

Mark Cypert brings to Encore Enterprises more than two decades of expertise and a proven track record in managing commercial real estate investments completing approximately $1.8 billion in commercial office investments and acquiring, developing and managing over 15 million square-feet of commercial office space during his career.

As a member of Encore's senior leadership team, Mr. Cypert is focused on the day to day operations of the office division, as well as raising institutional investor equity and managing Encore's research and underwriting programs. Prior to joining Encore, he was managing director and principal of Cawley Partners where he oversaw the firm's commercial real estate investment funds. Mr. Cypert previously served as senior vice president of CRT Properties (NYSE office REIT) where he oversaw the firms Southwestern and Mid-Atlantic regions. He also was the director of asset management for UBS Realty Investors, where he was responsible for an office investment portfolio in the Central U.S.

Mr. Cypert is a senior instructor for the CCIM Institute with a specialty in commercial real estate market analysis. Mr. Cypert has a Bachelor of Science in Construction Engineering Technology from Texas Tech University.

Brad Markoff, General Counsel of Encore Asia

Brad Markoff has 30 years of legal experience that he brings to Encore Asia as the company's general counsel. Mr. Markoff oversees the legal activities of Encore Asia and all of Encore's operations pertaining to the company's foreign investor programs and real estate operations.

Mr. Markoff continues to serve as managing partner of Locke Lord's Hong Kong office, Chair of its Asia Practice and a principal in its Capital Markets, REIT and International practice groups. He is well known for his experience in complex financing transactions, including business rollups and strategic investments in a wide variety of industry segments, including real estate investment trusts, technology and financial institutions. In his practice, Mr. Markoff regularly handles a wide range of corporate and real estate finance, securities, corporate governance and mergers and acquisitions matters, and he has worked closely with many of the world's major investment banking firms. His clients include National Governments and governmental agencies, public and private Real Estate Companies (including developers, operators, investors, brokerages and service companies), REITs, Investment and Commercial Banks, Private Equity Funds and Trust Companies.

He has been active as a Board Member of both the National Association of Real Estate Investment Trusts (NAREIT) and the Asia Pacific Real Estate Association (APREA).

He is a frequent speaker on topics related to cross border finance, REITs, innovative financing structures and mergers and acquisitions, having spoken at numerous conferences and university programs around the world, including the United States, Australia, Hong Kong, the People's Republic of China, Vietnam, South Korea, Singapore, the Philippines, South Africa and the United Kingdom.

Locke Lord Bissell & Liddell (HK) LLP is a part of Locke Lord LLP (USA), an international law firm with offices in Atlanta, Austin, Chicago, Dallas, Hong Kong, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco and Washington, D.C. The firm consistently ranks among American Lawyer's top 100 U.S. law firms.

Specialties

In addition to his capital markets practice, Mr. Markoff has been active in legislative initiatives in the REIT and finance industry in the US and Asia, including drafting of NAREIT's responses to the initiatives proposed in the wake of the accounting irregularities of Enron & WorldCom; the Philippine REIT framework; and Mainland China's (PRC) ABS/Securitization law. He has also advised study groups and other interested parties in the PRC on the adoption of a REIT scheme.

7.0 RALEIGH-DURHAM

7.1 Raleigh-Durham

The Research Triangle, also known as Raleigh-Durham or Raleigh-Durham-Chapel Hill, and commonly referred to as simply "The Triangle", is a region in the Piedmont of North Carolina in the United States, anchored by North Carolina State University, Duke University, University of North Carolina at Chapel Hill, and cities of Raleigh, Durham, and Chapel Hill respectively. The eight-county region, officially named the Raleigh-Durham-Cary CSA, comprises the Raleigh-Cary and Durham-Chapel Hill metropolitan areas and the Dunn Micropolitan Statistical Area. A 2009 Census Estimate put the population at 1,742,816. The Raleigh-Durham television market includes a broader 23-county area, which includes Fayetteville, and has a population of 2,726,000 persons.

The "Triangle" name was cemented in the public consciousness in the 1950s with the creation of Research Triangle Park, home to numerous high-tech companies and enterprises. Although the name is now used to refer to the geographic region, "The Triangle" originally referred to the universities, whose research facilities, and the educated workforce they provide, have historically served as a major attraction for businesses located in the region. The region should not be confused with "The Triad", which is a North Carolina region adjacent to and directly west of the Triangle comprising Greensboro, Winston-Salem, and High Point, among other cities. Most of the Triangle is represented by, and closely associated with, the second, fourth and thirteenth congressional districts. (Source: Wikipedia.org)

7.2 Demographics

Some population and median household income figures for areas within a 1-mile, 3-mile, and 5-mile radius from the proposed project site in Durham, North Carolina:

	1-mile radius	3-mile radius	5-mile radius
2011 Population:	5,302	48,853	130,930
2011 Median HH Income:	$45,328	$37,416	$37,434

Source: Loopnet.com property site demographics

7.3 Research Triangle

It is one of the most prominent high-tech research and development centers in the United States. It was created in 1959 by state and local governments, nearby universities, and local business interests. Karl Robbins bought the land where the park is now built. The park is 7,000 acres (2,833 ha) situated in a pine forest with approximately 630 acres (255 ha) for development. The park is adjacent to Interstate 40 and the Durham Freeway. It is managed by the Research Triangle Foundation, a private non-profit organization. The park is home to the second largest IBM operation in the world, dwarfed only by the one in India; the company has around 11,000 employees in RTP. The park hosts one of GlaxoSmithKline's largest R&D centers with approximately 5,000 employees. *(Source: Wikipedia.org)*

8.0 REGIONAL INFORMATION

The counties that comprise the Region were selected due to their proximity and the similar nature of their geographical, demographic, and economic statistics. These four (4) contiguous counties constitute a portion of a natural region in North Carolina, and are centered on Raleigh-Durham, North Carolina. The area around Raleigh-Durham is generally defined Raleigh-Durham-Cary, NC Combined Statistical Area (CSA). These counties are a mix of urban and rural areas, and are dominated by similar industries, similar in demographic makeup, and economically interconnected.

8.1 Raleigh-Durham Regional Center Demographics (RC Geography Demographics)

Population

Household Summary

Housing Summary

Households by Income Summary

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Population by Education Summary



Population by Employment Summary



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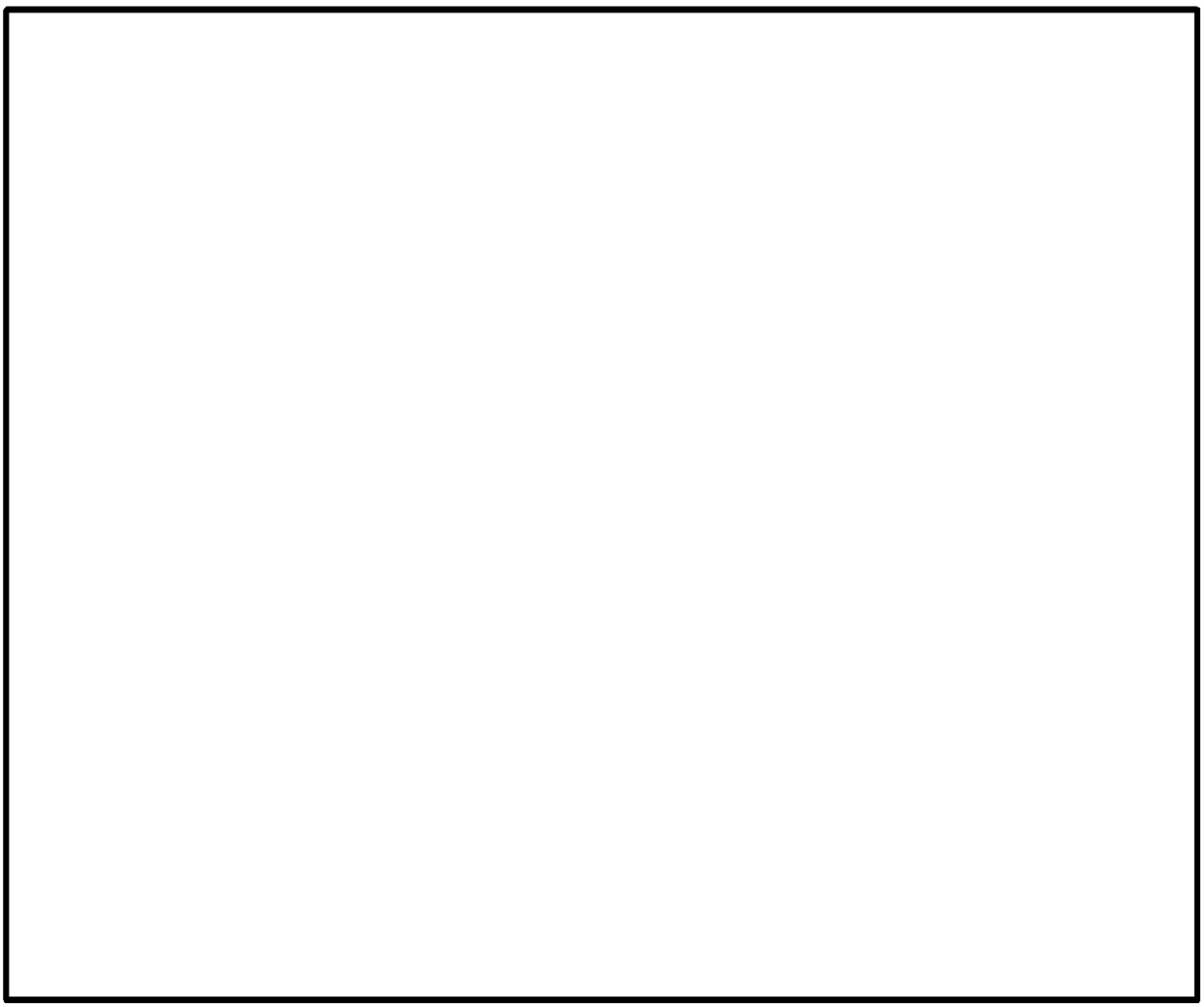
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9.0 PARTNERSHIP INFORMATION

9.1 Office of the Partnership

The contact address of the Partnership is as listed on the cover page.

9.2 Structure of the Partnership



9.3 Advantages of a Limited Partnership

A limited partnership is a limited liability entity, much like a corporation or limited liability company. The primary advantage of a limited partnership is that the owners of limited partnership interests in a limited partnership are not personally liable for the debts or obligations of the entity.

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9.4 Flexible Profit Distribution

A limited partnership enjoys certain flexibility regarding the distribution of profits and/or cash flow that is not necessarily the same as the ownership of interests in the Partnership.

9.5 Key Features

9.6 Flow-Through Taxation

9.7 Independent Advice

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10.0 EB-5 INVESTOR AND REGIONAL CENTER INFORMATION

The immigrant EB-5 Program is a highly beneficial permanent residence option for the wealthy individual. Since there is no quota waiting list in this preference category, it enables a foreign national to obtain permanent residence status more expeditiously than with most other options.

The EB-5 category requires an investment of $1 million (or $500,000 in a high unemployment or rural area TEA) in a job creating commercial enterprise that will employ 10 full-time U.S. workers per investor. Although the investor's role cannot be completely passive, he or she does not have to be involved in any way in the day-to-day management of the business unless he or she wants to do so. It is critically important that the investor be able to document the lawful source of investment funds and whether his or her own or funds were given to him or her as a gift.

The permanent residence obtained by the investor is conditional for two (2) years or twenty-four (24) months and can be made permanent upon satisfying USCIS that the investment proceeds have not been withdrawn and the requisite jobs have been created at the end of the two-year period.

10.1 Regional Centers

The investor may invest in his or her own commercial enterprise or in a commercial enterprise owned by other parties. The investor may also choose to invest in a pre-approved "regional center." Regional centers are geographical areas for which USCIS has determined that investments will create the necessary 10 jobs per investor, whether directly or indirectly, in the regional center's approved geographical area. Virtually all of the regional centers are in geographical areas that include Targeted Employment Areas or TEAs with high unemployment where $500,000 is the required amount of investment. Most of the regional centers involve limited partnership investments for which having the rights of a limited partner is considered sufficient to make the investor not completely passive. The business plan functions as a proposal to act as a regional center for the Region.

10.2 Immigrant Investors: Two Choices, One Goal

Foreign nationals seeking permanent resident status in the U.S. are relying on the investment route more frequently than ever before. Various reasons might be surmised for the increase in popularity of the investment option, including the increasing unavailability of other options under U.S. immigration laws and the significantly decreased value of the U.S. dollar. The result is that the required amount of investment—either $500,000 or $1,000,000—translates into smaller equivalent amounts to foreign nationals using currencies with greatly enhanced value in conversions to dollars.

The foreign national who wishes to use the investment option for permanent residence has two basic choices. One choice is to find his or her own individual investment vehicle in which he or she will invest and play a role in management or policymaking. The second option is a

government-approved "regional center" investment. Both options have advantages and disadvantages that will be discussed in further detail.

As an overview, the major advantage of the individual investment option is that the foreign national accomplishes not only an immigration purpose, but also a purpose of investing in a business that may provide significant returns as well as a source of income and a livelihood on an ongoing basis. However, there are far more immigration law hurdles to be overcome than with the regional center investment.

The regional center investment is often the quickest and most secure option (assuming the investment is made in a regional center with a strong immigration track record). The immigration process is often quicker and there are far fewer legal issues to be confronted. However, the investor is not running his or her own business and the rate of return may be lower than in a successful individual investment.

10.3 What is the Minimum Investment?

With either option, the amount of the investment is $1,000,000, unless the investor can prove that the investment is in a "rural area," or in an area that has experienced unemployment of at least 150% of the national average rate. If so, the amount of the required investment is $500,000. Most (but not all) of the regional centers are located in such $500,000 "Targeted Employment Areas."

10.4 Job Creation Requirement

Both options require the investor to prove that his or her investment has resulted in the creation of "full-time employment" of 10 U.S. workers. The big difference is that individual investors must prove direct employment of the 10 employees. With regional centers, U.S. Citizenship and Immigration Services (USCIS) has pre-approved the employment creation using a standard that allows a combination of direct, indirect and induced employment using various accepted econometric models. In the case of Encore, RIMS II TYPE II multipliers were used to perform the job creation calculations, and is the preferred and accepted methodology of the USCIS.

10.5 Role of Foreign Investors as Limited Partners

Both investment options prohibit purely passive investment. In other words, the investor must be engaged in the "management" of the enterprise. In this regard, it should be noted that most of the regional centers organize limited partnerships into which the foreign investors invest. The limited partnerships invest into an EB-5 approved enterprise, usually in the form of a loan. Pursuant to regulation, if the petitioning investor is a limited partner and the limited partnership agreement provides the petitioner with the rights, powers and duties normally granted to limited partners under the Uniform Limited Partnership Act, the investor will be considered sufficiently engaged in the management of the enterprise. As a practical and legal matter, this requirement can be met by a limited partner without the necessity of the investor committing to any specific amount of time or engaging in any day-to-day management, since such activities are performed by the general partner.

10.6 Potential Investment Hurdles & Risk Mitigation

One of the biggest stumbling blocks for the individual investor is proving that the investment has been made in a "new commercial enterprise." This issue can be resolved in advance if the project has been pre-approved for foreign investments through a regional center. A "new commercial enterprise" can be created by an individual investor in one of three ways:

- Establishing a brand new business;
- Acquiring an existing business and engaging in significant "restructuring or reorganization" (although this alternative is rarely used and has not been defined); or,
- Expanding an existing business.

This option requires the investor to prove not only the creation of 10 new jobs but also the expansion of either net worth or the number of employees of the business by at least 40%. If the investor invests in a "troubled business" (a business with substantial losses as quantified by the regulations), there may be an opportunity to qualify based on preserving existing employees as opposed to adding new ones.

Another significant issue for both the individual and the regional center investor is proving the "lawful source of funds." Substantial documentation is required to prove that the investor did not acquire the funds through unlawful means. If the funds are the result of a gift, this requirement must be met for the giftor as well. Similarly, if the funds are the result of a loan from an individual, this requirement is applicable to the creditor. Documentation utilized to meet this requirement may include tax returns, real estate transactions, securities transactions, inheritance documentation, stock dividends, employment records, bank records, etc.

Related to—but separate from—the lawful source of funds requirement is the requirement to trace the funds from the individual investor to the new commercial enterprise. In some cases this is as simple as a wire transfer document from an individual's bank account to the investment enterprise. In other cases involving countries with restrictions on outbound currency transfers, this can be extremely complex, often involving transfers to multiple parties. It is important to note that the investment must come from the individual investor. An investment from a corporate entity, including a wholly owned corporate entity, will not qualify.

10.7 Qualifying for Green Card Status

With both the individual and the regional center investor, upon approval of the permanent resident application, the foreign national receives "conditional permanent resident status." This means that the "green card" that the investor receives is valid for two years. During the 21- to 24-month window after approval, the investor must file an application to remove conditions on residence. As part of this process, the investor must prove that the investment funds have not been withdrawn and that the requisite jobs have been created. For individual investors, this can be highly problematic if the vicissitudes of business are such that a downturn in the economy has resulted in a reduction in the workforce. For the regional center investor, although indirect

employment creation in the community is allowed and although USCIS has pre-approved the employment creation element for purposes of approval of the original investor petition, the regional center has the burden to prove two years later that the actual projected employment has occurred. For this reason, even though all of the regional centers have been pre-approved, the choice of regional center is a critical one. As of the date of this article, only a small number of the regional centers have actually gone through the entire process resulting in successful permanent green cards for their investors.

While the immigrant investor options are not the panacea for all foreign nationals seeking permanent residence status in the U.S., it has provided a solution for many during times when other traditional paths have been blocked. For the investors who choose this option, it is important to put together a team including not only the immigration lawyer, but also business, tax, and/or securities counsel, to advise on the multiplicity of issues that go into determining whether the investor option is a good decision for a particular client.

11.0 EXHIBITS

Exhibit 1. RS MEANS Construction Costs Per Square-Foot

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% of Total	Cost Per SF	Cost

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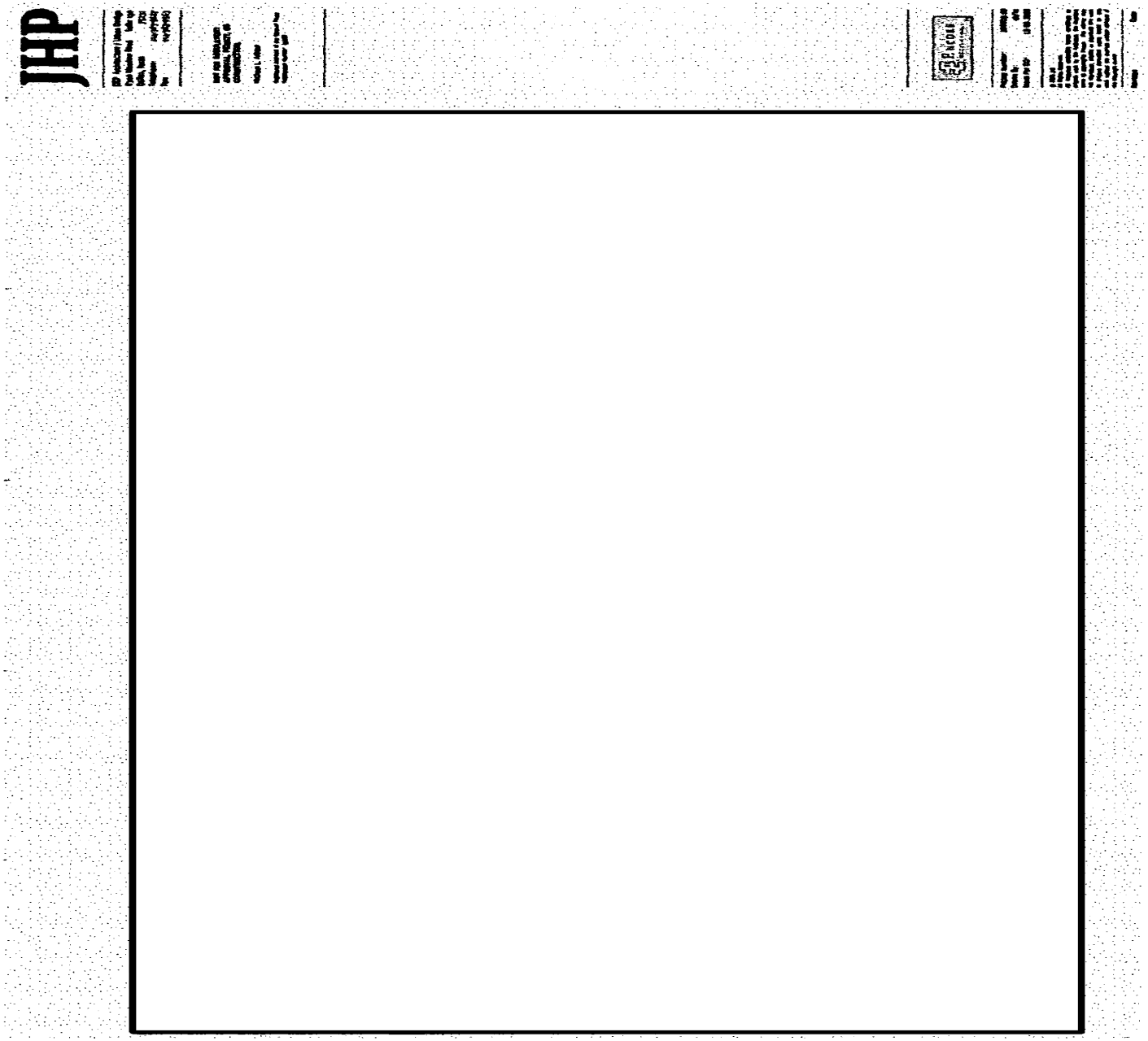
% of Total	Cost Per SF	Cost

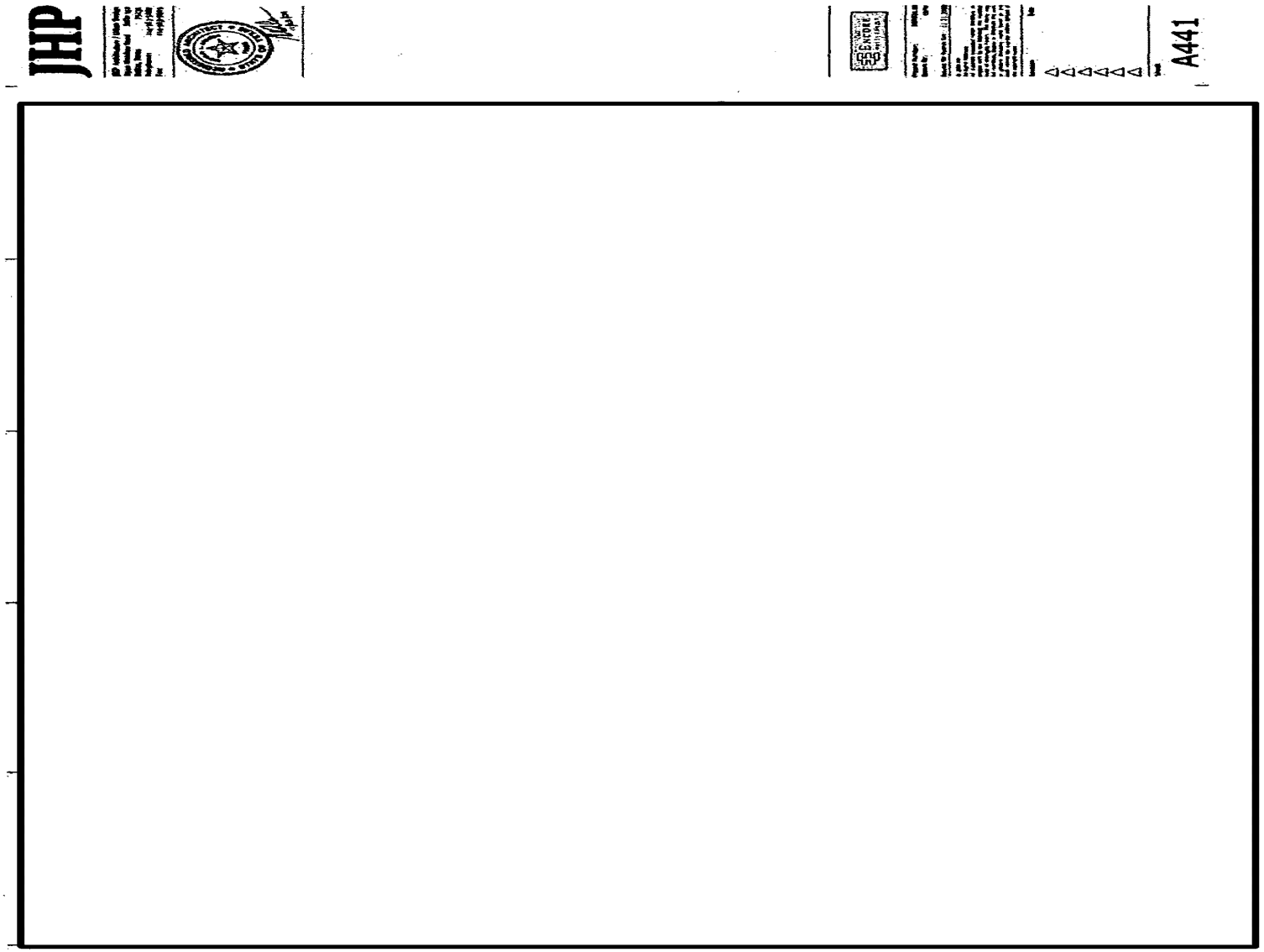
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Exhibit 2. Encore Apartment Community Building Tabulation Sheet

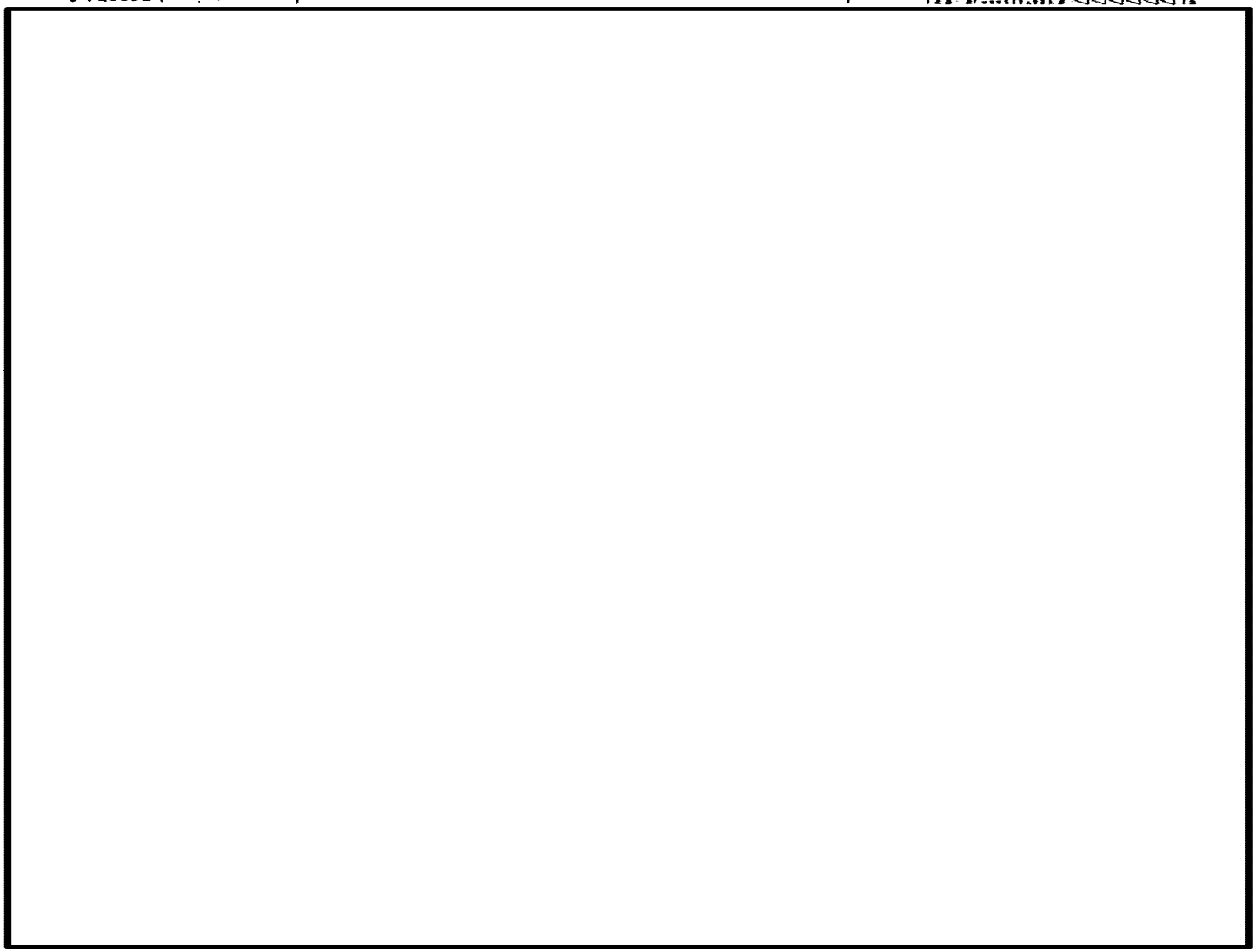
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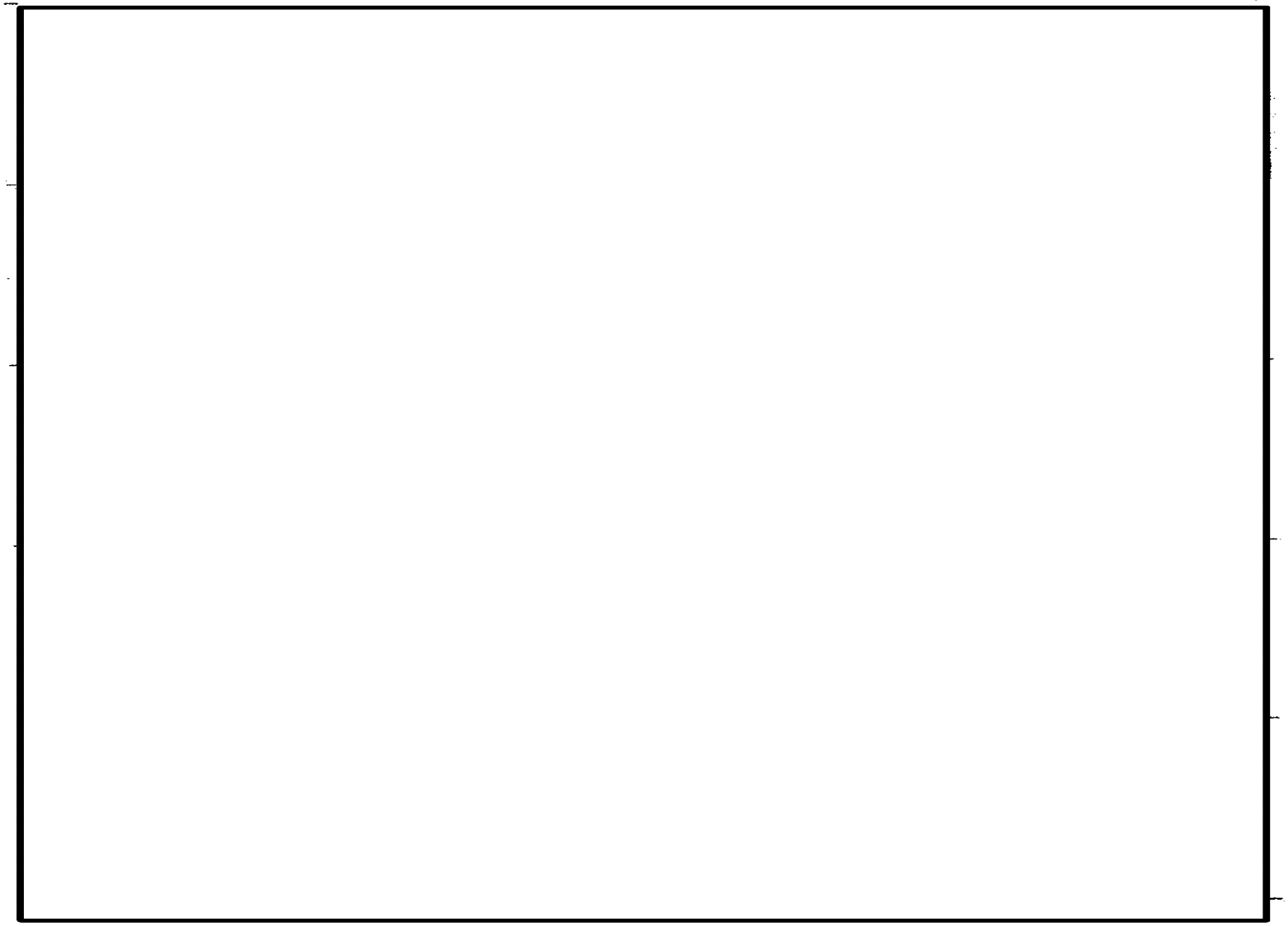




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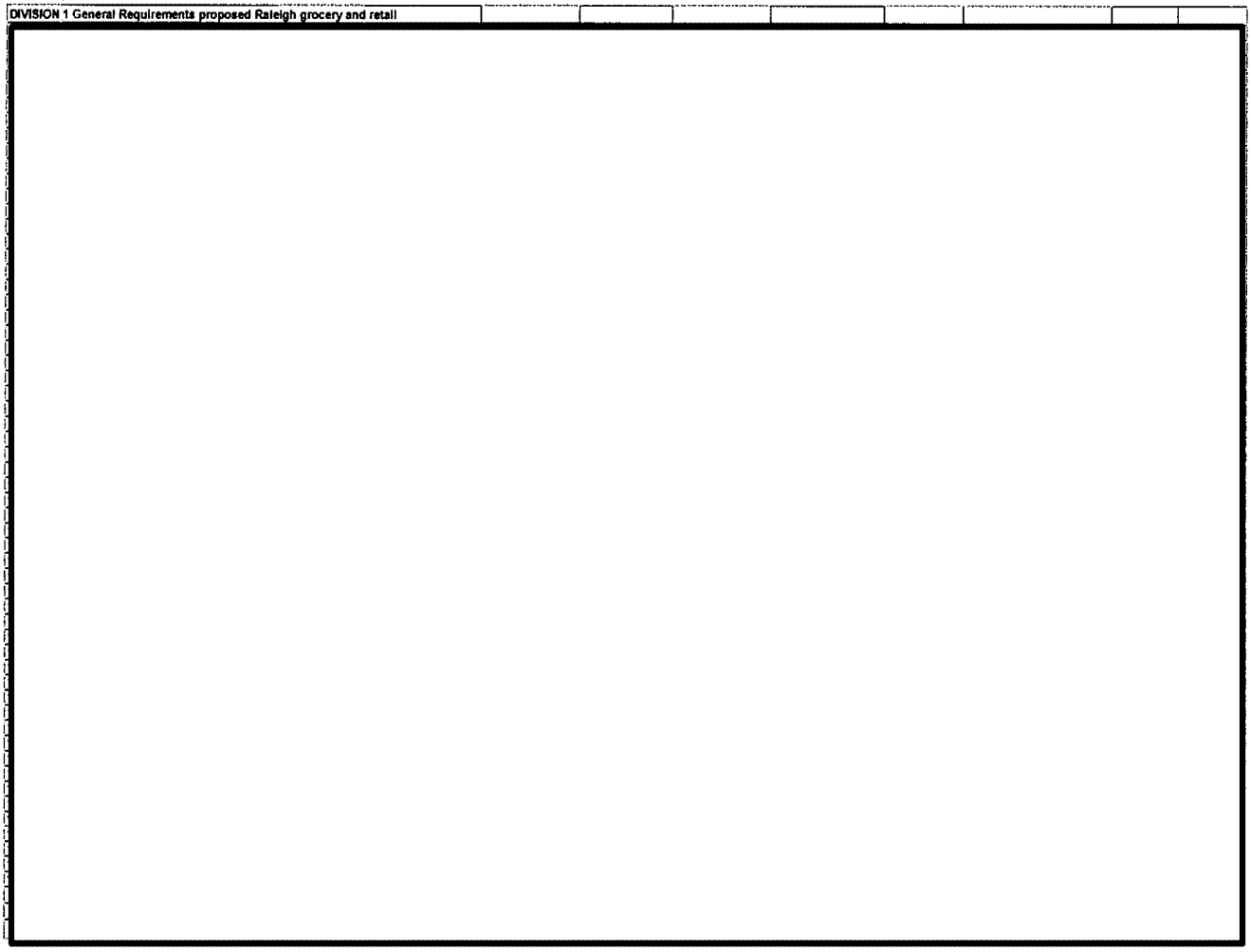
Exhibit 3. Encore Construction Group Sample Construction Estimate

The following construction estimate is for format purposes only for this analysis. The estimate has been produced using RS MEANS information per square-foot for the Raleigh-Durham market, but for this purpose is used to show the Service how ERDRC will present construction data in the future for transparency.

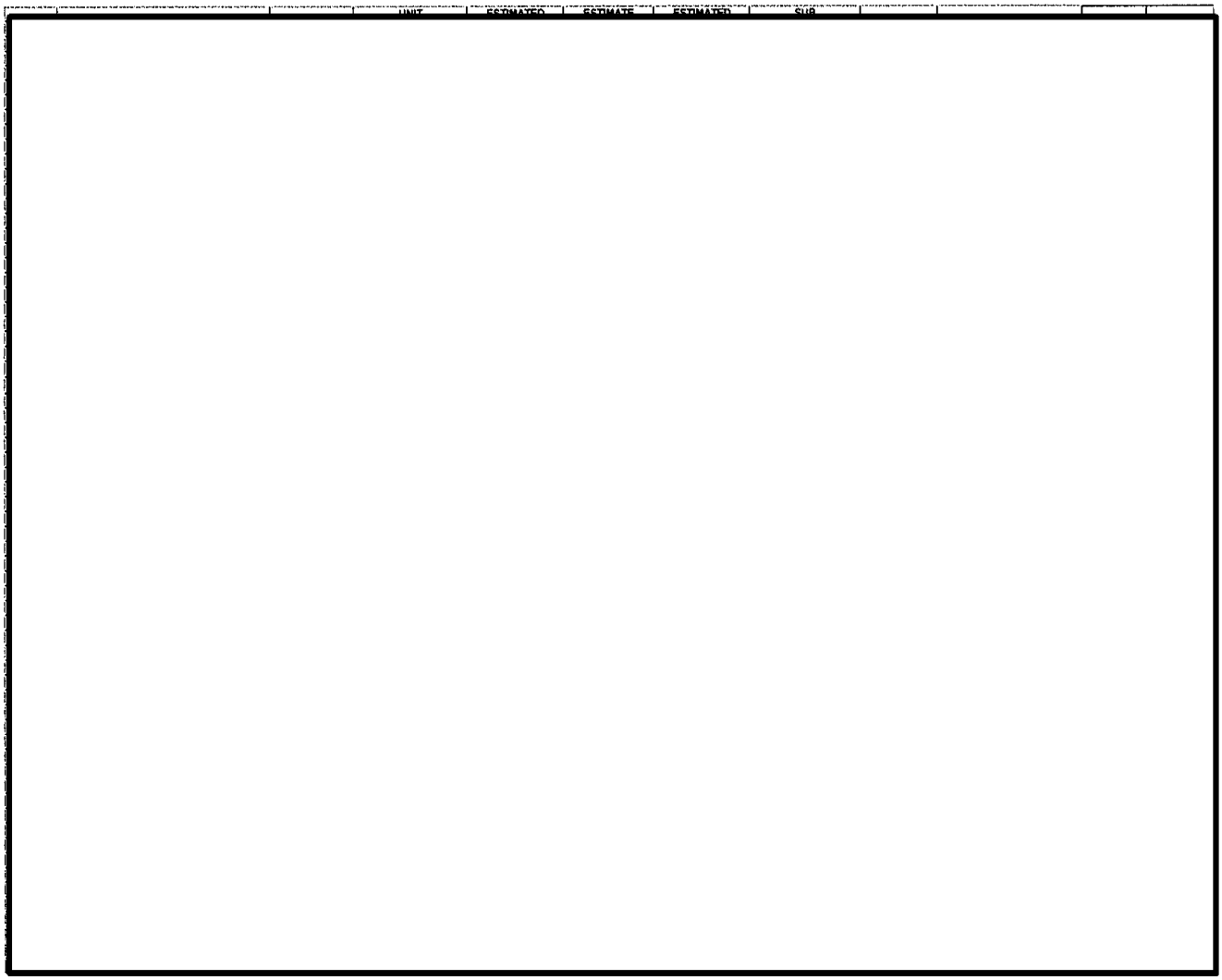
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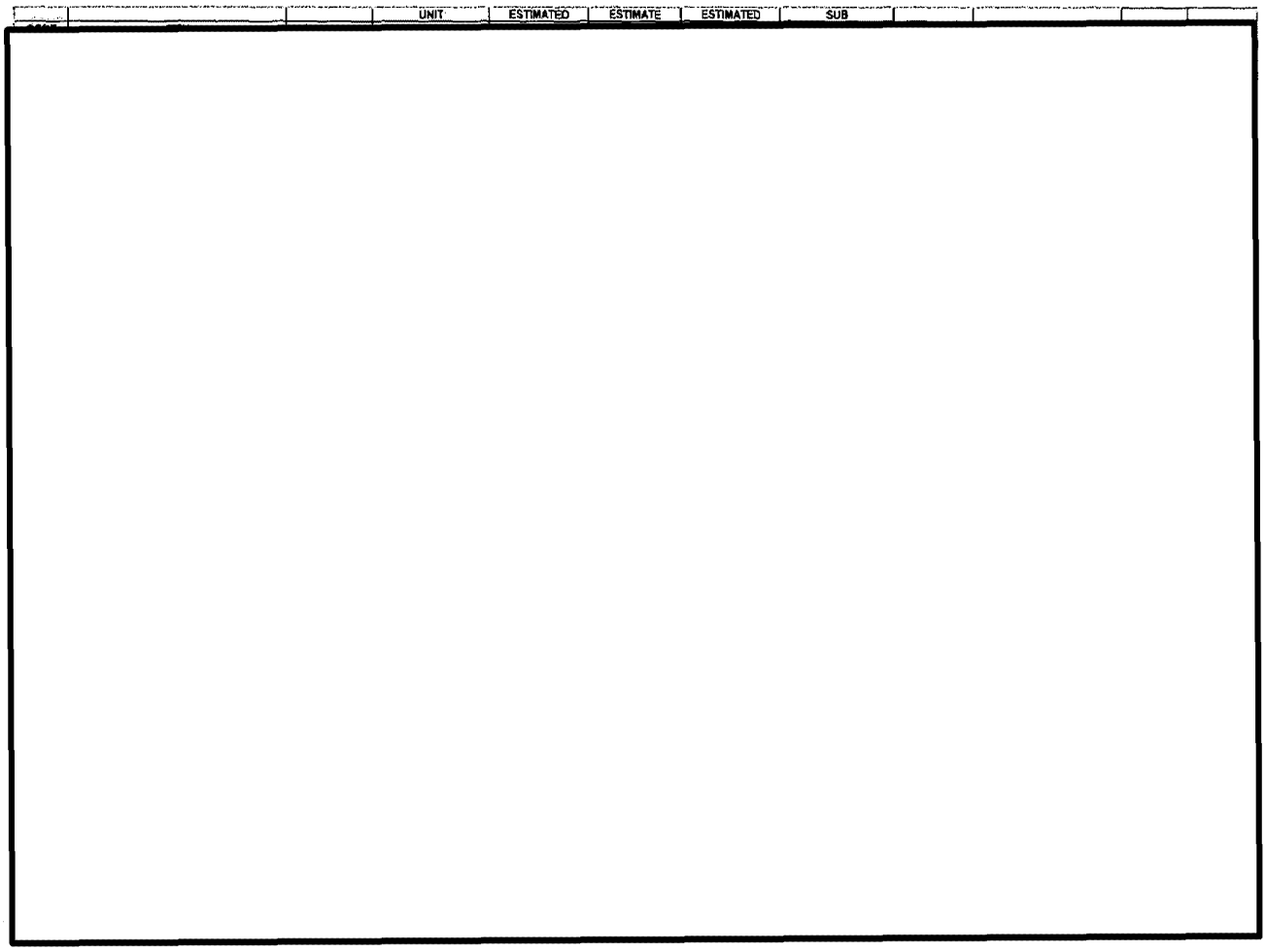
DIVISION 1 General Requirements proposed Raleigh grocery and retail



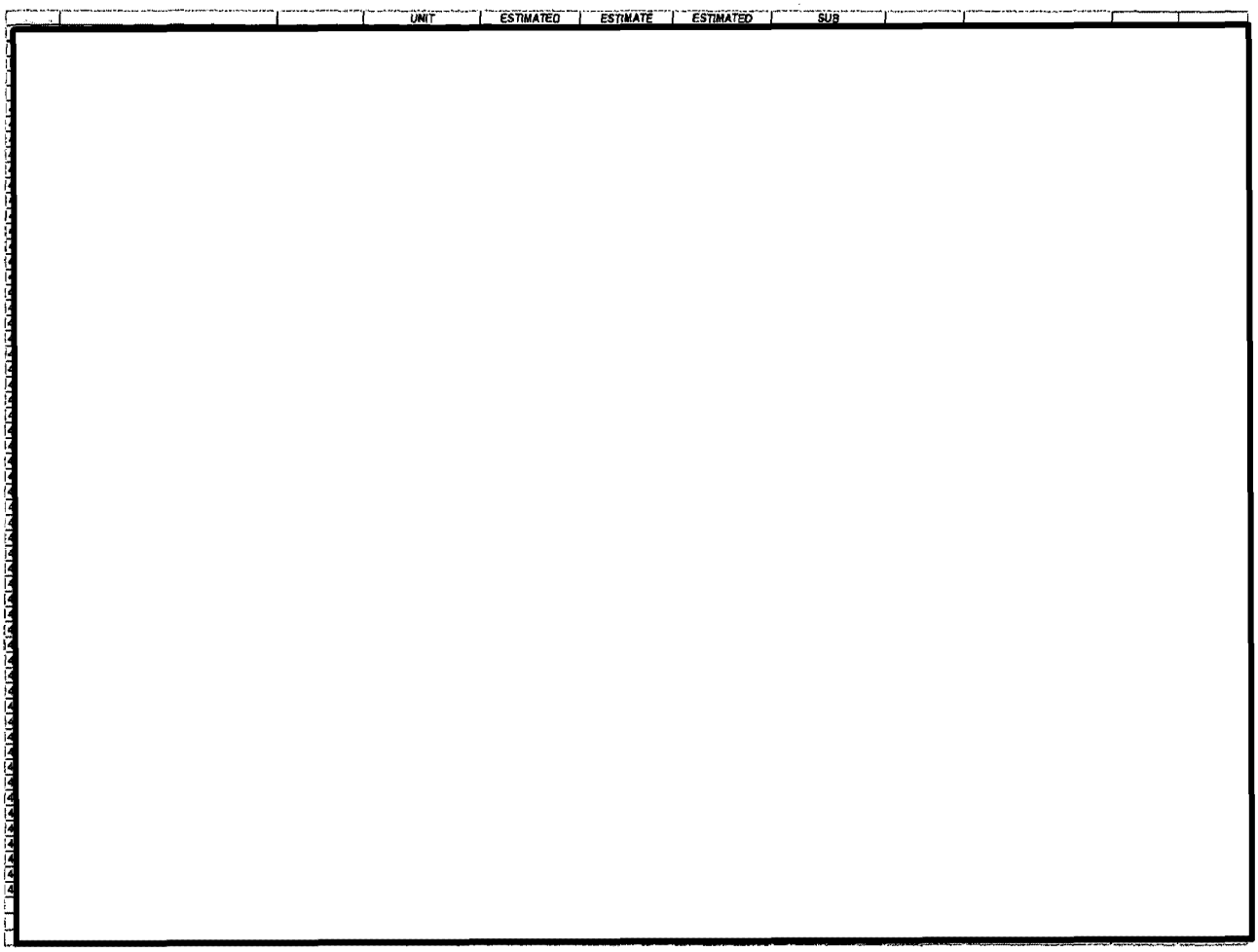
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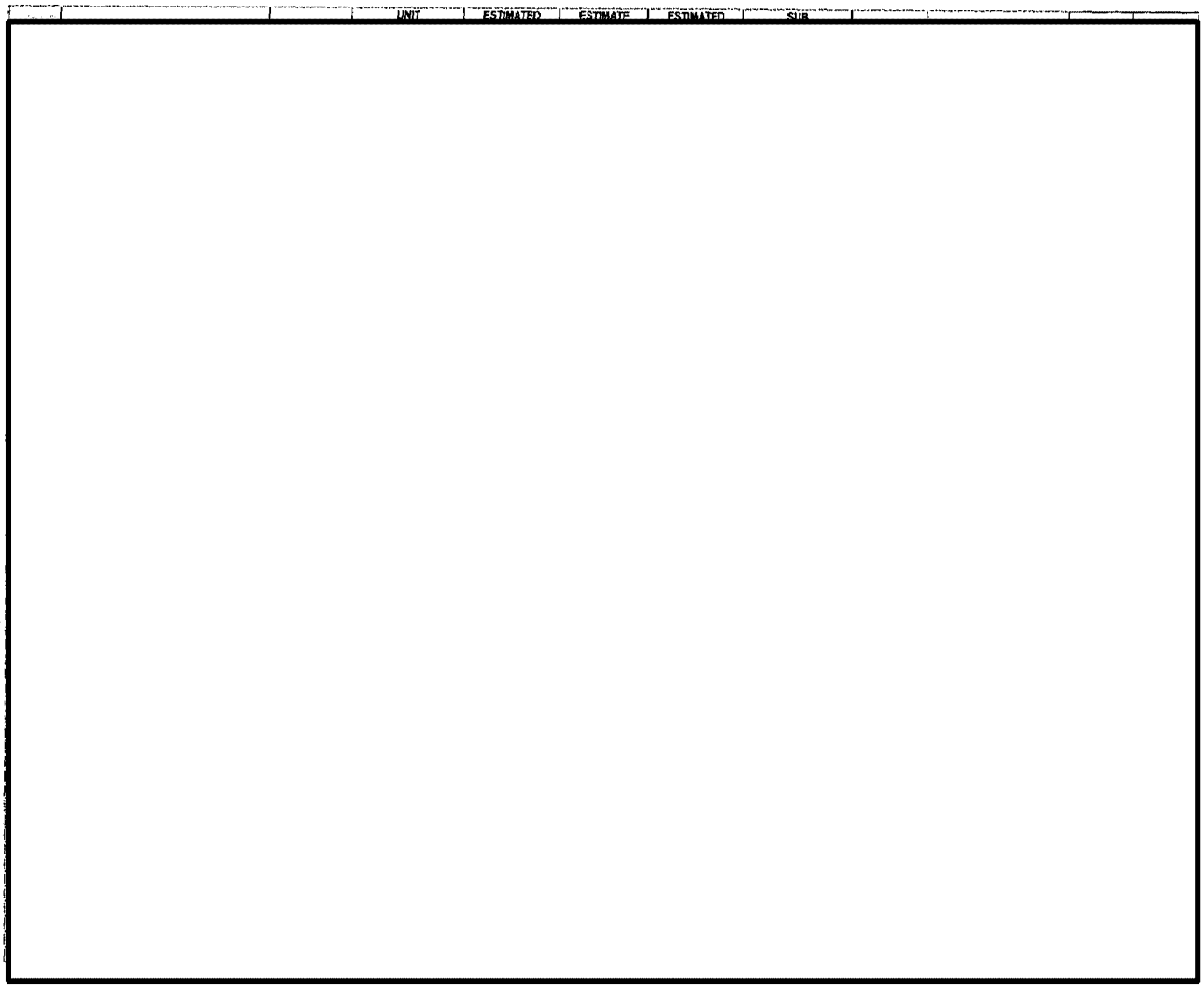
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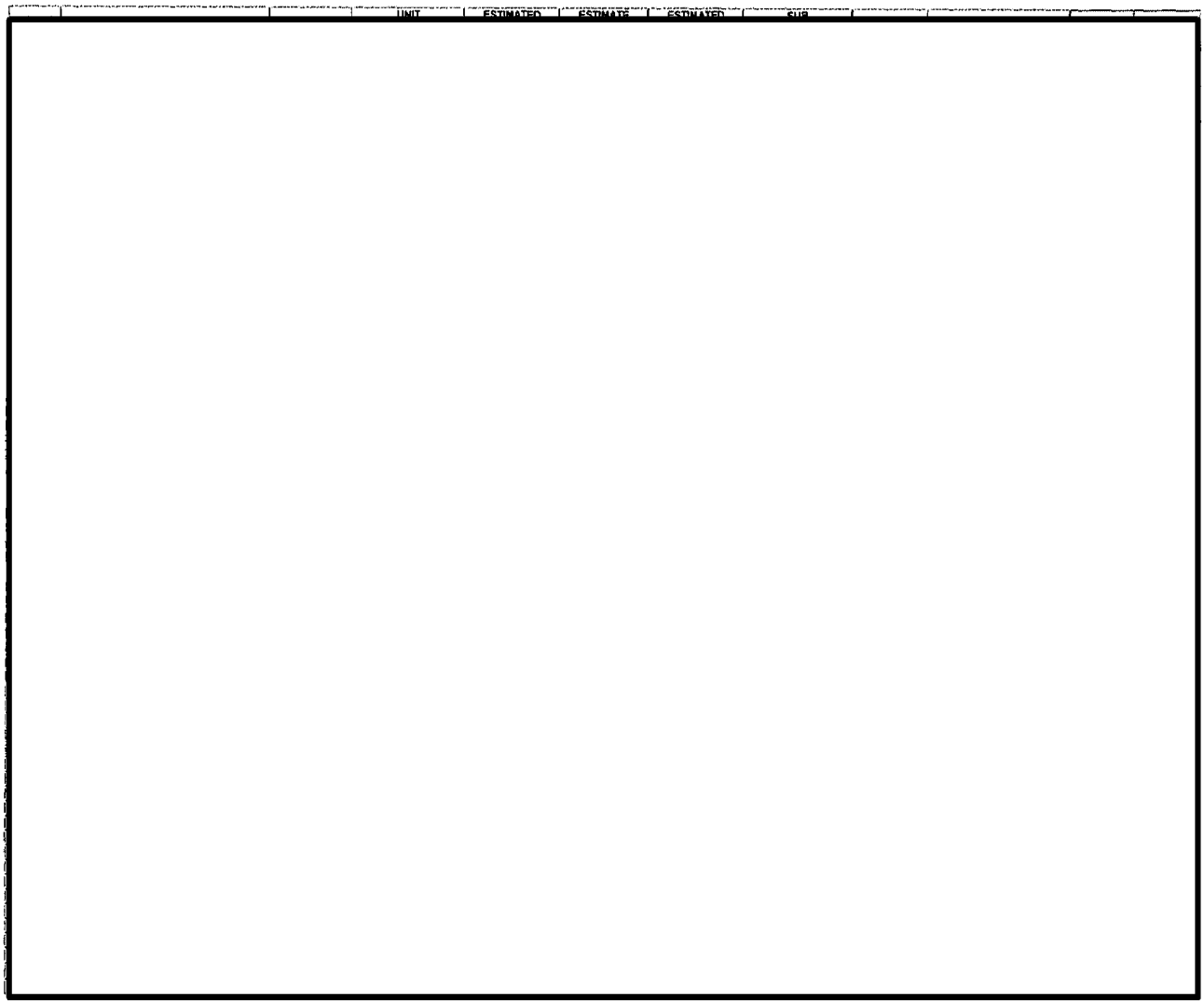
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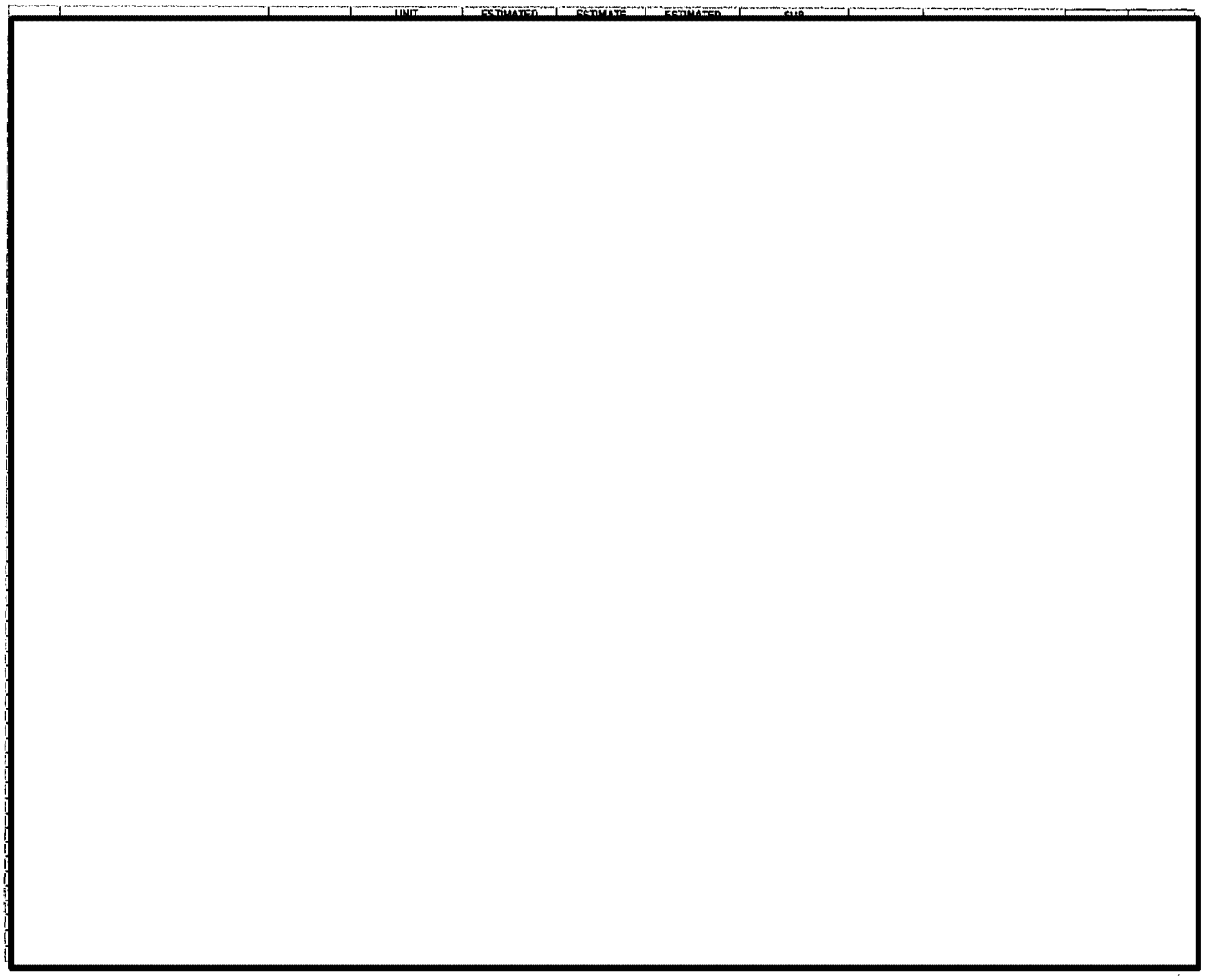
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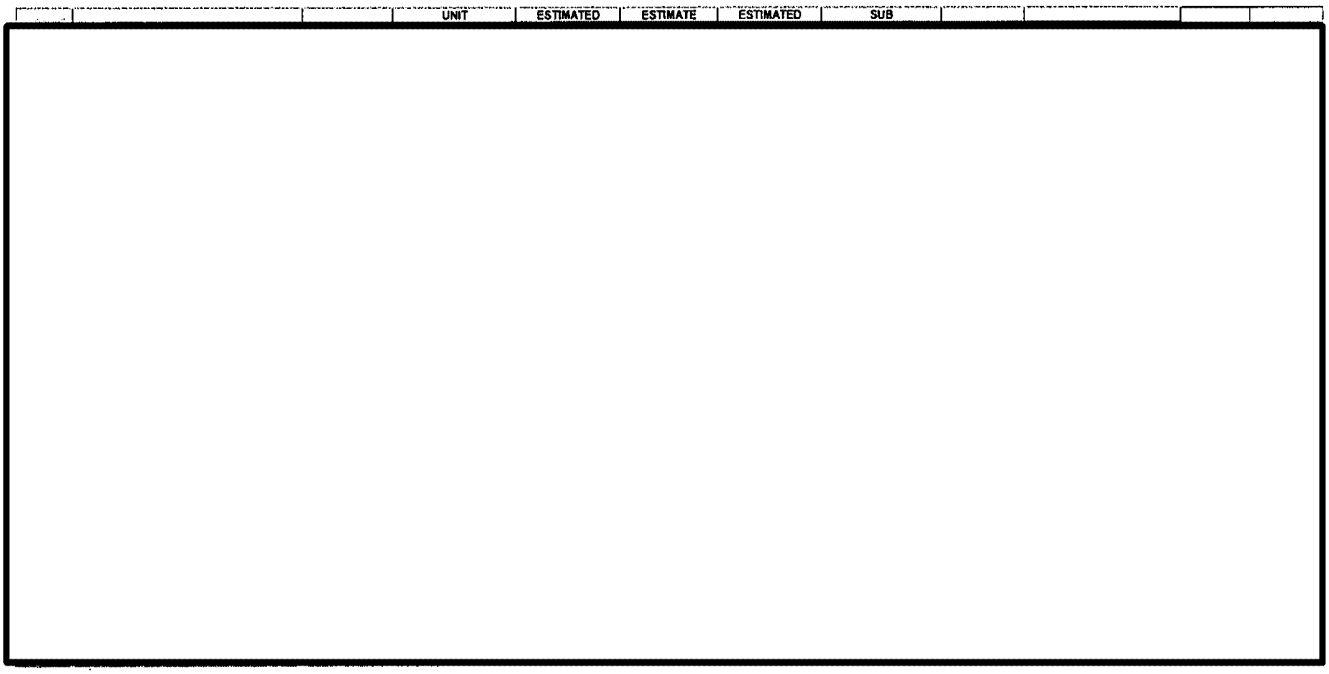
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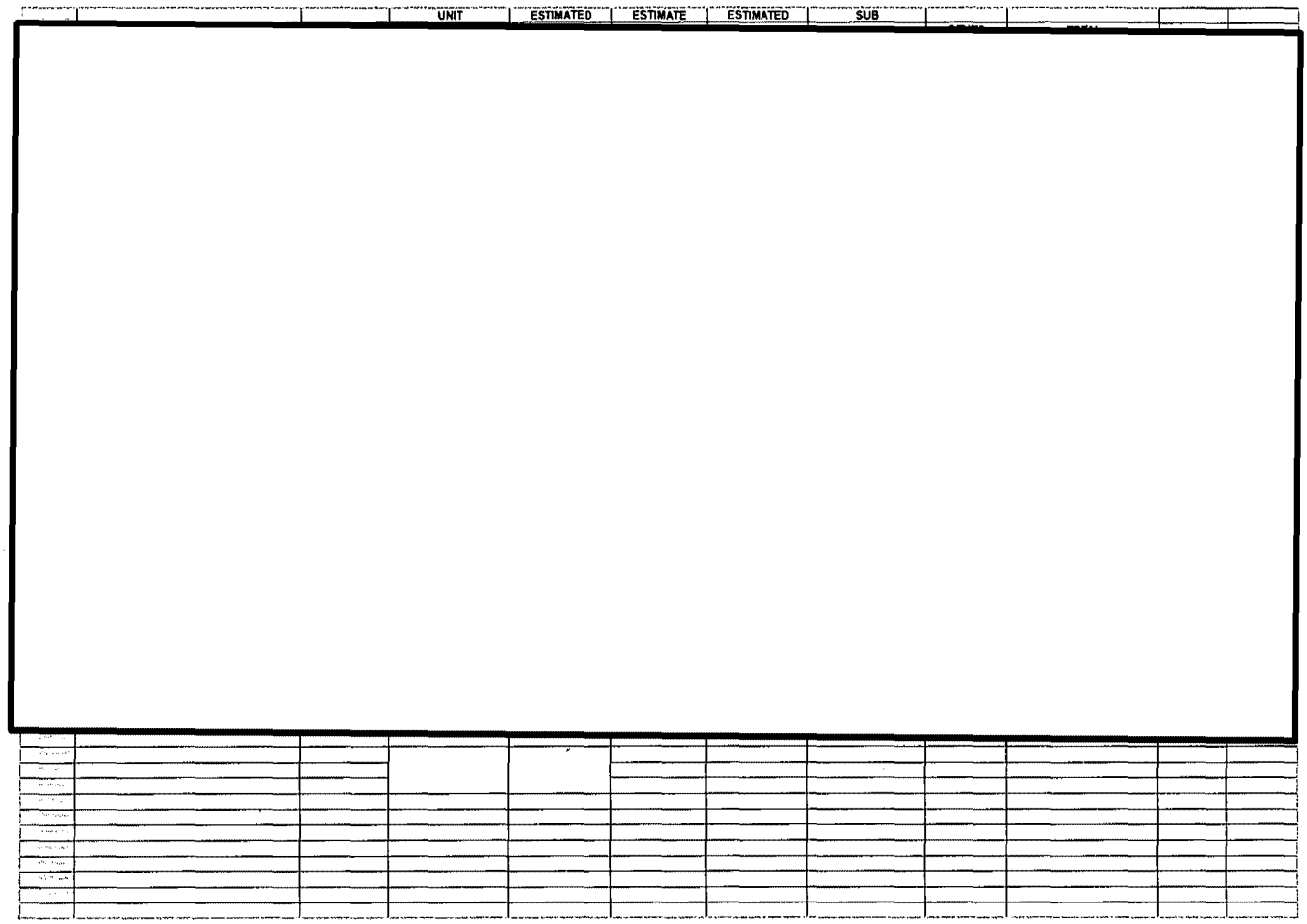
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(b)(4)



(b)(4)



OMB No. 1615-0061; Expires 09/30/2012

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program

RECD 05C'12JAN18 16:08

C30056

Do Not Write in This Block - for USCIS Use Only (except G-28 block below)	
Action Block U.S. Department of Homeland Security APPROVED JUN 11 2013 003759 U.S. Citizenship and Immigration Services	RCW1201850576 egarcia2 I924 01/18/2012 ☒ G-28 attached Attorney's State License No. 00793845

Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Barber	Patrick	J.

C/O: Encore Enterprises, Inc.

Street Address/P.O. Box: 5005 LBJ Freeway, Suite 1200

City: Dallas (b)(6)	State: TX	Zip Code: 75244

Date of Birth (mm/dd/yyyy):	Fax Number (include area code): (214) 259-7001	Telephone Number (include area code): (214) 259-7000

Web site address: www.encore.bz

Part 2. Application Type (Check one)

☒ **a.** Initial Application for Designation as a Regional Center

☐ **b.** Amendment to an approved Regional Center application. Note the previous application receipt number, if any (also attach the Regional Center's previous approval notice): _____

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, Regional Center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Encore Raleigh/Durham Regional Center

Street Address/P.O. Box: 5005 LBJ Freeway, Suite 1200

City: Dallas	State: TX	Zip Code: 75244

Web site address:	Fax Number (include area code):	Telephone Number (include area code):
www.encoreeb5.com	(214) 259-7001	(214) 259-7000

Part 3. Information About the Regional Center *(Continued)*

B. Name of Managing Company/Agency: Encore Global Investment Management, LLC

Street Address/P.O. Box: 5005 LBJ Freeway, Suite 1200		
City: Dallas	State: TX	Zip Code: 75244
Web site address: www.encore.bz	Fax Number (include area code): (214) 259-7001	Telephone Number (include area code): (214) 259-7000

C. Name of Other Agent: N/A

Street Address/P.O. Box:		
City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

D. Continuation, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

Please refer to attached Operational Business Plan

(b)(4)

Part 3. Information About the Regional Center *(Continued)*

Note: If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1a. Describe the structure, ownership and control of the regional center entity.

b. Date the Regional Center was established(mm/dd/yyyy): 01/12/2012

c. Organization Structure for the Regional Center:

- ☐ **1.** Agency of a U.S. State or Territory (identify) _____
- ☐ **2.** Corporation
- ☐ **3.** Partnership (including Limited Partnership)
- ☒ **4.** Limited Liability Company (LLC)
- ☐ **5.** Other (Explain) _____

2. Has this regional center's designation ever been formally terminated by USCIS, or has the regional center ever filed a Form I-924 or regional center proposal or amendment that was denied?

☒ No ☐ Yes - Attach a copy of the adverse decision, with an explanation, the date of decision, and case number, if any.

3. Describe the geographic area of the regional center. **Note:** This area must be contiguous. Provide a map of the geographic area.

The geographic area of the proposed regional center is a contiguous territory comprised of the following North Carolina counties: Chatham, Durham, Franklin, Johnston, Orange, Person and Wake. Please refer to Appendix A of the Operational Business Plan for a map of the geographic area of the proposed regional center.

4. Describe the regional center's administration, oversight, and management functions that are or will be in place to monitor all EB-5 capital investment activities and the allocation of the resulting jobs created or maintained under the sponsorship of the regional center.

(b)(4)

Part 5. Signature of Person Preparing This Form, If Other Than Above *(Sign Below)*

I declare that I prepared this application using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? ☐ No ☒ Yes

Signature of Preparer	**Printed Name of Preparer**	**Date** *(mm/dd/yyyy)*
	Brian Graham	01/12/2012
Firm Name and Address Strasburger & Price, LLP 600 Congress Avenue, Suite 1600 Austin, TX 78701		
Daytime Phone Number *(Area/Country Codes)* (512) 499-3605	**Fax Number** *(Area/ Country Codes)*	**E-Mail Address** brian.graham@strasburger.com

ADDENDUM TO FORM I-924

Part 3. Information About the Regional Center (continued)

7. Identify each industry that has or will be the focus of EB-5 capital investments sponsored through the regional center:

The following is a complete list of Industy Category Titles. For each such title, the Form I-924 application is supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category.

23	Construction
236116	New Multifamily Housing Construction (except Operative Builders)
236117	New Housing Operative Builders
236118	Residential Remodelers
236220	Commercial and Institutional Building Construction
44	Retail Trade
45	Sporting Goods, Hobby, Book, and Music Stores
53	Real Estate and Rental and Leasing
531110	Lessors of Residential Buildings and Dwellings
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)
531311	Residential Property Managers
531312	Nonresidential Property Managers
54	Professional, Scientific, and Technical Services
541611	Administrative Management and General Management Consulting Services
55	Management of Companies and Enterprises
561110	Office Administrative Services
62	Health Care and Social Assistance
621111	Offices of Physicians (except Mental Health Specialists)
622210	Psychiatric and Substance Abuse Hospitals
622310	Specialty (except Psychiatric and Substance Abuse) Hospitals
72	Accommodation and Food Services
721110	Hotels (except Casino Hotels) and Motels
722110	Full-Service Restaurants
722211	Limited-Service Restaurants

Department of Homeland Security
U.S. Citizenship and Immigration Service

I–797E, Notice of Action

A #	Application/Petition
	I924, Application for Regional Center under Immigrant Investor Pilot Program
Receipt #	**Application/Petitioner**
RCW1201850576	Encore Raleigh/Durham Regional Center
Notice Date / **Page**	**Beneficiary**
February 27, 2013 / 1 of 7	

ACTION COMPLETED
APPROVED FOR FILING
MAR 29 2013
INITIALS: FOC: CSC C30070

C30070

M. Ford, Esq.
Law Office of M. Ford
RE: Encore Raleigh/Durham Regional Center
8004 Ashby Court
Plano, TX 75025

Intent to Deny Processing Coversheet

Notice also sent to:

RETURN THIS BLUE PROCESSING COVERSHEET ON TOP OF YOUR RESPONSE TO THE INTENT TO DENY.

Note: You are given until **March 29, 2013** in which to submit the requested information to the address at the bottom of this notice.

RESPONSE TO AN INTENT TO DENY

For more information, visit our website at www.uscis.gov

Or call us at 1-800-375-5283

Telephone service for the hearing impaired: 1-800-767-1833

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

CSC3759 WS25086 DIV Investor Branch AC

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

USCIS - CALIFORNIA SERVICE CENTER
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0590
1-800-375-5283

RCW1201850576

See additional information on the reverse side.

Form I–797E (Rev. 05/05/06)

13-25-3-3

NOTICE OF INTENT TO DENY

This notice is in reference to the Form I-924, Application for Regional Center Under the Immigration Investor Pilot Program that was filed by Encore Raleigh/Durham Regional Center, LLC ("applicant") at the California Service Center on December 20, 2011. The U.S. Citizenship and Immigration Services ("USCIS") has completed its review of the application for designation as a regional center under the Immigrant Investor Program (Program). The Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874). The purpose of this notice is to notify the applicant that USCIS intends to deny its application requesting designation as a regional center.

I. Procedural History

The proposed Regional Center entity was established on January 5, 2012 in Delaware and is structured as a limited liability company. The applicant is requesting jurisdiction over a geographic area to include:

State	Counties
North Carolina	Durham
	Johnston
	Orange
	Wake

Additionally, the applicant plans to offer EB-5 capital investment opportunities in affiliated new commercial enterprises, organized as limited liability companies, focusing on projects in the following industry categories:

NAICS	Industry Category
23622	Commercial and Institutional Building Construction
5413	Architectural, Engineering, and Related Services

The capital investment projects may involve a combination of equity investments and loans to job creating enterprises located within the proposed bounds of the regional center.

On January 18, 2012, the applicant filed Form I-924 requesting regional center designation. On September 18, 2012, USCIS issued a request for evidence ("RFE") as the initial application did not qualify under 8 C.F.R. § 204.6(m)(3). The applicant's response to the RFE was received on November 19, 2012. The regional center proposal requests the review of four (4) hypothetical projects to include a medical office building, a limited-service hotel, a retail shopping center, and an apartment community.

II. Regional Center – Relevant Statute and Regulations

Section 610 of the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. 102-395, (8 USC 1153 note), as amended by Section 402 of the Visa Waiver Permanent Program Act of 2000, Pub. L. 106-396, provides:

> (a) Of the visas otherwise available under section 203(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(5)), the Secretary of State, together with the Attorney General, shall set aside visas for a pilot program to implement the provisions of such section. Such pilot program shall involve a regional center in the United States for the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.
>
> (b) For purposes of the pilot program established in subsection (a), beginning on October 1, 1992, but no later than October 1, 1993, the Secretary of State, together with the Attorney General, shall set aside 3,000 visas annually for five years to include such aliens as are eligible for admission under section 203(b)(5) of the Immigration and Nationality Act and this section, as well as spouses or children which are eligible, under the terms of the Immigration and Nationality Act, to accompany or follow to join such aliens.
>
> (c) In determining compliance with section 203(b)(5)(A)(iii) of the Immigration and Nationality Act, and notwithstanding the requirements of 8 CFR 204.6, the Attorney General shall permit aliens admitted under the pilot program described in this section to establish reasonable methodologies for determining the number of jobs created by the pilot program, including such jobs which are estimated to have been created indirectly through revenues generated from increased exports, improved regional productivity, job creation, or increased domestic capital investment resulting from the pilot program.

The regulation at 8 CFR § 204.6(m) provides:

> (3) Requirements for regional centers. Each regional center wishing to participate in the Immigrant Investor Pilot Program shall submit a proposal to the Assistant Commissioner for Adjudications, which:
>
> (i) Clearly describes how the regional center focuses on a geographical region of the United States, and how it will promote economic growth through increased export sales, improved regional productivity, job creation, and increased domestic capital investment;
>
> (ii) Provides in verifiable detail how jobs will be created indirectly through increased exports;

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

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

(v) Is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables.

(4) ***

(5) Decision to participate in the Immigrant Investor Pilot Program. The Assistant Commissioner for Adjudications shall notify the regional center of his or her decision on the request for approval to participate in the Immigrant Investor Pilot Program, and, if the petition is denied, of the reasons for the denial and of the regional center's right of appeal to the Associate Commissioner for Examinations. Notification of denial and appeal rights, and the procedure for appeal shall be the same as those contained in 8 CFR 103.3.

In reviewing this application, USCIS has to determine whether the request for regional center designation has met all of the regulatory criteria and thereby will maintain a regional center within which aliens seeking to obtain permanent resident status under section 203(b)(5) of the Act will be able to successfully establish a new commercial enterprise (as described in 8 CFR § 204.6(h)) with the qualifying investment that will benefit the United States economy and create 10 full-time jobs, including jobs indirectly created through the new commercial enterprise.

III. Issue: Job Creation [8 CFR 204.6(m)(3)(ii)]

The only issue to be discussed is whether the applicant has established in verifiable detail how jobs will be created. USCIS requested that the applicant provide a business plan and economic analysis that demonstrates the feasibility of the project under current market conditions within the regional center; transparently show the basis for the data that will be used as the inputs to the model (to include how the estimation of the creation of the direct jobs were derived); and the RIMS II calculations used to determine the jobs that will be created, supported by the relevant RIMS II data. In response to the RFE, the applicant provided the following documents in support of the application:

- Four project business plans; and

- An economic impact analysis dated November 10, 2012.

As stated previously, the applicant presents four proposed hypothetical projects—a medical office building, a retail center, a limited-service hotel, and an apartment community—located in Raleigh or Durham, North Carolina.

The applicant solicited the expertise of Encore Enterprises, Inc. under the supervision of Evans, Carroll & Associates, Inc. to conduct the economic impact analysis. Encore Enterprises calculates the potential economic impacts of constructing a medical office, retail space, a hotel, and an apartment community using RIMS II calibrated for Wake, Durham, Johnston, and Orange counties within the State of North Carolina.

The tables below provide a summary of the data used as inputs into the RIMS II model to derive the job creation estimates for each of the four hypothetical projects.

Table 1 – Critical Assumptions (b)(4)

Project	NAICS Code	Critical Assumption Used	Result/Model Input
Medical Office	23622		
	5413		
Retail	23622		
	5413		
Hotel	23622		
	5413		
Apartment Complex	23622		
	5413		

(b)(4)

Table 2 – Job Creation

Activity	NAICS	Input	Multiplier	Total Jobs
Medical Office Construction	23622			
Medical Office Architectural	5413			
Retail Construction	23622			
Retail Architectural	5413			
Hotel Construction	23622			
Hotel Architectural	5413			
Apartment Construction	23622			
Apartment Architectural	5413			

The evidence provided for two of the four projects is lacking sufficient evidence to support the job creation estimates presented and will be discussed in turn below.

(b)(4)

(b)(4)

IV. Decision

This notice serves as notification of USCIS' intention to deny the applicant's request for designation as a regional center as the Form I-924 does not meet the regulatory requirements at 8 C.F.R. § 204.6(m)(3). Therefore, the applicant is afforded thirty (30) days from the date of this notice to submit additional information, evidence or arguments in support of the application. Additionally, when USCIS serves a notice by mail, three (3) days are added to the prescribed period in which to respond. See 8 C.F.R. 103.5a(b). Any response to this notice should include a detailed analysis that rebuts the grounds for denial raised above, corroborated by credible independent documentary evidence all of which will be considered before a decision is rendered.

V. Review Board Option

Pursuant to 8 C.F.R § 103.2(b)(9), USCIS has the authority to request the applicant's appearance for either an in-person interview at the California Service Center (CSC) or a telephonic interview. Should the applicant prefer an in-person or telephonic interview, please indicate as such in response to this notice of intent to deny.

However, be advised that USCIS will need to review any additional information, evidence, or arguments the applicant wishes to submit in support of the application before an interview with a review board may be scheduled.

Upon review of the applicant's response, the applicant will then be contacted via the USCIS Immigrant Investor Program mailbox at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov for further instructions regarding the time and date of the interview.

The interview will last approximately 60 minutes. During this time, the applicant will be given the opportunity to present additional information regarding the pending case. The CSC will issue a written decision at a later date, after full consideration of the written record and statements made during the interview.

Failure to respond to this notice of intent to deny will result in the denial of the application based on the above stated reasons.

ENCORE ENTERPRISES, INC.

5005 LBJ FREEWAY, SUITE 1200 • DALLAS, TX 75244
PHONE: 214-259-7000 • FAX: 214-259-7001
WEBSITE: www.encore.bz

March 28, 2013

United States Department of Homeland Security
USCIS/Attn: EB5 RC Proposal
24000 Avila Road, 2nd Floor
Laguna, Niguel, CA 92677

Re: Response to NOID
Encore Raleigh/Durham Regional Center
I-924, Application for Regional Center under Immigrant Investor Pilot Program
RCW1201850576

Dear Officer:

As the Attorney of Record, please note the executed G-28 as Notice of Appearance on file in this matter. On or about March 1, 2013, the Petitioner received the Notice of Intent to Deny (Notice) from the Service dated February 27, 2013.

In an effort to organize and point out ALL of the relevant changes to the attention of the reader and to facilitate an ease of reading, the Petitioner has implemented the following color coding within the Business Plan and Economic Analysis:

YELLOW HIGHLIGHTED CHANGES RELATE SPECIFICALLY TO:

A. LIMITED-SERVICE HOTEL

GREEN HIGHLIGHTED CHANGES RELATE SPECIFICALLY TO:

B. APARTMENT COMMUNITY

RED HIGHLIGHTED CHANGES RELATE SPECIFICALLY TO:

Changes that needed to be made for consistency purposes. The majority of the RED highlighted changes relate to the Medical Office Section within the Business Plan and/or Economic Analysis Report.

Response to NOID
Encore Raleigh/Durham Regional Center
I-924, Application for Regional Center under Immigrant Investor Pilot Program
RCW1201850576

DISCUSSION

In the Notice on page 6, the Service points out that there were two concerns requiring the Petitioner's response. The concerns are:

(b)(4)

FIRST CONCERN:

[redacted]

HOW FIRST CONCERN WAS RESOLVED:

1. Calculations were redone using:
   NAICS 5413, architectural, engineering, and related services; and
   NAICS 42, wholesale trade, for all four of the projects in the Business Plan.
2. As a result of the new Calculations, the following Tables were added:
   Tables 7-4 through 7-7;
   Tables 8-4 and 8-5;
   Tables 9-4 through 9-7; and
   Tables 10-2 and 10-3.

NOTE: The new Calculations also necessitated changes in the following Tables:
Tables 2-1 through 2-6;
Tables 7-2, 7-3, 7-13, and 7-14;
Tables 8-2, 8-3, 8-12, and 8-13;
Tables 9-2, 9-3, 9-16, and 9-17; and

Tables 10-2, 10-3, 10-8, and 10-9. NOTE: The text describing these Tables was also changed.

(*See* "YELLOW" highlighted text within Business Plan and Economic Analysis)

(b)(4)

SECOND CONCERN:

HOW SECOND CONCERN WAS RESOLVED:

(b)(4)

Encore Raleigh/Durham Regional Center Application Index

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OPERATIONAL BUSINESS PLAN

ENCORE RALEIGH/DURHAM REGIONAL CENTER
c/o Encore Global Investment Management, LLC
5005 LBJ Freeway, Suite 1200
Dallas, Texas 75244
214.259.7000 (telephone)
214.259.7001 (fax)

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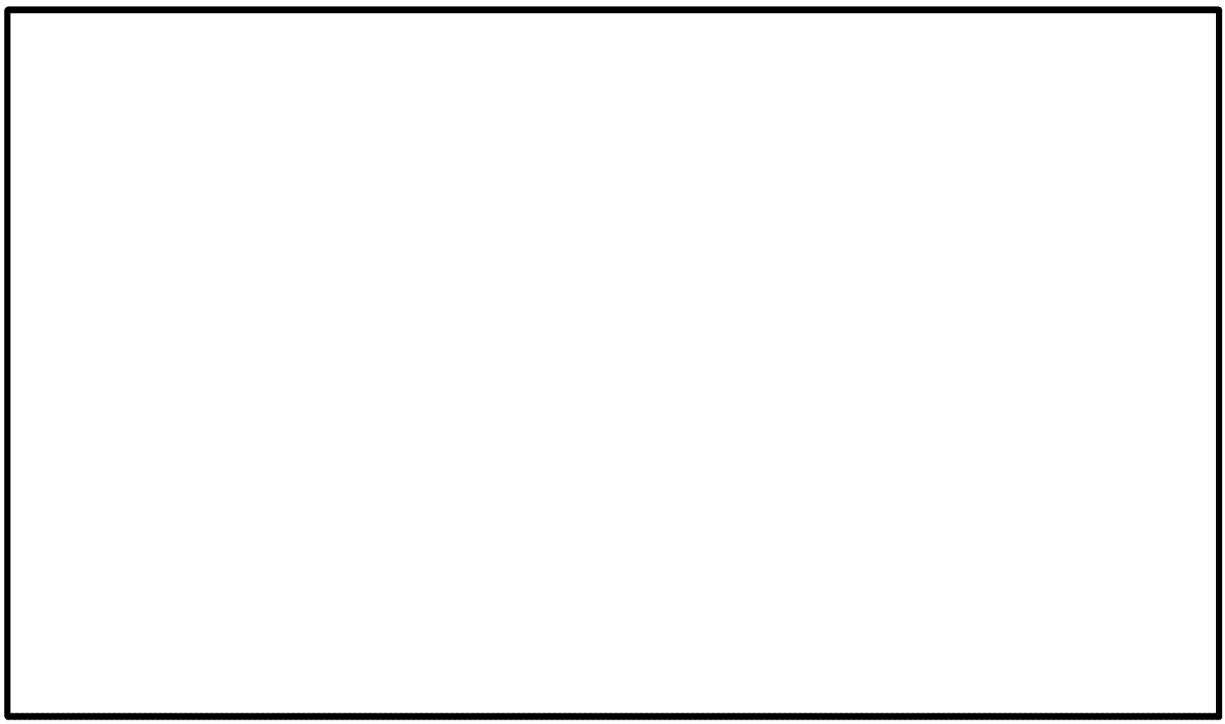
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(b)(4)

EXECUTIVE SUMMARY

Overview



ERDRC Structure



(b)(4)

Figure 1: Regional Center Ownership Structure

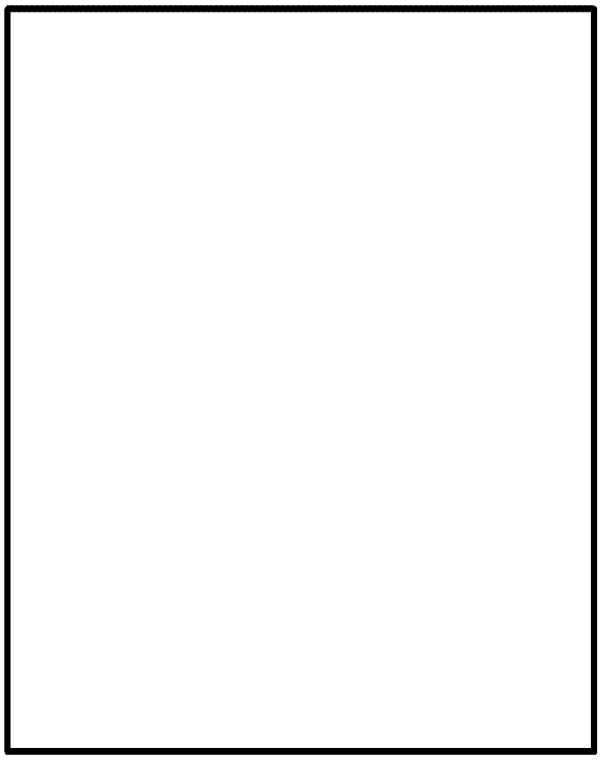


Figure 2: Initial and Prospective ERDRC Fund Structures

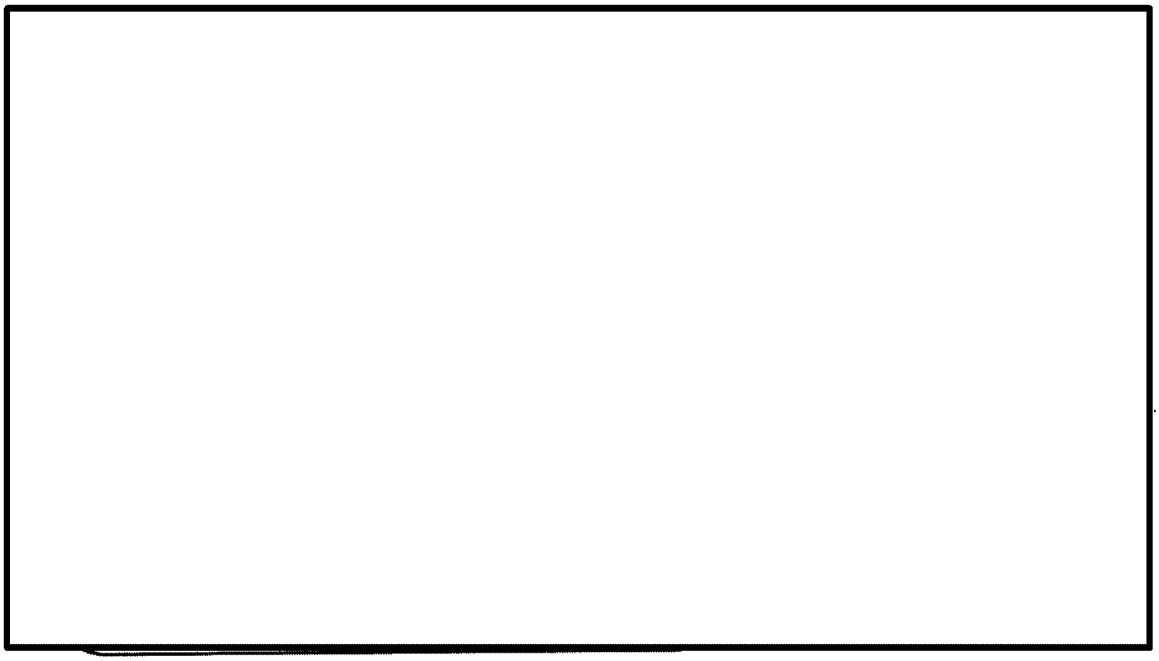


Investment and Job Creation Structure





Figure 3: ERDRC Fund Job Creation Flowchart



Commitment of Operational Capital



(b)(4)

ERDRC Regional Center Territory

The territory covered by ERDRC is set forth in detail in *Table 1* below and Appendix A, along with economic data supporting the need for the creation of ERDRC and related development and investment, and includes the following North Carolina counties (the "*ERDRC Territory*"):

Table 1: ERDRC Counties
Durham
Johnston
Orange
Wake

Figure 4: Overview of ERDRC Territory

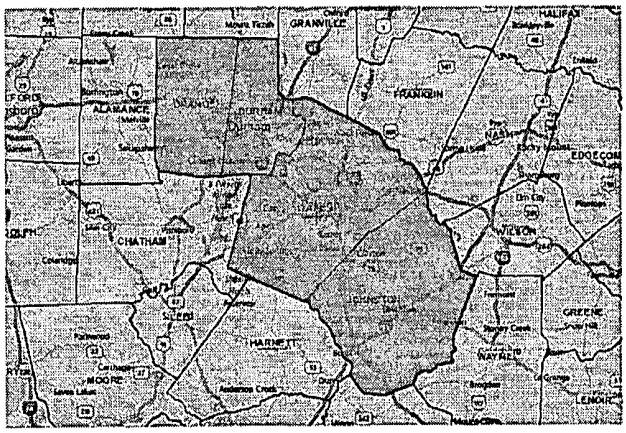
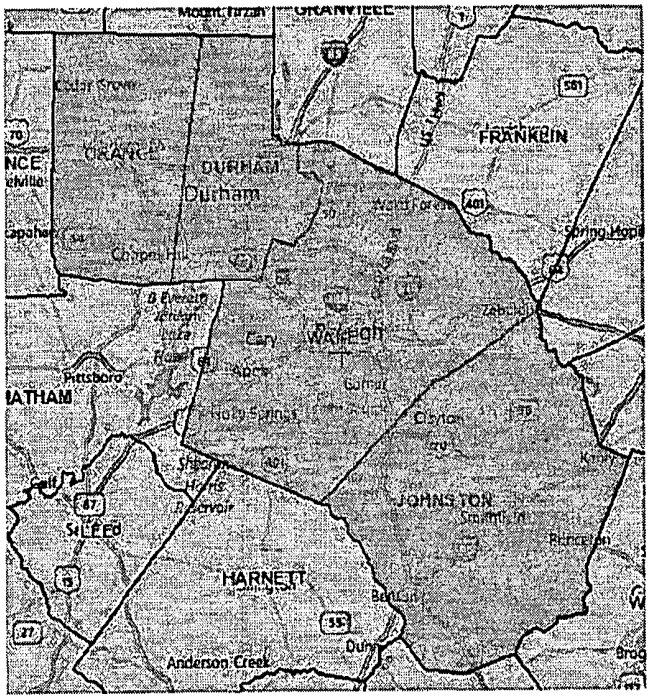


Figure 5: Detail of ERDRC Counties

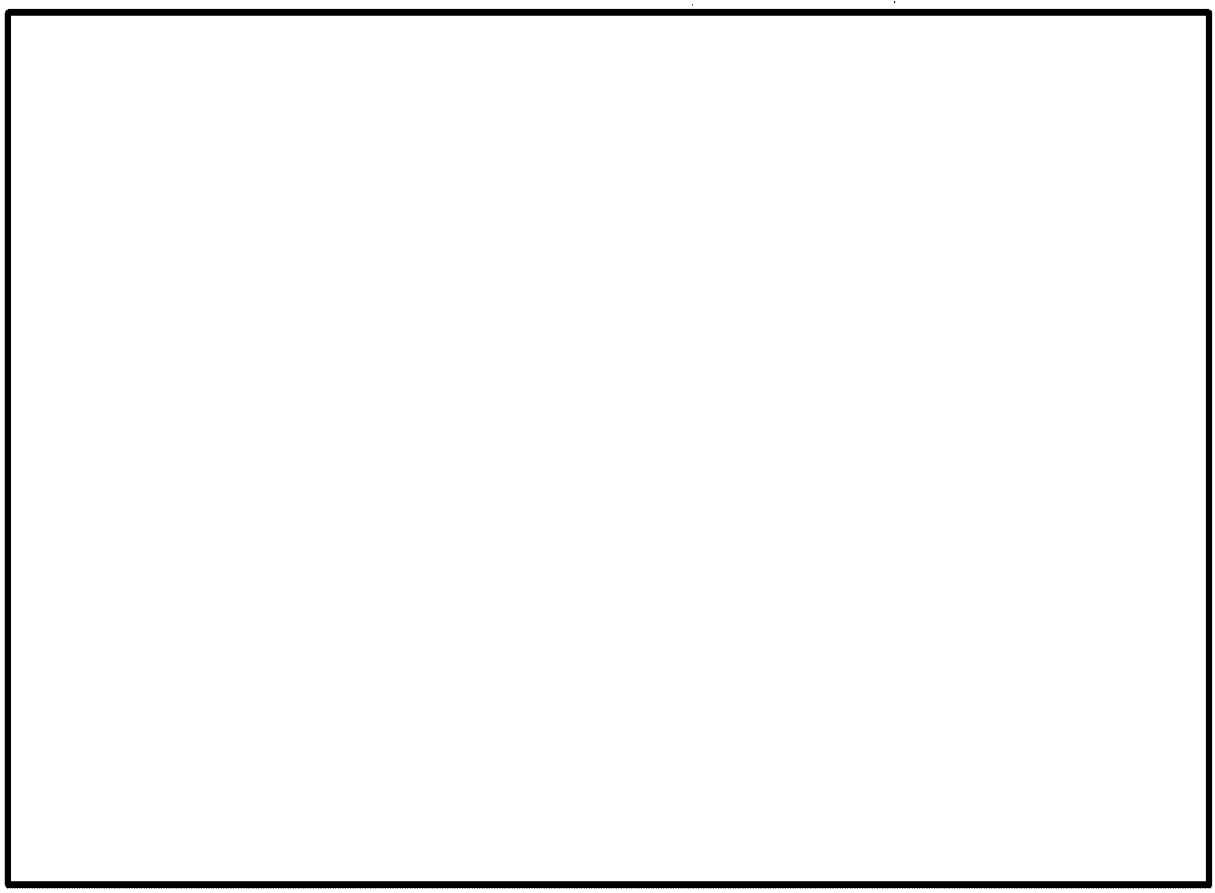


The industry sectors for which ERDRC (the "***Industry Sectors***") is seeking authorization are set forth in detail in *Table 2* below:

Table 2. List of NAICS Codes Used in Model	
236220	Construction
541300	Architecture, engineering and related services
4232	Furniture and Home Furnishing Merchant Wholesalers
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
4236	Household Appliances and Electrical and Electronic Goods Merchant Wholesalers

ERDRC Business Model Summary

ERDRC Economic Impact Summary



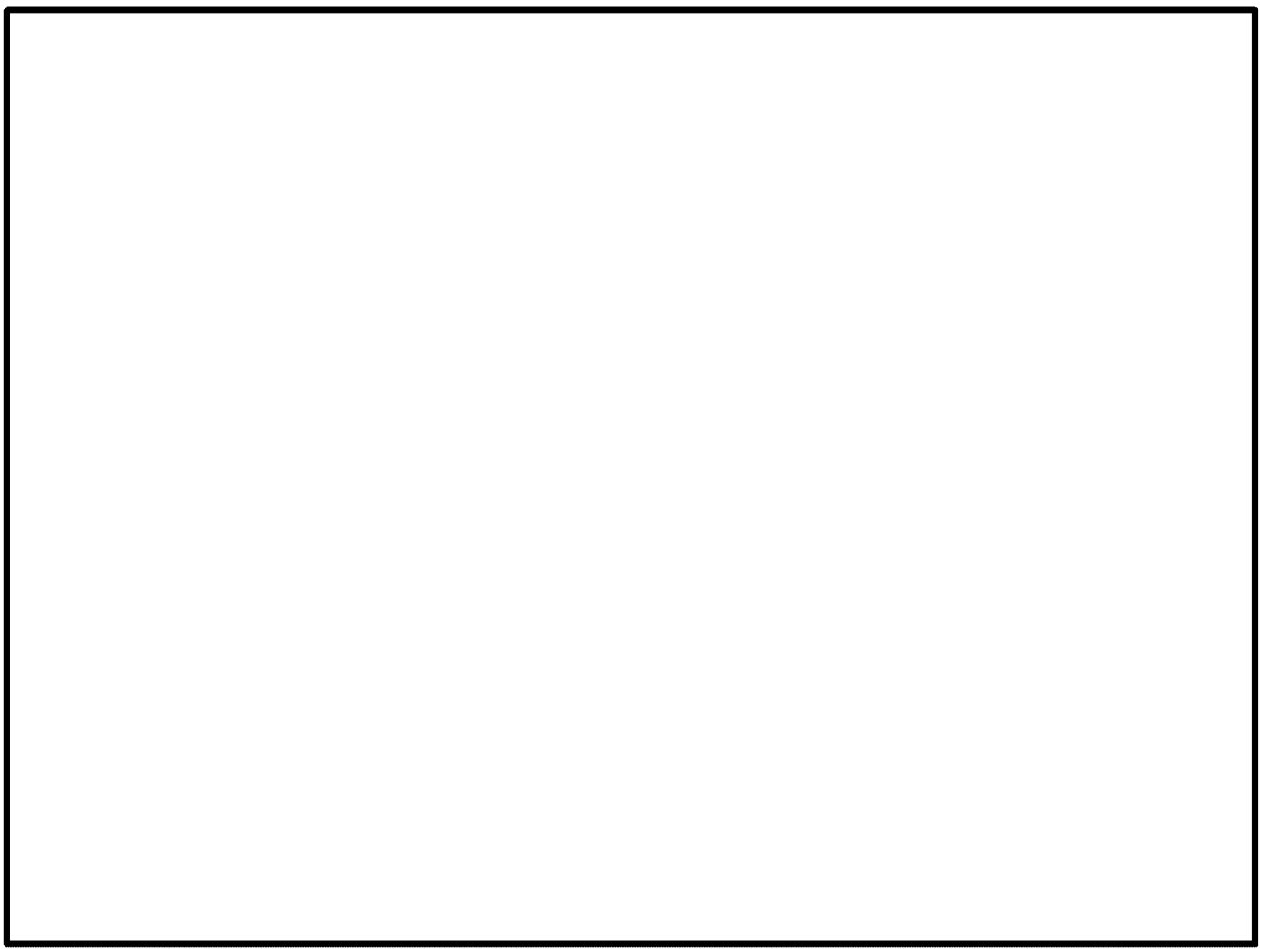
ERDRC Management Summary



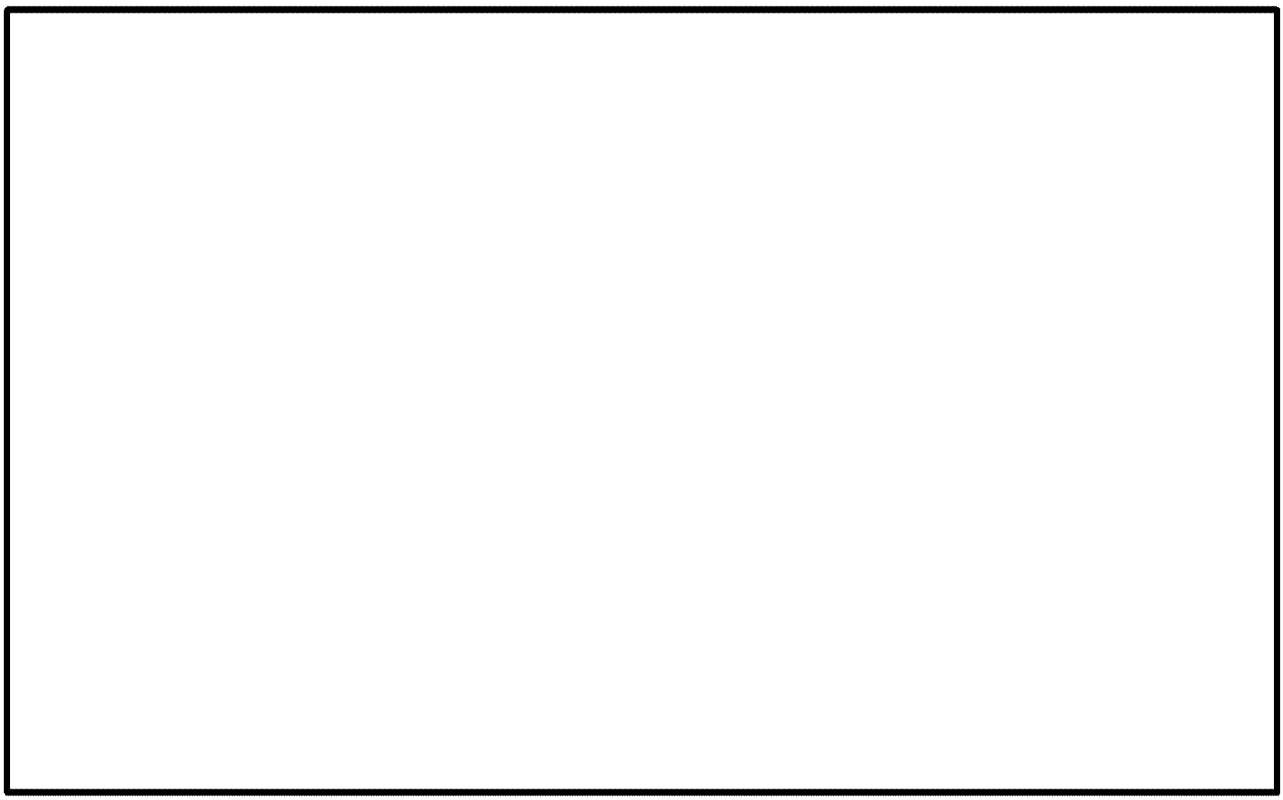
ERDRC Business Model

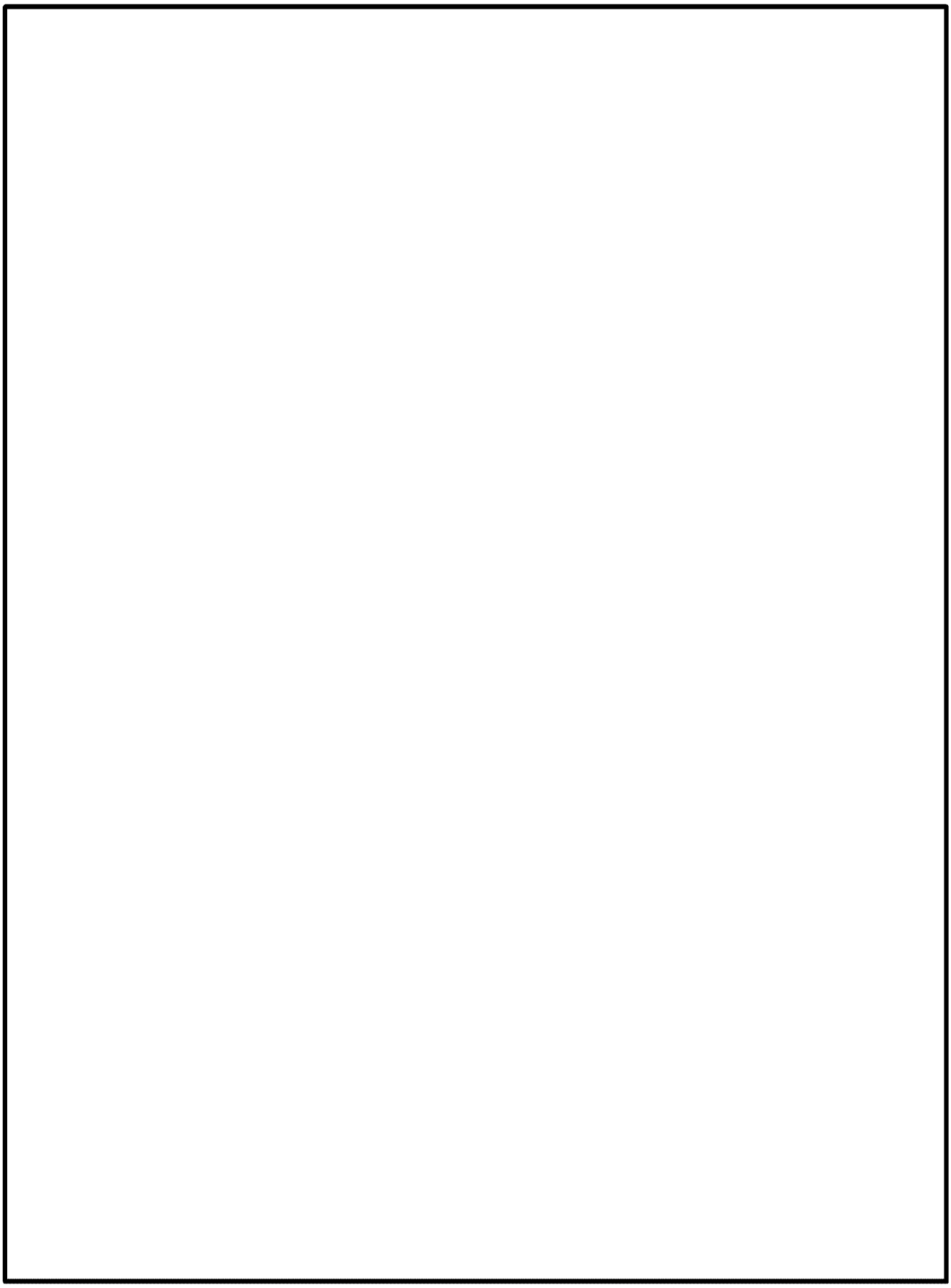
Overview

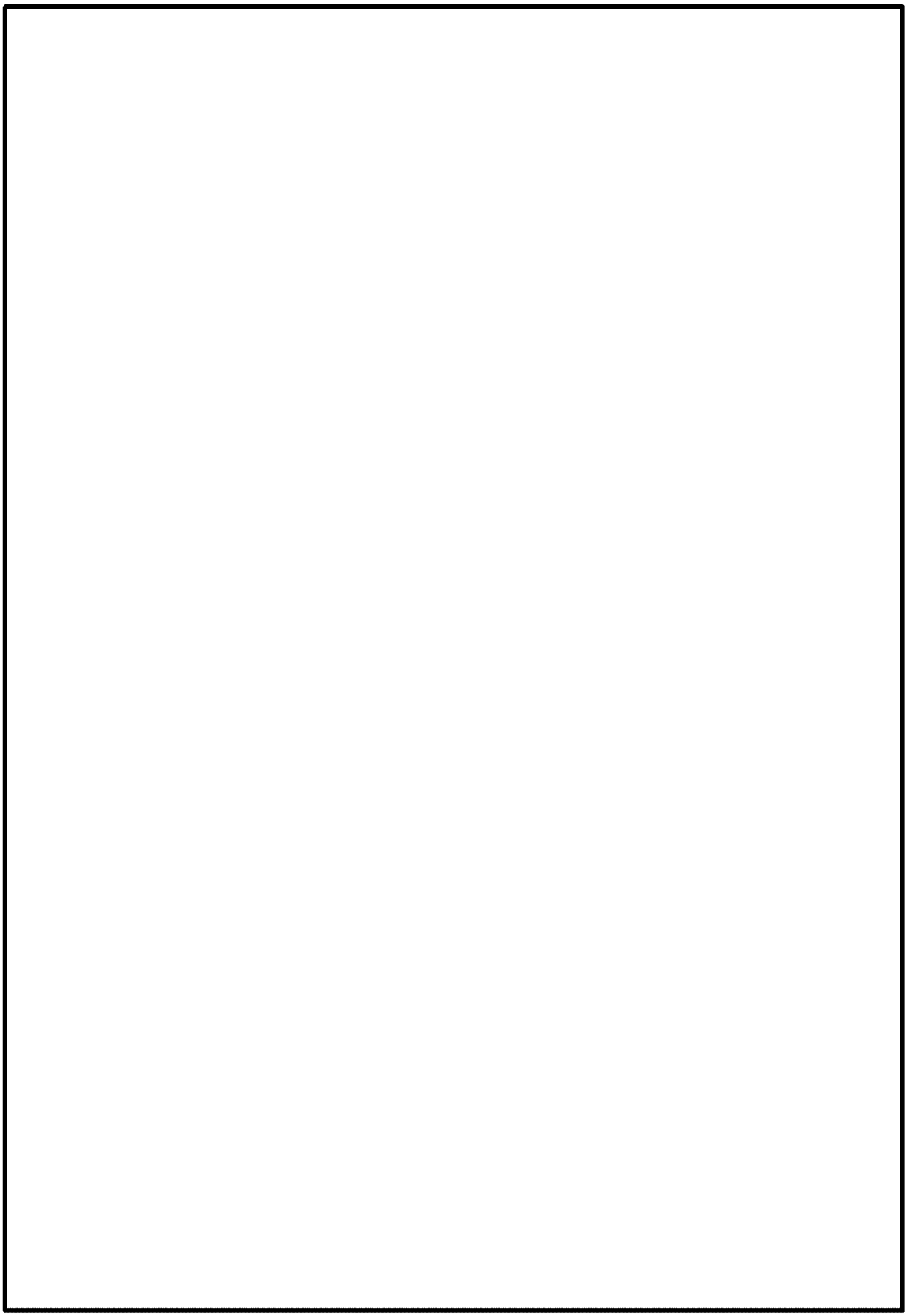


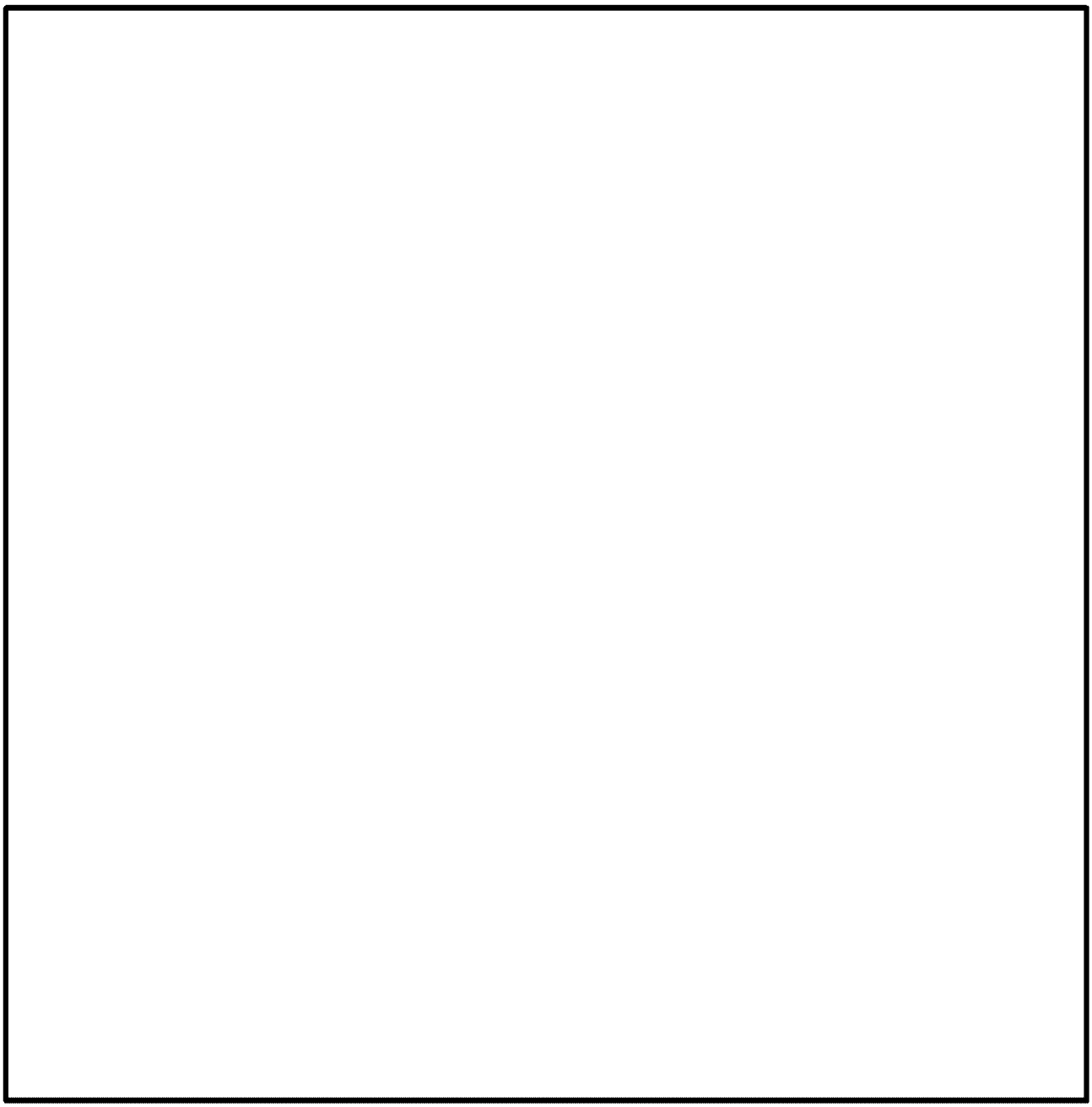


ERDRC Investment Strategy









Types of Capital Investments



Structure for EB-5 Investors



Projected Investment Volume

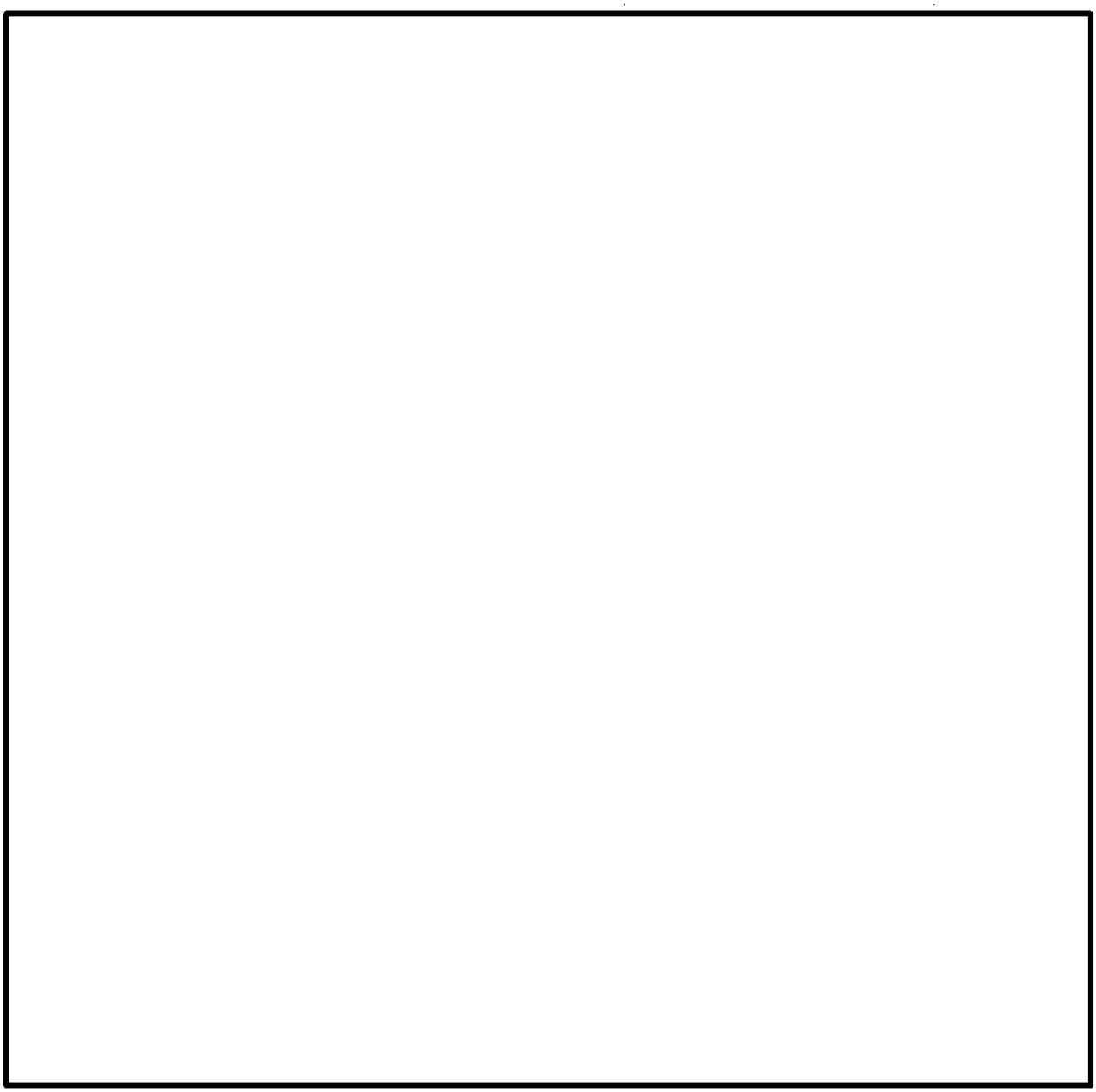
Summary of Investment Process and Fees



ERDRC ECONOMIC IMPACT ANALYSIS

Forecasted Results

Calculation Detail

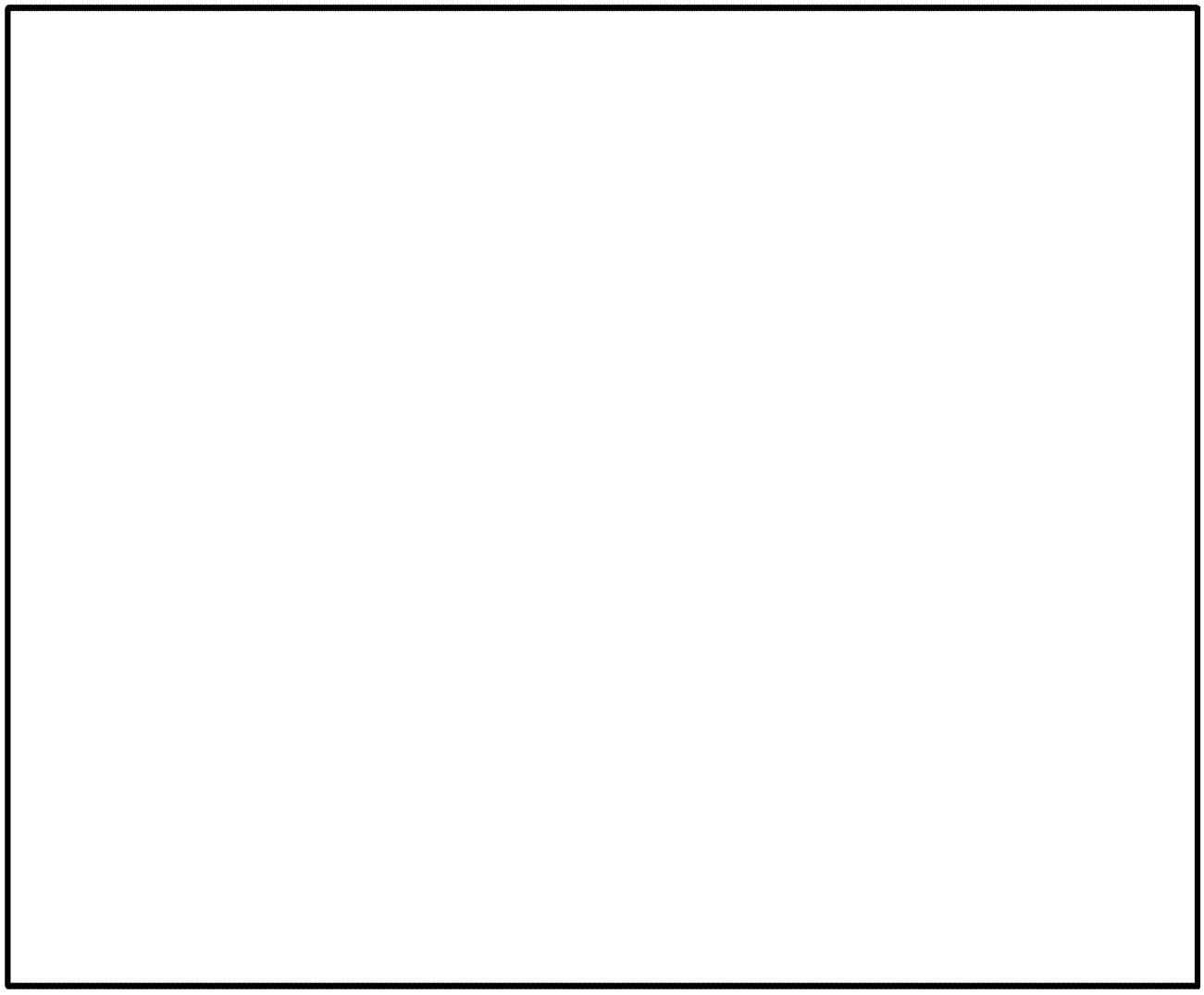


RIMS II Economic Forecast Model





Economic Multipliers



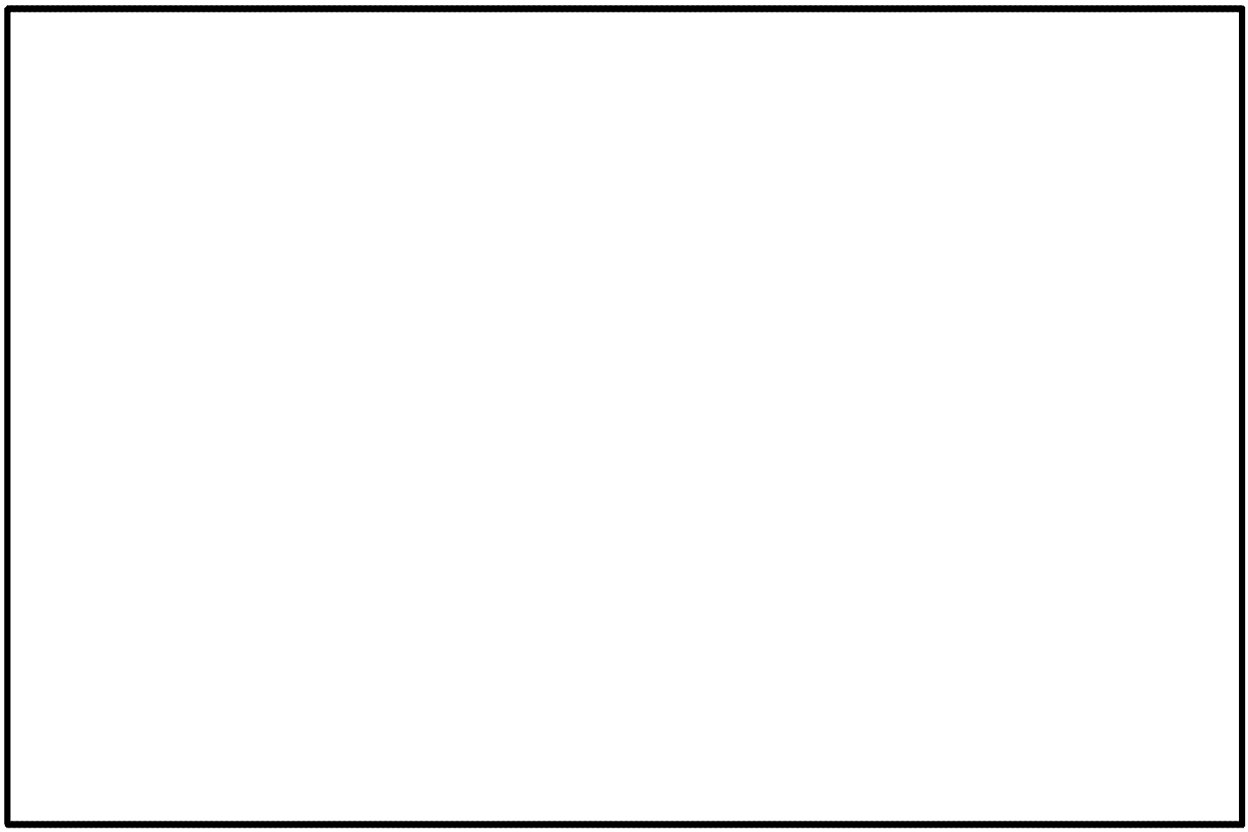
RIMS II Assumptions





Summary Conclusions

The analysis of the Representative Projects and their total impact on the ERDRC Territory reveals the following:



Targeted Employment Area Analysis

Figure 6: Overview of TEA Territory within the ERDRC

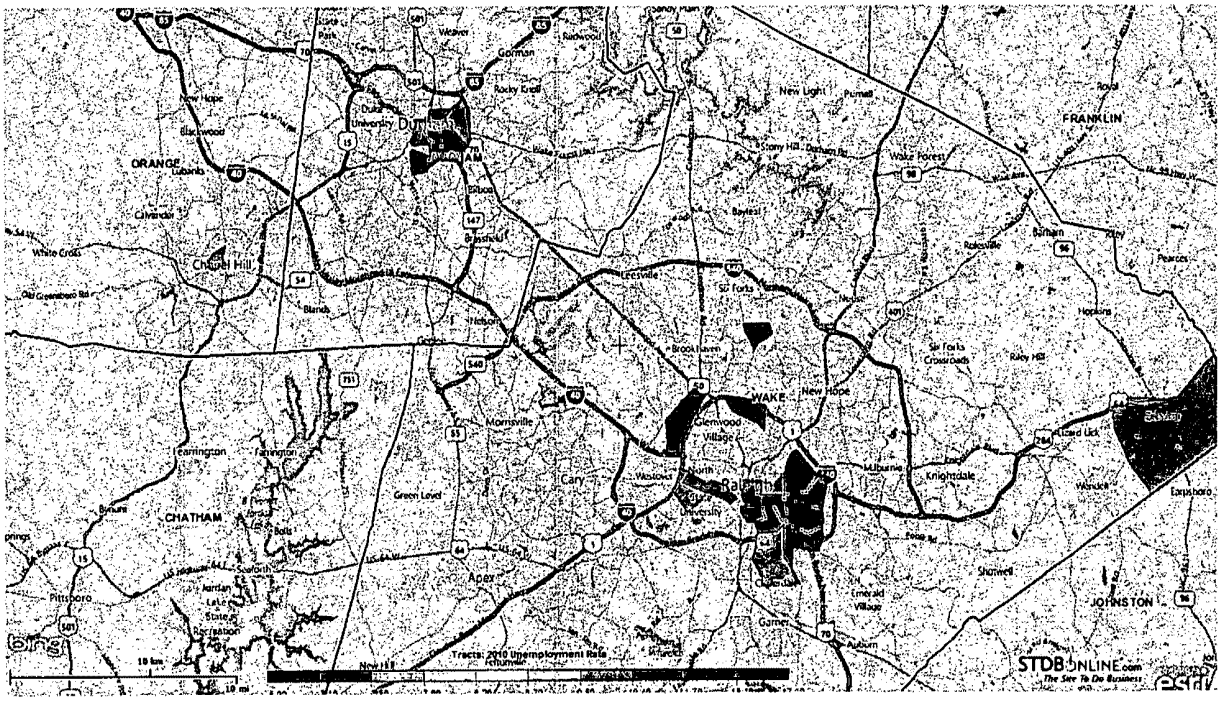


Figure 7: Overview of TEA Territory within Raleigh

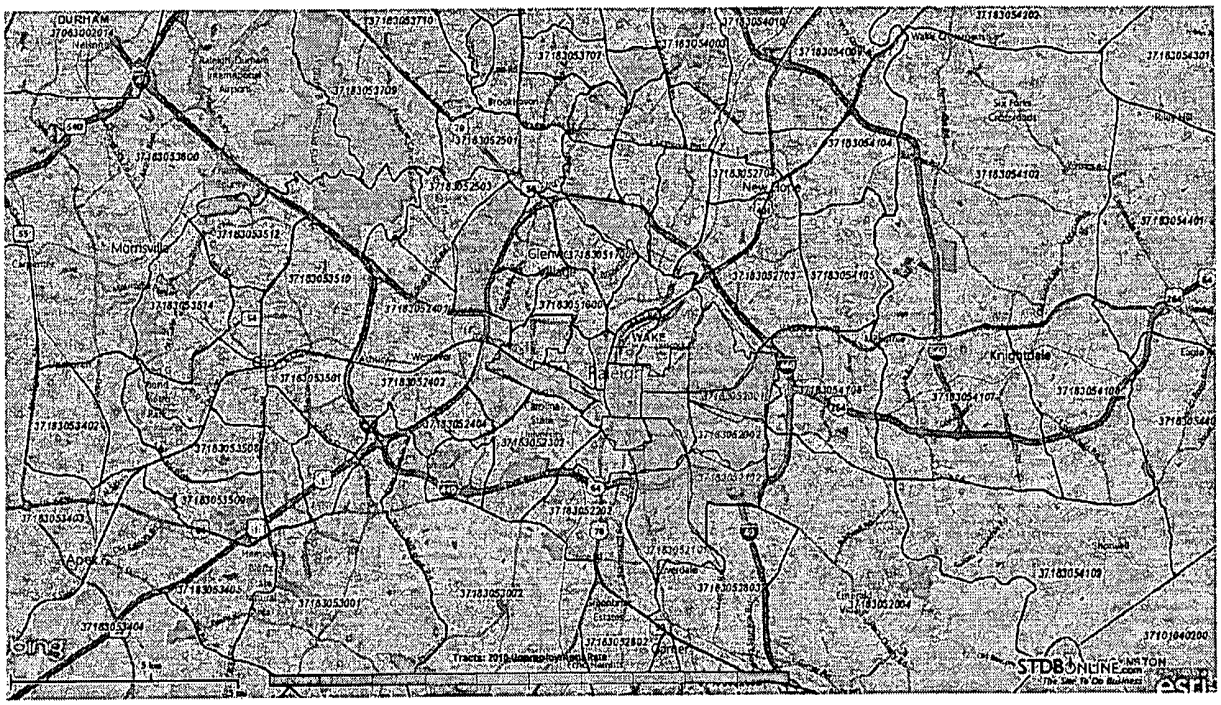
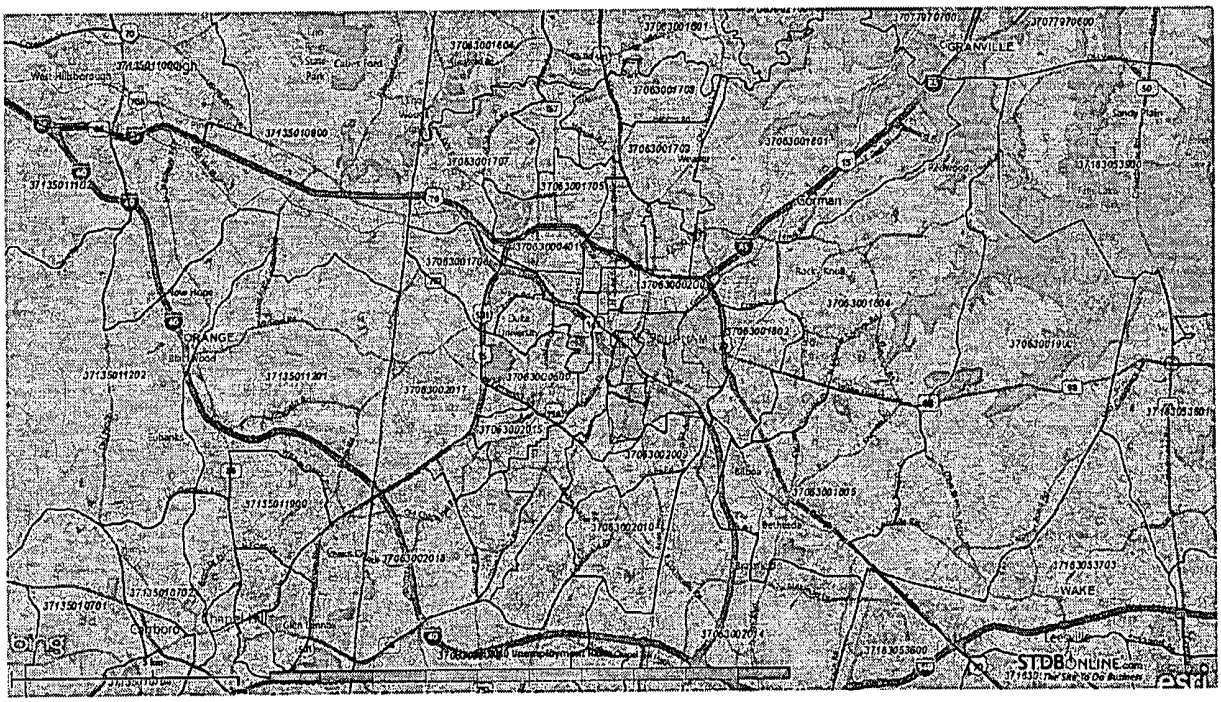


Figure 8: Overview of TEA Territory within Durham



Raleigh Durham County Group

Note: All summary information is based off unrounded numbers.

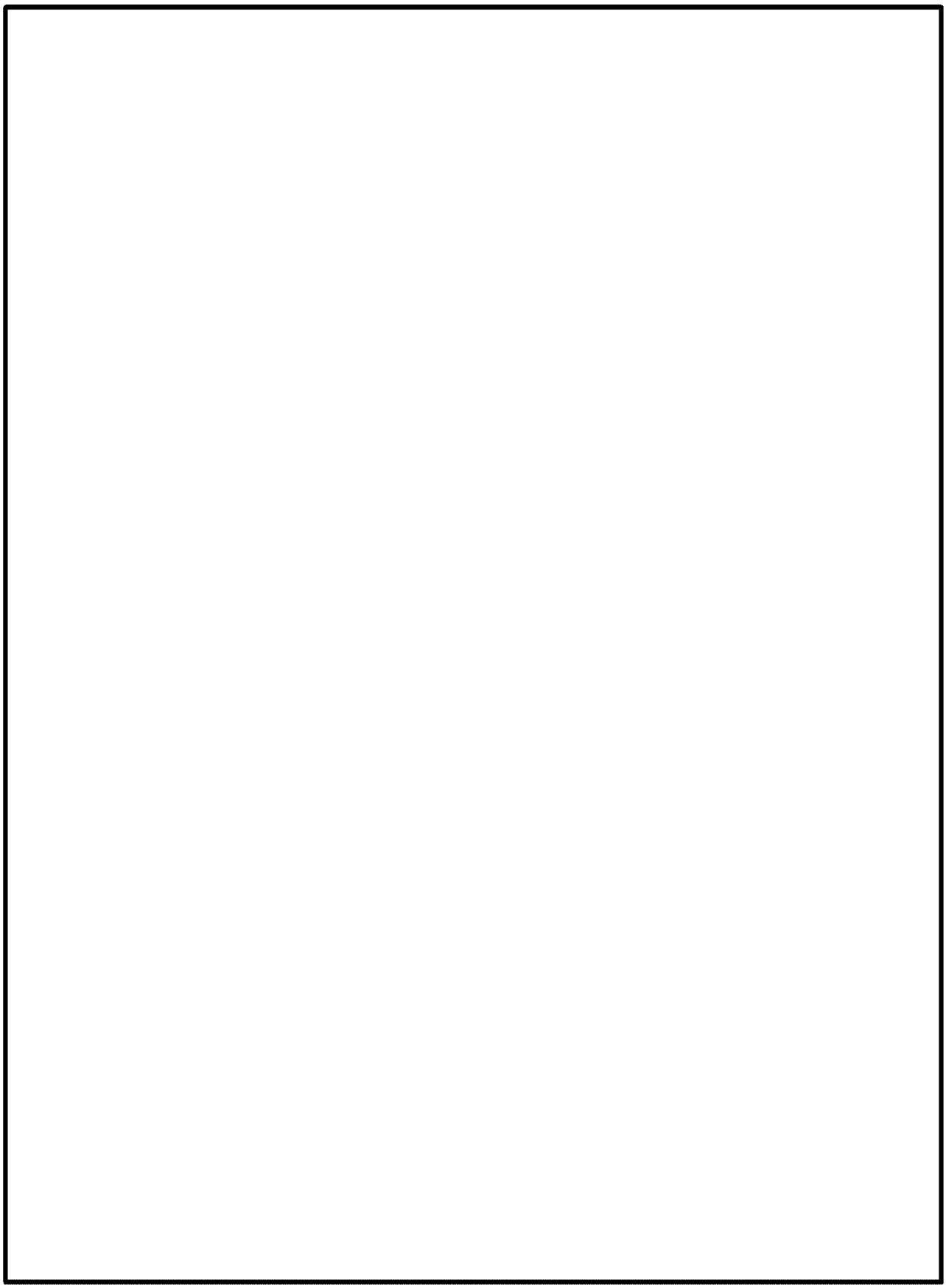
1. Raleigh Durham County Group Executive Summary

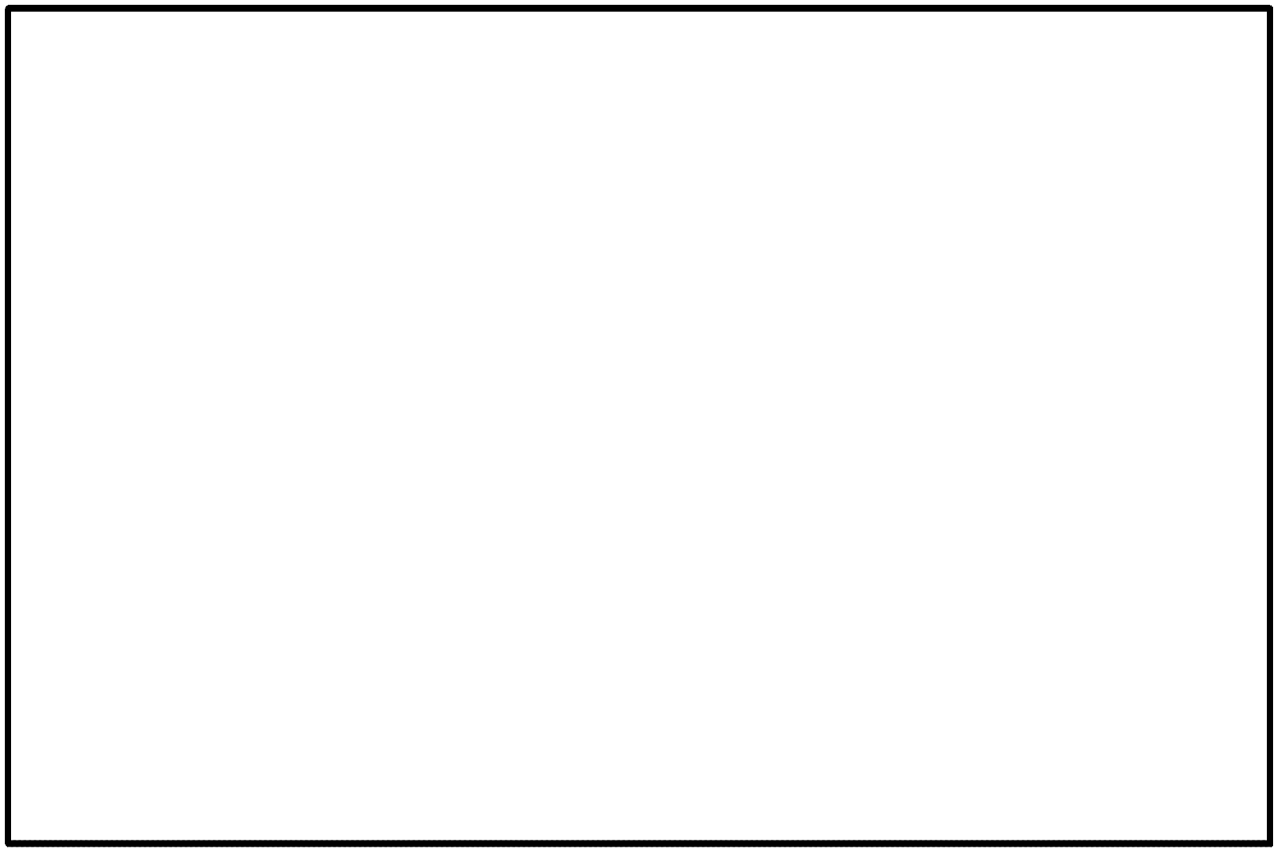
Note: All summary information is based off unrounded numbers.

Household Earnings (Labor Income)

Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers

Household Earnings (Labor Income)





Tabulation of Principal Results For 200-Unit Apartment Community

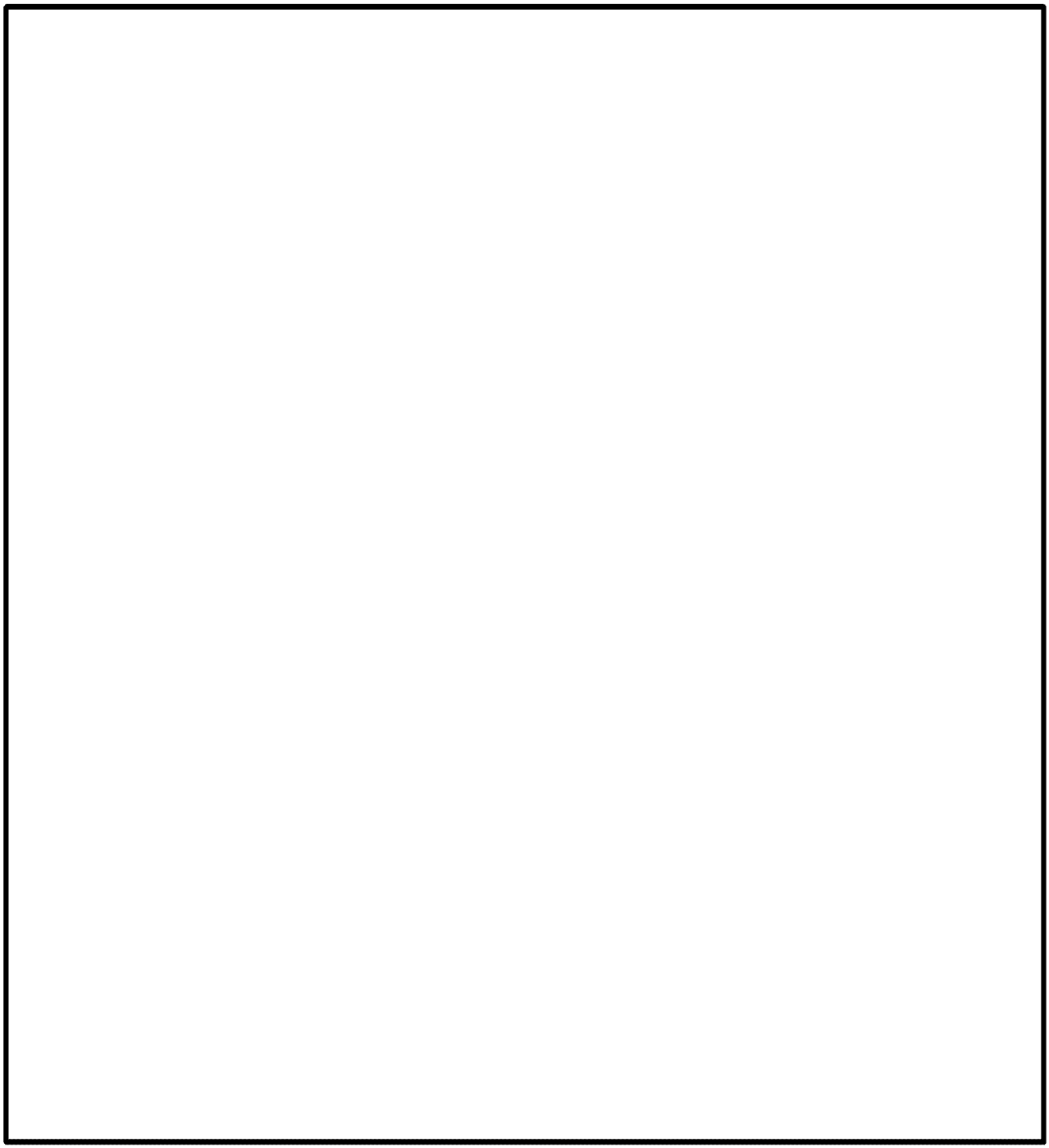
The result for the employment, household income, and output for key sectors for the apartment community project is summarized in Table 2-4. For construction and architectural and engineering costs, only the indirect and induced jobs are counted. All figures in this table represent new indirect and induced jobs created.

Table 2-4. Apartment Community Project

Household Earnings (Labor Income)

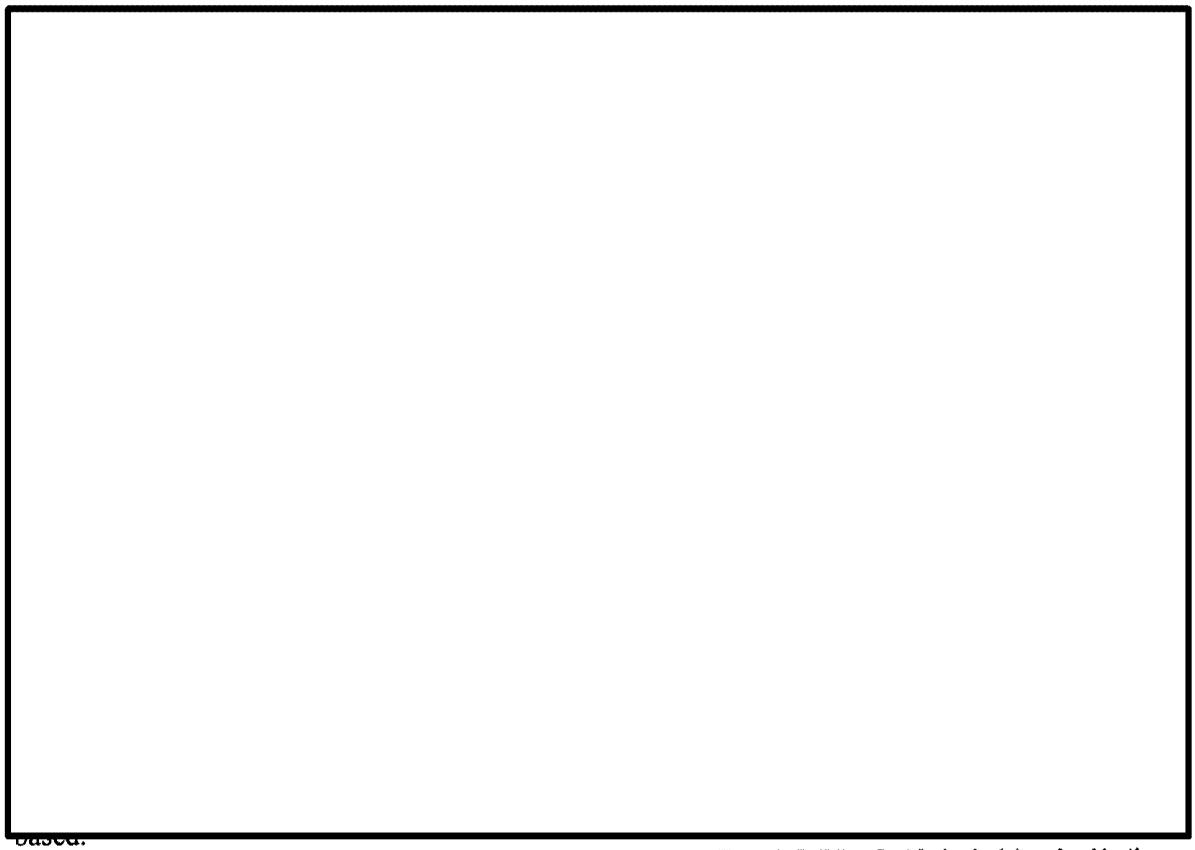


Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers





Turner Construction Index



based.

Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

Turner

[redacted]

Table 7-2. Increase in Employment, Output and Earnings, Construction Costs for Medical Office, Indirect and Induced Jobs Only

Industry Group	Employ-ment	Output	Earnings
[redacted]			

[redacted]



Summary: Table 7-3 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 7-3. Output and Earnings Per New Worker, Construction Costs for Medical Office, Indirect and Induced Jobs Only

[redacted]

(b)(4)

B. Architectural and Engineering Statistics for Medical Office Building

Table 7-4. Increase in Employment, Output and Earnings for Architectural and Engineering Costs of Medical Office Building, Indirect and Induced Jobs Only

Summary:

Summary:

Table 7-5. Output and Earnings Per New Worker, for Architectural and Engineering Costs of Medical Office Building, Indirect and Induced Jobs Only

Table 7-6. Increase in Employment, Output, and Earnings for Purchases of FF&E for Medical Office Building, Indirect and Induced Effects Only

Industry Group	Employment	Output	Earnings

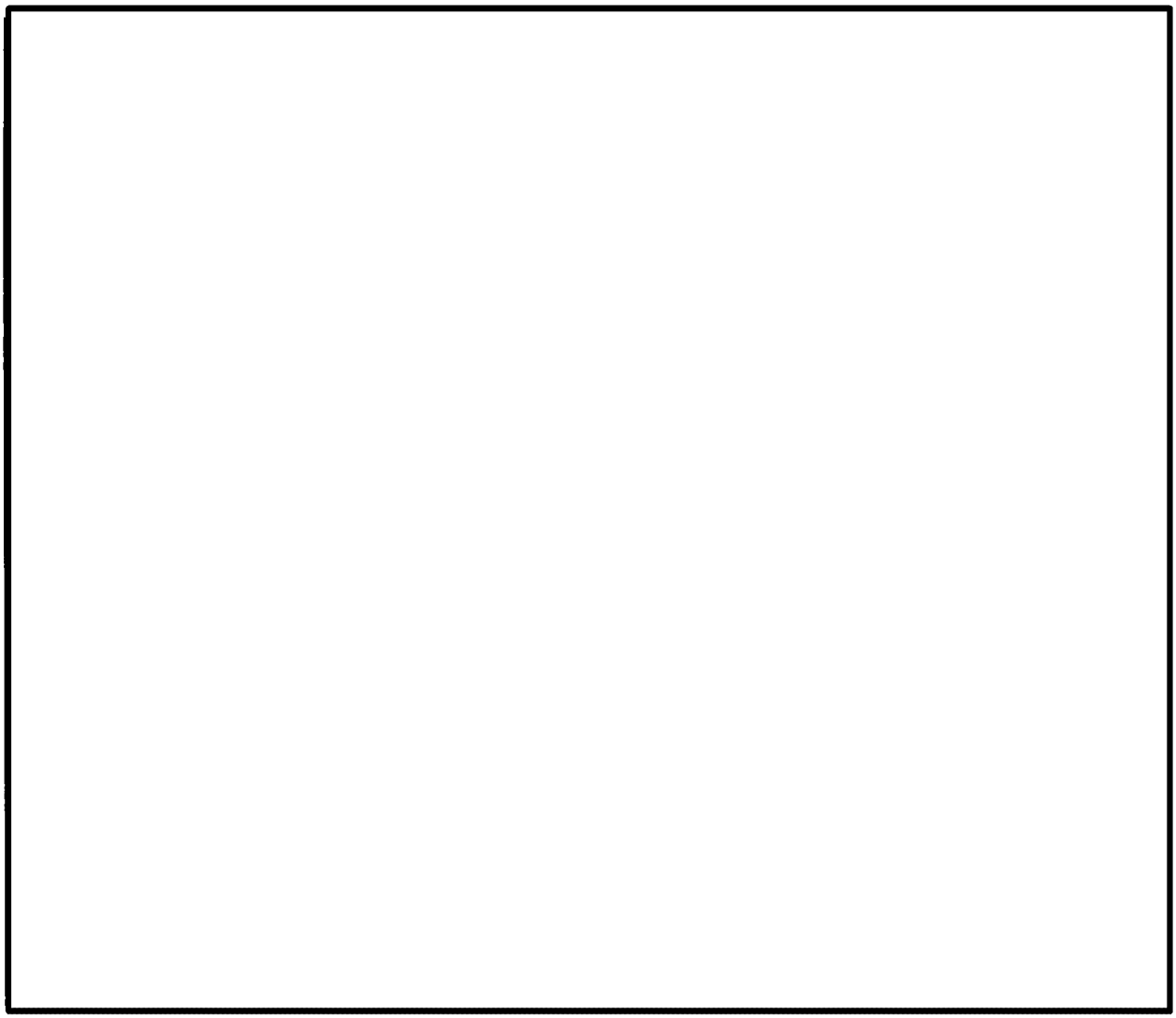
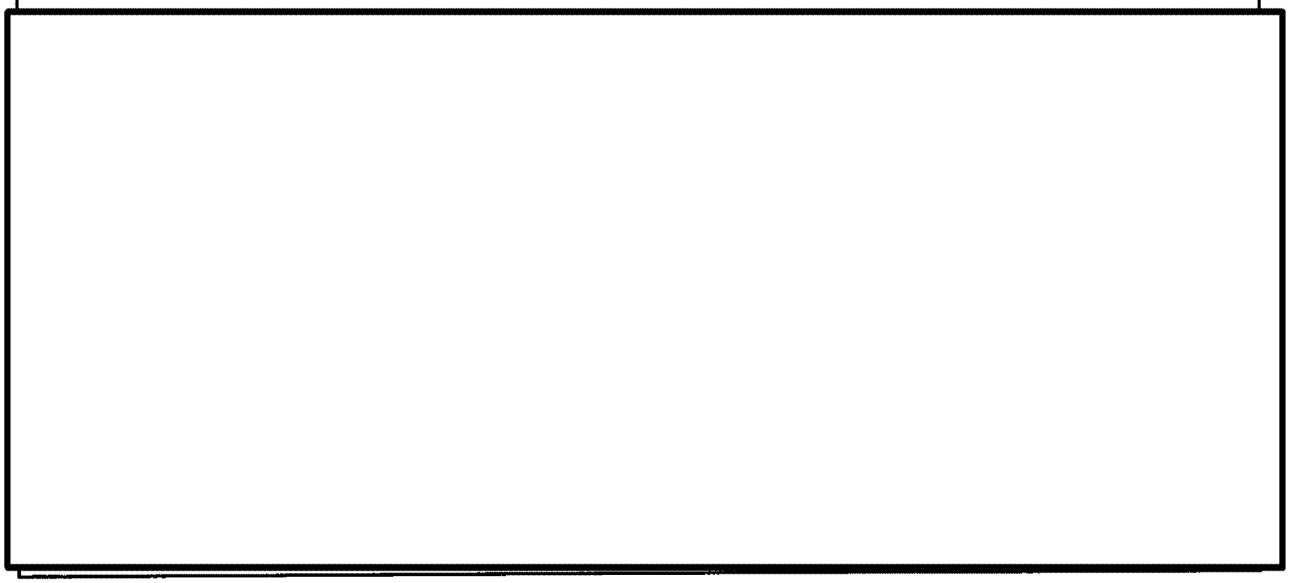
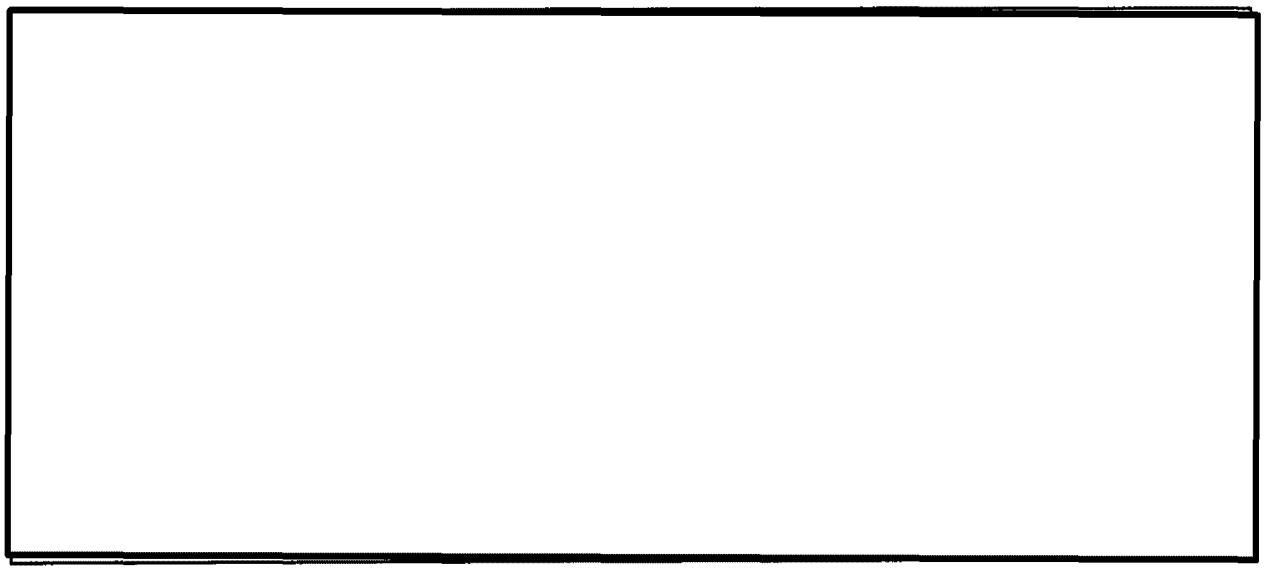


Table 7-7. Output and Earnings Per New Worker for Purchases of FF&E for Medical Office Building, Indirect and Induced Effects Only





D. Summary Statistics for Medical Office Building

The final two tables in this section show the economic impact of the construction and architectural and engineering costs of the medical office building.

Table 7-8. Increase in Employment, Output and Earnings for Construction, Architectural and Engineering Costs, and FF&E of Medical Office Building

Industry Group	Employment	Output	Earnings

(b)(4)

Summary: Table 7-7 shows that the average output per new worker will be about [redacted] with average annual earnings of about $[redacted]

Table 7-9. Output and Earnings Per New Worker, Construction, Architectural and Engineering Costs, and FF&E for Medical Office, Indirect and Induced Jobs Only			
Industry Group	**Employment**	**Output/Empl**	**Earnings/Empl**
[redacted]			

(b)(4)

8. Economic Impact of Hotel

This section is organized as follows. After the usual construction tables, the economic impacts are shown for he architectural and engineering costs of the hotel and summary tables for combined construction and architectural and engineering.

(b)(4)

A. Construction Expenditures

Table 8-1. Detailed Construction and Development Budget for Hotel

(b)(4)

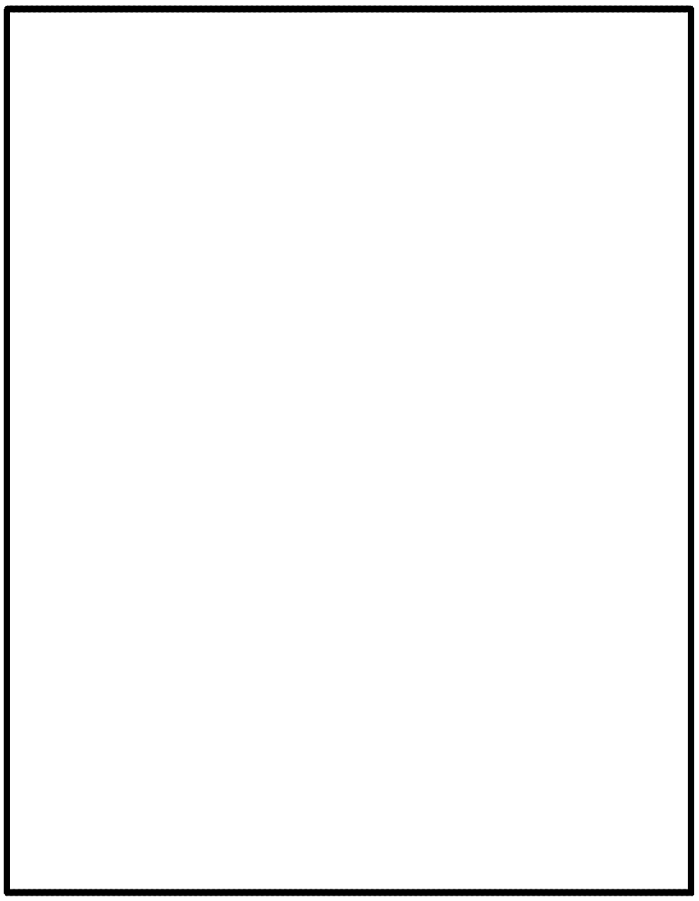
(b)(4)

Project Construction and Development Costs (Detailed Line-Item of Summary Budget)

'The below budget of development costs is a detailed line-item budget to further itemize construction hard costs listed in Table 8-1 for RIMS II analysis. Construction costs are explained in detail using RS MEANS data in each project Business Review.

Development Costs ($)	Soft Costs	RS MEANS Hard Costs	Land Costs	Total Dev Costs

Turner+ Construction Index



Quarter	Index	Δ%

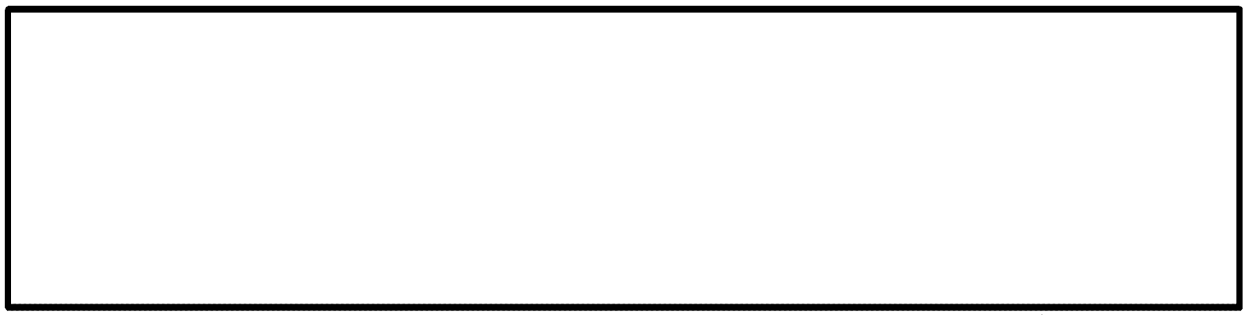
Year	Average Index	Δ%

Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

Turner

(b)(4)

Project Construction Timeline of Job Creation



		Month of Construction												
Development Costs ($)	RS MEANS Hard Costs	0	1	2	3	4	5	6	7	8	9	10	11	12

(b)(4)

Table 8-2. Increase in Employment, Output, and Earnings, Construction of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

Summary:



Summary:

Table 8-3. Output and Earnings Per New Worker, Construction of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

(b)(4)

B. Architectural and Engineering Expenditures

Tables 8-4 and 8-5 two tables in this section show the economic impact of the architectural and engineering costs associated with the development of the hotel. The two tables in this section show the economic impact of the architectural and engineering costs associated with the limited-service hotel for only indirect and induced job creation.

Table 8-4. Increase in Employment, Output, and Earnings, Architecture & Engineering of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings

Summary:

[redacted]

Summary: [redacted]

Table 8-5. Output and Earnings Per New Worker, Architecture & Engineering of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

[redacted]

C. Purchases of FF&E for Limited Service Hotel

[redacted]

Table 8-6. Increase in Employment, Output, and Earnings for Purchases of FF&E for Hotel, Indirect and Induced Effects Only

Industry Group	Employment	Output	Earnings
[redacted]			

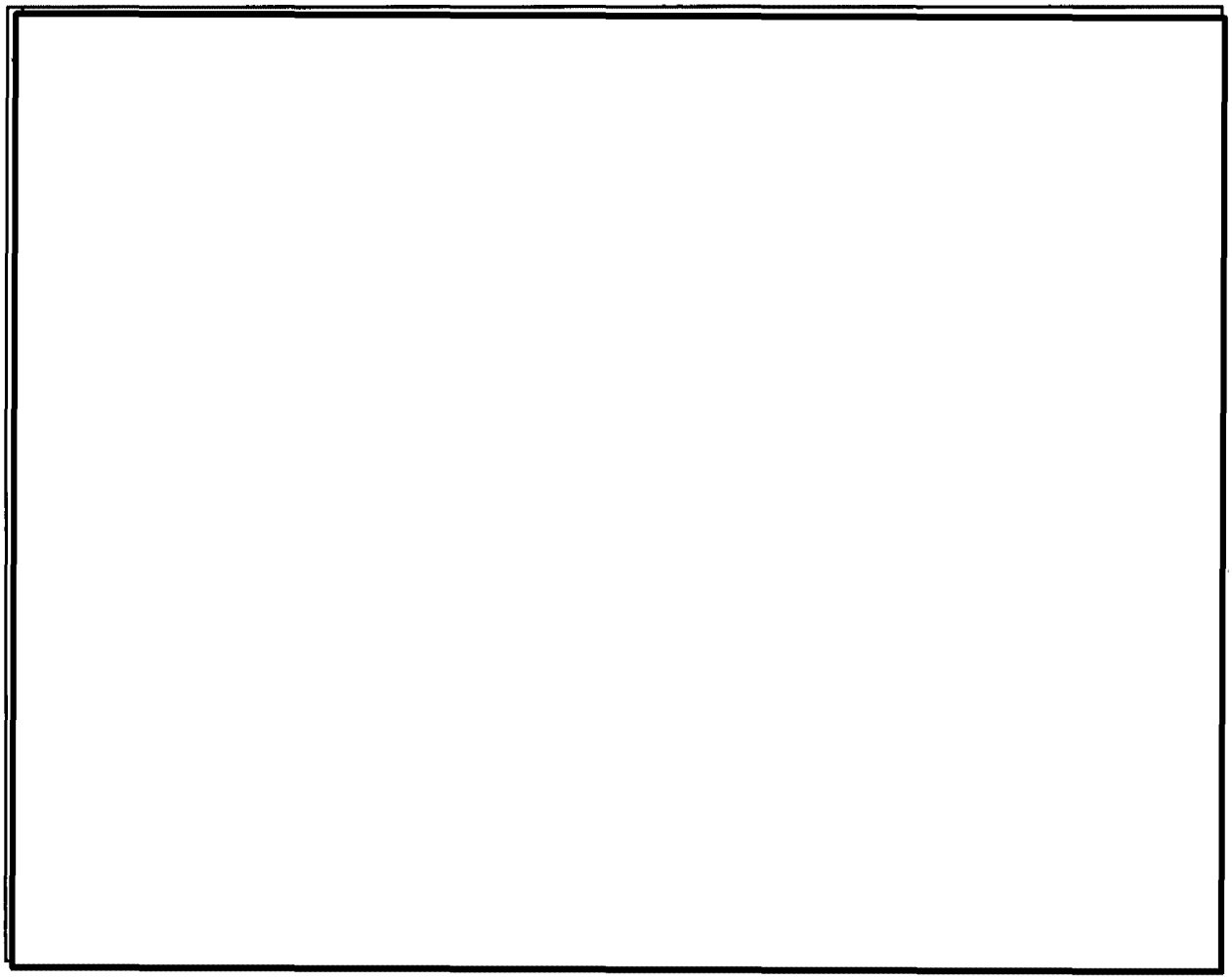
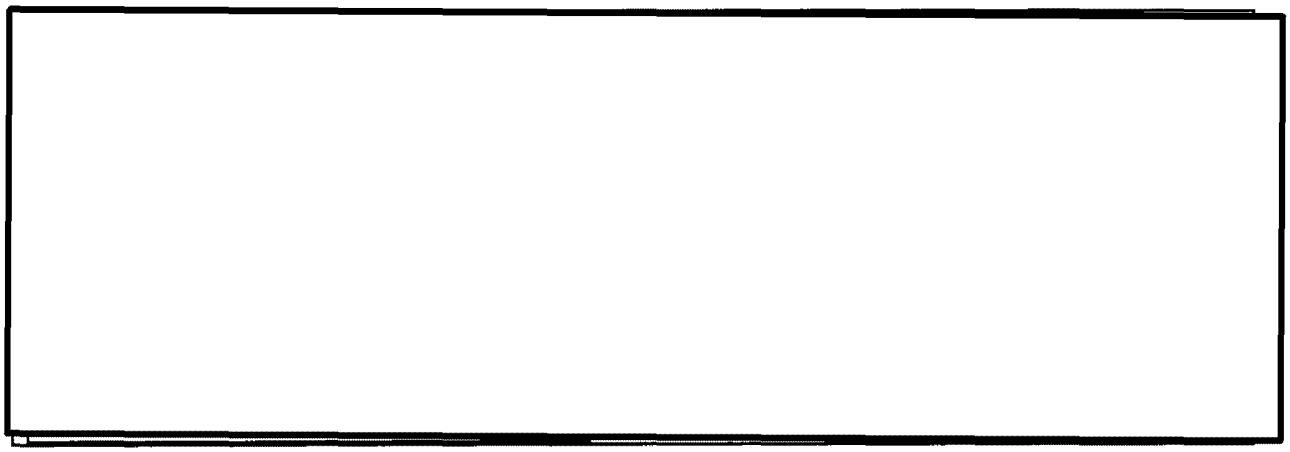


Table 8-7. Output and Earnings Per New Worker for Purchases of FF&E for Hotel. Indirect and Induced Effects Only

Industry Group	Employment	Output/Empl	Earnings/Empl



D. Summary Statistics for Hotel

Table 8-6. Increase in Employment, Output, and Earnings for Construction and Architectural and Engineering Costs of Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings

Summary:

(b)(4)

Summary:

Table 8-7. Output and Earnings Per New Worker for Construction and Architectural and Engineering Costs of Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl

(b)(4)

9. Economic Impact of Retail Shopping Center

(b)(4)

A. Construction Expenditures

Table 9-1. Detailed Construction and Development Budget for Retail Shopping Center

Retail Development Budget	($)

(b)(4)

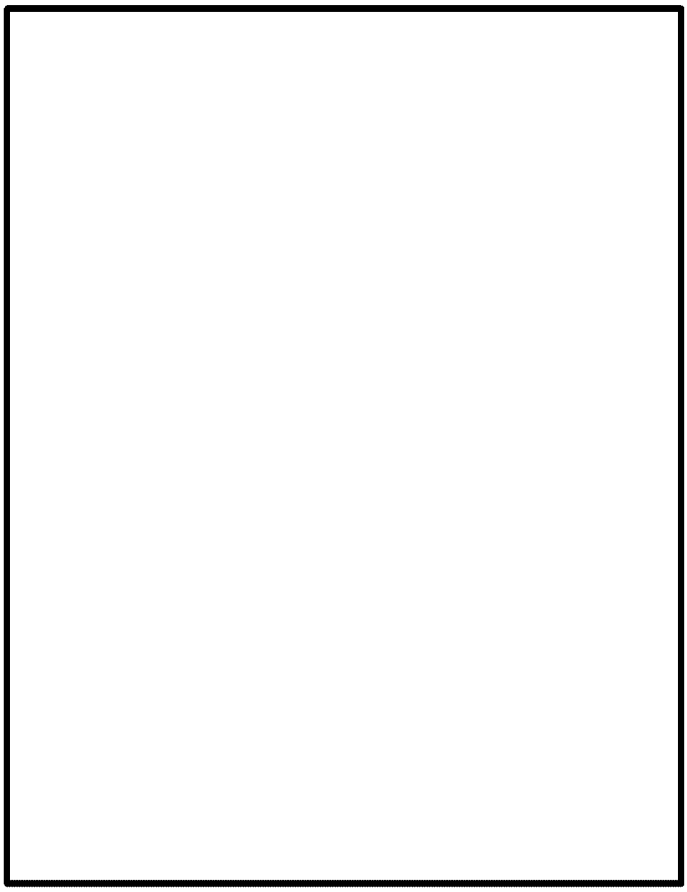
Project Construction and Development Costs (Detailed Line-Item of Summary Budget)

The below budget of development costs is a detailed line-item budget to further itemize construction hard costs listed in Table 9-1 for RIMS II analysis. For the retail project, RS MEANS

Development Costs	Soft Costs	Land Costs	Anchor Hard Costs	In-Line Hard Costs	Total Dev Costs

(b)(4)

Turner Construction Index



Quarter	Index	Δ%

Year	Average Index	Δ%

Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

Turner

(b)(4)

Project Construction Timeline of Job Creation



Development Costs	Total Dev Costs	0	1	2	3	4	5	6	7	8	9	10

(b)(4)

The detailed industry results for the economic impact of construction hard costs are given in Tables 9-2 and 9-3. The hard costs for construction were calculated by totaling the RS MEANS costs

Table 9-2. Increase in Employment, Output, and Earnings, Construction Costs for Retail Shopping Center, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
TOTAL			

Summary:

Summary: Table 9-3 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 9-3. Output and Earning Per New Worker, Construction Costs for Retail Shopping Center, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

B. Architectural and Engineering Expenditures

Table 9-4. Increase in Employment, Output, and Earnings, Architectural and Engineering Costs of Retail Shopping Center, Indirect and Induced Jobs Only			
Industry Group	**Employment**	**Output**	**Earnings**

Summary:

[redacted]

Summary: Table 9-5 shows that the average output per new worker would be about [redacted] with average annual earnings of about [redacted]

Table 9-5. Output and Earnings Per New Worker, Architectural and Engineering Costs of Retail Shopping Center, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

C. Summary Statistics for Retail Shopping Center

The final two tables in this section show the effects of the construction of the retail shopping center.

Table 9-6. Increase in Employment, Output, and Earnings, Construction and Architectural and Engineering Costs of Retail Shopping Center

Industry Group	Employment	Output	Earnings

Summary:

(b)(4)

Summary: Table 9-7 shows that the average output per new worker would be about [redacted] with average annual earnings of about [redacted]

Table 9-7. Output and Earnings Per New Worker, Construction and Architectural and Engineering Costs of Retail Shopping Center

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

10. Economic Impact of Residential Apartment Community

A. Construction Expenditures

Table 10-1. Detailed Construction and Development Budget for Apartment Community
Multifamily Development Budget

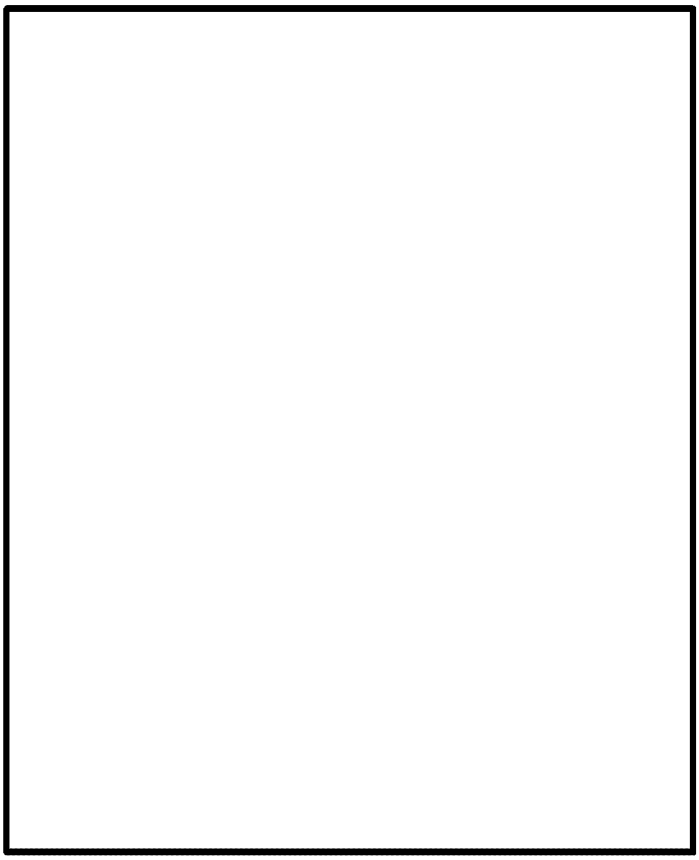
(b)(4)

Project Construction and Development Costs (Detailed Line-Item of Summary Budget)

The below budget of development costs is a detailed line-item budget to further itemize construction hard costs listed in Table 10-1 for RIMS II analysis. Construction costs are explained in detail using RS MEANS data in each project Business Review.

Development Costs ($)	Soft Costs	RS MEANS Hard Costs	Land Costs	Total Dev Costs

Turner Construction Index



Quarter	Index	Δ%

Year	Average Index	Δ%

Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

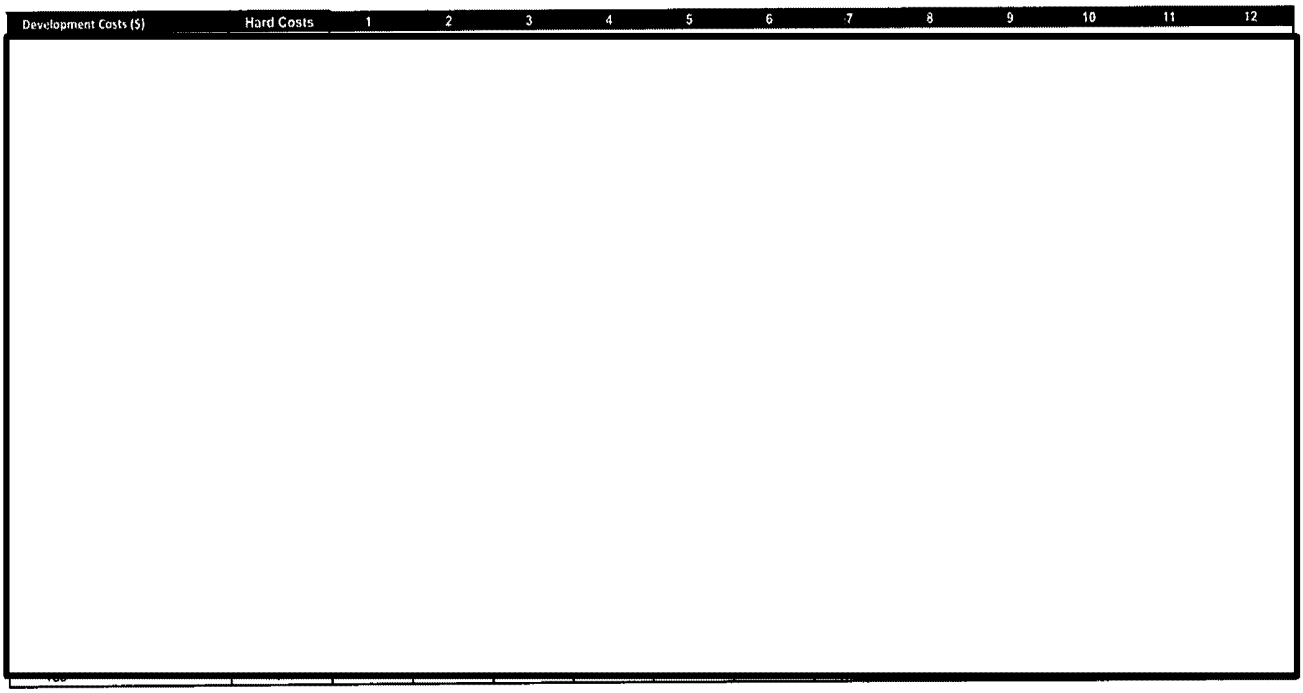
Turner

(b)(4)

(b)(4)

Project Construction Timeline of Job Creation





(b)(4)

Tables **10-2** and **10-3** show the detailed industry results of these construction expenditures.

Table 10-2. Increase in Employment, Output and Earnings, Construction Costs for Apartment Community, Indirect and Induced Jobs Only

Summary:

[redacted]

Summary: Table **10-3** shows that average output per new worker would be about [redacted] while average annual household earnings would be about [redacted]

Table 10-3. Output and Earnings Per New Worker, Construction Costs for Apartment Building, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
[redacted]			

(b)(4)

B. Purchases of FF&E

Table 10-4. Increase in Employment, Output, and Earnings for Purchases of FF&E for Apartment Building, Indirect and Induced Effects Only

Industry Group	Employment	Output	Earnings

Table 10-5. Output and Earnings Per New Worker for Purchases of FF&E for Apartment Building, Indirect and Induced Effects Only

Industry Group	Employment	Output/Empl	Earnings/Empl

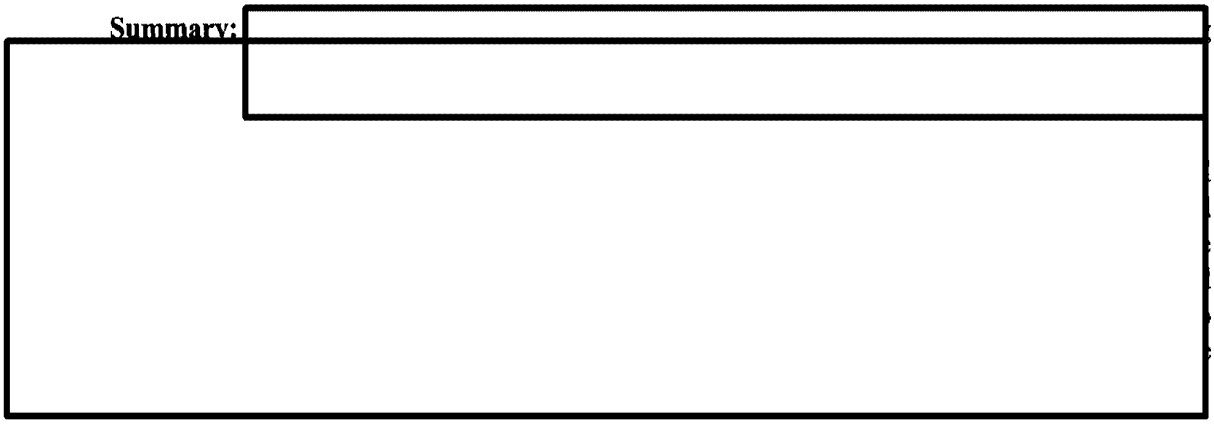
C. Architectural and Engineering Expenditures

Table 10-6. Increase in Employment, Output, and Earnings, Architectural & Engineering Costs for Apartment Community, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings



Summary:



(b)(4)

Summary:

Table 10-7. Output and Employment Per New Worker, Construction of Apartment Building			
Industry Group	**Employment**	**Output/Empl**	**Earnings/Empl**

(b)(4)

C. Economic Impact of Total Project

The final two tables summarize the economic impact of construction costs and architectural and engineering costs of the apartment community for indirect and induced jobs.

Table 10-8. Increase in Employment, Output, and Earnings, Construction and Architectural and Engineering Costs of Apartment Building

Industry Group	Employment	Output	Earnings
Summary:			

(b)(4)

Summary:

Table 10-9. Output and Employment Per New Worker, Construction of Apartment Building

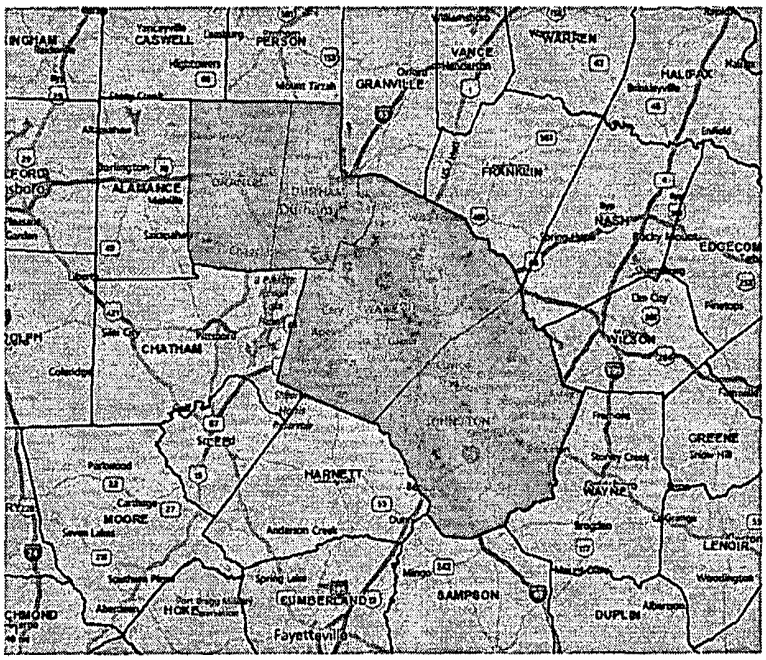
Industry Group	Employ-ment	Output/Empl	Earnings/Empl

(b)(4)

Economic Analysis Appendix A: Regional Center County Maps

Table 1: ERDRC County
Raleigh Durham County Group
Wake
Orange
Durham
Johnston

Figure 11: Overview of ERDRC Territory



Economic Analysis Appendix B: Letter to Senator John Cornyn

JAN 16 2008

U.S. Citizenship and Immigration Services

CO 70.2342

The Honorable John Cornyn
United States Senate
Washington, DC 20510

Dear Senator Cornyn:

This is to acknowledge your letter to Acting Director Aytes dated December 10, 2007, requesting information about the job creation requirement for immigrant investors. You ask for U.S. Citizenship and Immigration Services' view on the job creation requirement as it applies to Regional Centers generally and the construction industry specifically, especially for multi-year, large scale construction projects.

As most "construction jobs" are intermittent, temporary, seasonal, transient, and filled by subcontractors, they typically will not be credited for employment creation immigration purposes. *Matter of Ho*, 22 I&N Dec. 206 (Assoc. Comm'r 1998); *Chang et al. v. United States of America, et al.*, United States District Court, Eastern District of California (CIV-F-99-6117, March 23, 2001), *aff'd and adopted by the Ninth Circuit 2001*. However, certain circumstances will allow for counting certain construction jobs. At the Form I-526, Immigrant Petition by Alien Entrepreneur, "comprehensive business plan stage, construction jobs predicted to be of at least 2 years duration as "continuous, full time employment," rather than intermittent, seasonal employment, may be credited. At the Form I-829, "Petition by Entrepreneur to Remove Conditions" stage, these construction jobs that have been "continuous, permanent employment," rather than intermittent, seasonal employment, lasting at least 2 years and that continue in existence through adjudication of the I-829 petition, may be counted in the job creation total.

An example of a project that may employ craftsmen for a full 2 years might be a masonry structure requiring masons in a full time capacity for the duration of the project as well as the architects and engineers, while other trades would generally be ineligible absent long subcontracts. Another example might be the construction of a massive suspension bridge such as the Golden Gate Bridge that employed the same people for the long term cabling and hanging the cables.

Indirect and induced jobs created as a result of construction jobs, whether counted or not may be included in the job count. Even when the construction jobs may not be counted towards the job creation requirement, they do have indirect and induced impacts that are eligible to be included in the final job count because they are "continuous, permanent employment."

In your letter you also inquire as to the number of Texas businesses that have requested ED-5 Regional Center certification in the past fiscal year. There is currently one in Houston, Global Century Regional Center as you noted but I could refer you to another Regional Center that possess state lines into Oklahoma, Southwest Bio-fuels Regional Center. Currently there is one additional proposal pending adjudication for the city of Dallas. One proposal was denied in March 2008.

Thank you for your continuing interest in and support of the Immigrant Investor Pilot Program.

We hope the information provided is helpful. If we may be of assistance in the future, please let us know.

Sincerely,

FOR THE DIRECTOR:

James W. McCament
Chief

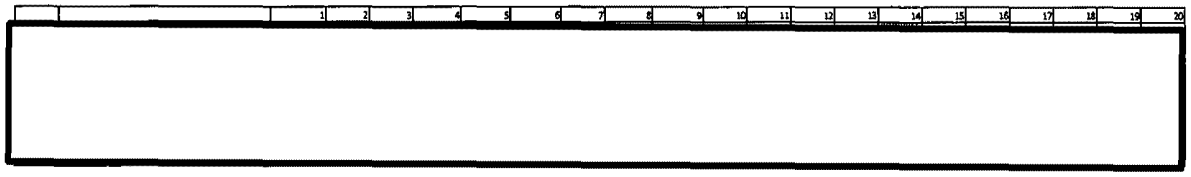
Economic Analysis Appendix C: Copies of RIMS II Tables

The tables listed in this reference are actual RIMS II tables calculated for the ERDRC requested geography of Wake, Orange, Durham, and Johnston counties. Calculations in this analysis utilized NAICS codes 236220 Construction, and 541300 Architectural and Engineering to calculate indirect and induced job creation for all four hypothetical projects included in Appendix F of this I-924 petition.

RIMS II Table 1-1 Final Demand Output Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

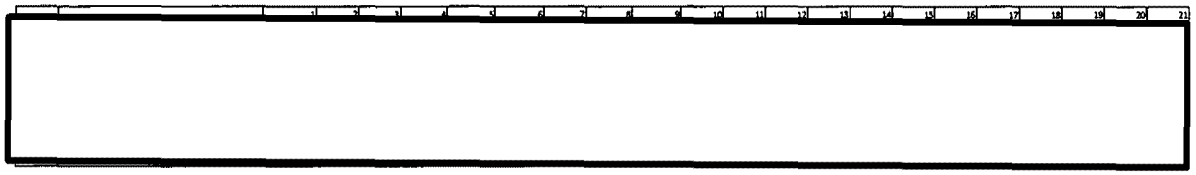
Table 1.1 Final Demand Output Multipliers - detailed industries
Region: Raleigh-Durham Benchmark (Type II)
Series: 2002 U.S. Benchmark I-O Data and 2008 Regional Data
[Dollars]
Note: This table has been transposed.



RIMS II Table 1-2 Final Demand Earnings Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

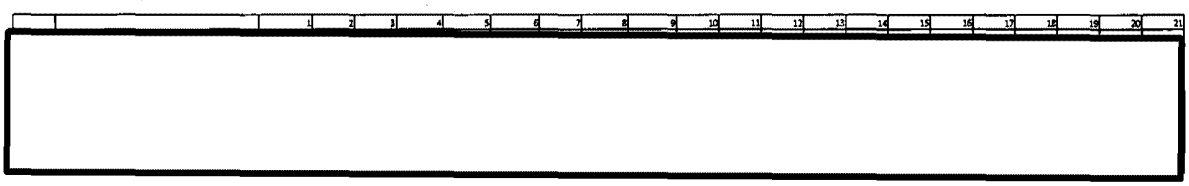
Table 1.2 Final Demand Earnings Multipliers - detailed industries
Region: Raleigh-Durham Benchmark (Type II)
Series: 2002 U.S. Benchmark I-O Data and 2008 Regional Data
[Dollars]
Note: This table has been transposed.



RIMS II Table 1-3 Final Demand Employment Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

Table 1.3 Final Demand Employment Multipliers - detailed industries
Region: Raleigh-Durham Benchmark (Type II)
Series: 2002 U.S. Benchmark I-O Data and 2008 Regional Data
[Jobs]
Note: This table has been transposed.



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RIMS II Table 1-5 Total Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

Print Screen Reproduction of Actual Multipliers Used
RIMS II Multipliers (2002/2008) Table 1.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Detailed Industry, Raleigh Durham Area (Type II)

APPENDIX C: ERDRC PRO FORMA & COMPANY FINANCIAL SUMMARY

[See Attached]

REGIONAL CENTER PROJECTED INCOME STATEMENT (in dollars)

YEARS	1	2	3	4	5
PERIOD	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16

APPENDIX E: ENCORE ENTERPRISES HISTORY AND BACKGROUND

[See Attached]

Encore Enterprises Management Team

Bharat Sangani, MD, Chairman and Founder

When he founded Encore in 1999, Dr. Bharat Sangani's vision was to create a vertically-integrated commercial real estate investment corporation comprised of specialized companies designed to address specific real estate sectors. His plan was to leverage the expertise of seasoned professionals with proven real estate development and acquisition track records, as well as deep sector-specific insights and relevant market knowledge. Today, Encore offers an end-to-end approach, with services ranging from development and construction to management and investments. Dr. Sangani is a Fellow of the American College of Cardiology and the American College of Chest Physicians, as well as a member of nine other organizations in the United States, England and India.

Patrick Barber, President and CEO

Patrick Barber brings more than 30 years and $4 billion of commercial real estate experience to his position as a board member, president and CEO of Encore. In this role, Mr. Barber manages Encore's day-to-day focus on growth opportunities through acquisition, development, equity and finance. Under his leadership over the past decade, Encore acquired more than $1.2 billion in properties, and developed and re-developed over 80 hospitality, multi-family and retail properties. Mr. Barber is an advisory board member with the Urban Land Institute.

Mahesh Shetty, Chief Operating Officer and Chief Financial Officer

Mahesh Shetty has management oversight and responsibility for all of Encore's financial functions, overseeing all revenues, costs and capital expenditures. With more than 25 years of experience as a senior finance executive, including 11 years of experience in the hospitality and commercial real estate industry, Mr. Shetty served in leadership roles at PricewaterhouseCoopers, LLP. Mr. Shetty is a Certified Public Accountant, a Certified Information Technology Professional and a chartered accountant (FCA). He holds a bachelor's degree from Osmania University, India, and received his M.B.A. from the University of Texas at Dallas.

Alan Murray, General Counsel

Alan Murray has over 30 years of experience in managing the legal and administrative aspects of commercial real estate. Before joining Encore, he spent six years with Dave and Busters, Inc., where he helped guide the company through a tax-free spin-off from its NYSE parent to become an independent NYSE company. In addition, Mr. Murray served more than five years as vice president and general counsel for TGI Fridays, Inc., where he played a critical role in company expansion and revenue growth.

Yatin Gandhi, Corporate Controller

As corporate controller for Encore, Yatin Gandhi brings with him 13 years of experience with a strong background in the financial management of multiple real estate asset classes. Mr. Gandhi has also overseen the management of portfolios in excess of $1 billion. Mr. Gandhi oversees all aspects of the financial statements and management analysis, development of accounting and internal audit systems, management of accounts payable, management of all treasury, payroll and HR functions. He is also actively involved in the areas of corporate and shareholder tax planning.

Prior to Encore, Mr. Gandhi began his career as an audit manager working for a well-known public accounting firm where he was actively involved in organizing, conducting, supervising and finalizing the audits of public companies. He also served various clients in developing their internal control systems and guiding the clients in the area of investment and tax planning.

Mr. Gandhi has a Bachelor of Business Administration from Mumbai University in India. He is a Certified Public Accountant and a Chartered Accountant.

Dave Van Etten, Controller

As controller for Encore, Dave Van Etten brings to Encore more than 25 years of financial operations and reporting experience for all commercial real estate product types including office, retail, industrial, multifamily and hotel.

Prior to Encore, Mr. Van Etten served 4 years as corporate controller and CFO of Trinity Interests, Inc., where he was responsible for all financial reporting of the company's 5 million square feet Texas portfolio of office, retail and industrial products. Previously he served 22 years with the Ray Hunt group of companies, including 9 years as controller with Woodbine Development and 12 years with Hunt Realty Corporation as CFO/SVP managing accounting and financial reporting of over $2 billion in real estate developments and investment portfolios.

Mr. Van Etten has a Bachelor of Business Administration in Accounting from Niagara University, and is a CPA as well as a licensed real estate broker in Texas.

Kumar Shah, Vice President of Technology

Since beginning with Encore Enterprises in 2002 as the Vice President of Technology, Mr. Shah has provided the company seamless integration of cloud based technology and processes over the past decade at the property and corporate levels. His strategic thinking and perseverance have enabled Encore to perform at peak efficiency levels, even during the aftermath of hurricane Katrina in 2006 when the company seamlessly relocated to Dallas. On a daily basis, Mr. Shah manages and oversees the operational efficiency and business procedures of all Encore entities, ensuring Encore's technology infrastructure and business processes are always ahead of the curve and meeting industry and company demands.

Prior to joining Encore, Mr. Shah worked at The Reliance Group as a senior analyst managing the project management system or (PMS) for the world's largest petro-chemical complex in the world, located in Hazira, Surat, India. He has also worked with Larsen & Toubro Limited as a programmer and team supervisor, where he managed the installation of various infrastructure services for the Heavy Engineering Division in Hazira, Surat.

Mr. Shah holds a Bachelor of Science degree in Computer Science from R.G. Shah Science College, Ahmedabad, Gujarat, India. He also holds SAP R/3 and ABAP4 certifications.

Encore Equities

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Overview

Diversity

Discipline

Clarity

Flexibility

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(b)(4)

Suitability

Strategy and Execution

Limited Partnership Interests

Note Programs

Opportunity Funds

Encore Equities Management Team

Rick Chess, President

Rick Chess brings 28 years of securities and commercial real estate experience as the president of Encore Equities. In his career, Mr. Chess has closed $2 billion in real estate transactions and raised $270 million in equity for (United Dominion Realty, ManEquity, Triple Net and ARCM). In his role with Encore, Mr. Chess oversees the equity placement for all of Encore's real estate investments and manages Encore's Diversified Income Fund operations.

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Prior to Encore, Mr. Chess was president of American Realty Capital Markets where he oversaw all operations of the managing broker-dealer. Mr. Chess was previously director of 1031 transactions for Triple Net Properties where he raised over $100 million of equity for Reg. D offerings and non-traded REITs. He has also served as real estate manager for Winstar Wireless where Mr. Chess oversaw the negotiation and installation of wireless communications technology inside urban areas, and was an associate with CB/Richard Ellis. Mr. Chess has held positions with United Dominion Realty, ManEquity (Manufacturers Life Insurance), Anderson & Strudwick, the Richmond Chamber of Commerce, the Pennsylvania General Assembly and the Allegheny County Law Department.

Mr. Chess attended the University of Richmond Law School where he received a Juris Doctorate of Law, and he attended the University of Pittsburgh where he earned his Bachelor of Science in Psychology and Economics. Mr. Chess holds the following FINRA securities licenses: 7; 63; and 39.

Sejal Desai, Vice President

Sejal Desai brings to Encore, 20 years of investment banking and venture capital raising experience as the vice president of Encore Equities. During her career she has worked primarily in the relationship management space working with over 300 entrepreneurs and 35 venture backed companies and non-profit networks raising capital for their startup projects.

Prior to Encore, Ms. Desai served as the founder and CEO of SevaYatra, a social venture that offers short-term service project opportunities at non-profit organizations in India. She has also served as a principal at MHT Partners, a boutique investment bank based in Dallas where she worked on cross-border merger and acquisitions primarily between U.S. and Indian companies. Ms. Desai also was co-founder and principal of STARTech Early Ventures, a seed stage venture firm that invested in early stage technology ventures in Texas. Ms. Desai also served as a manager in the corporate advisory services division for Ernst & Young in Mumbai, India working on foreign inward investment projects.

Ms. Desai has an MBA from the University of Texas at Dallas and a Bachelor of Commerce and Accounting from the University of Mumbai. She is a Chartered Accountant from the Institute of Chartered Accountants of India. Ms. Desai serves on the boards of The Dallas Assembly and thinkIndia Foundation. She also serves on the Leadership and Education Advisory Councils for the American India Foundation.

Michaeljohn Kudlik, CFP®, Senior VP of National Sales

Michaeljohn Kudlik has over 30 years of securities industry experience with a distinguished career beginning on the floor of the New York Stock Exchange at the age of 18. Mr. Kudlik's extensive work in financial planning and successful raises of equity for real estate funds include many accomplishments such as being one of the first to raise over $1 billion in equity in real estate while working for one of the major NYSE firms.

Prior to joining Encore, Mr. Kudlik was the national sales manager of New York Life Investment Management (Mainstay Funds), where he managed 25 wholesalers. He has taught for the College of Financial Planning in Denver, Colorado educating financial professionals about the securities industry best practices and standards of ethics in business. As a wholesaler, Mr. Kudlik has worked with insurance, variable annuities, mutual funds, real estate limited partnerships, and managed accounts. His wholesaling activities included all distribution channels including wire houses, regional firms, insurance based broker-dealers, financial institutions, independent financial planning firms, independent broker-dealers and RIAs

Mr. Kudlik holds a Bachelor of Arts in Sociology and Political Science from Texas A&M University. He has held a CFP® designation since 1977, is a member of the Financial Planning Association, is a member on the nominating committee of REISA, and serves as chairman of the membership committee for the Investment Program Association. Mr. Kudlik also currently holds FINRA licenses 24, 7, 63, and 65.

Retail

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Overview

Strategy

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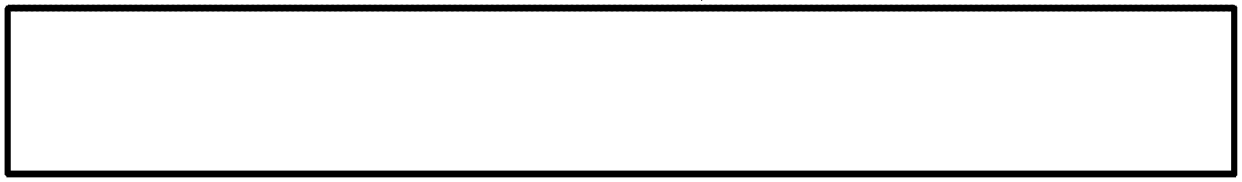
Investment Criteria



Deal Flow



Exit Strategies



Sample Portfolio

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Lakeview Village D'Iberville, Mississippi 910,000 square feet	Gulfport Plaza Gulfport, Mississippi 26,596 square feet	Governor's Pointe Cincinnati, Ohio 360,000 square feet
Darlington Square Darlington, South Carolina 80,950 square feet	Washington Plaza Washington, Georgia 93,842 square feet	Pelham Towne Center Pelham, Alabama 74,008 square feet

Encore Retail Management Team

Nicholas Barber, President

Nic Barber joined Encore in 2000 as the director of development and acquisitions and has quickly become a key member of the executive management team. He has been responsible for many facets of Encore's real estate transaction operations, including management of the day-to-day sourcing of all of the company's future acquisition and development projects, providing oversight to Encore's financial analyst staffing and presenting projects for approval to the investment committee and board of directors.

He has also been responsible for overseeing the due diligence, pre-development, acquisition and development processes, and assisting with sourcing and structuring of new debt and equity for approved projects. Since joining Encore, Mr. Barber has successfully closed over $150 million dollars of real estate underwriting, negotiating, financing and development transactions.

In January 2008, Mr. Barber was named president of Encore's newly formed Retail division. In this role, he is focused on continuing the company's management philosophies to lead a dynamic portfolio growth strategy of developing and acquiring profitable retail properties. His experience in closing complicated real estate transactions with Encore provides an added advantage in determining the proper deal structure and analyzing financing options that are available in the marketplace. Mr. Barber holds a Bachelor of Science in Accounting from the University of Louisiana.

Mike Nelson, Vice President and Director of Leasing

Mike Nelson has over 25 years of commercial real estate experience and has a successful record of maximizing asset value for developers, owners and third party management firms. Mr. Nelson uses a consultive approach, emphasizing the development and implementation of a marketing and business plan for each asset and measuring performance for effective results-based management of the lease-up process, tenant retention and value add strategies.

Prior to joining Encore Retail, LLC, Mr. Nelson was the managing director for RM Crowe where he sourced new leasing and management assignments, and focused on real estate solutions for national and international investors in the Southwest region. Prior to assuming leadership of this new division, Mr. Nelson was the chief operating officer of RM Crowe for five years where he was responsible for all aspects of operations, leasing, construction, client/lender relationships and investment research for 5.3 million square feet of commercial property across a multi-state region. Mr. Nelson directed a total organization of 55 associates and was recognized for outstanding performance and innovative leadership for his focus on adding value, marketing, supervision and management to increase short-term cash flow and long-term appreciation of assets.

Mr. Nelson's commercial real estate career also includes service as senior vice president for the Southwest region for PM Realty Group, regional portfolio manager in charge of the Houston Portfolio for Cushman & Wakefield and property manager for Hines Interests Limited Partnership in their retail/mixed-use division. Mr. Nelson has a Bachelor of Science in Political Science from Oregon State University and has a Texas Real Estate License.

Dan Underwood, Senior Property Manager

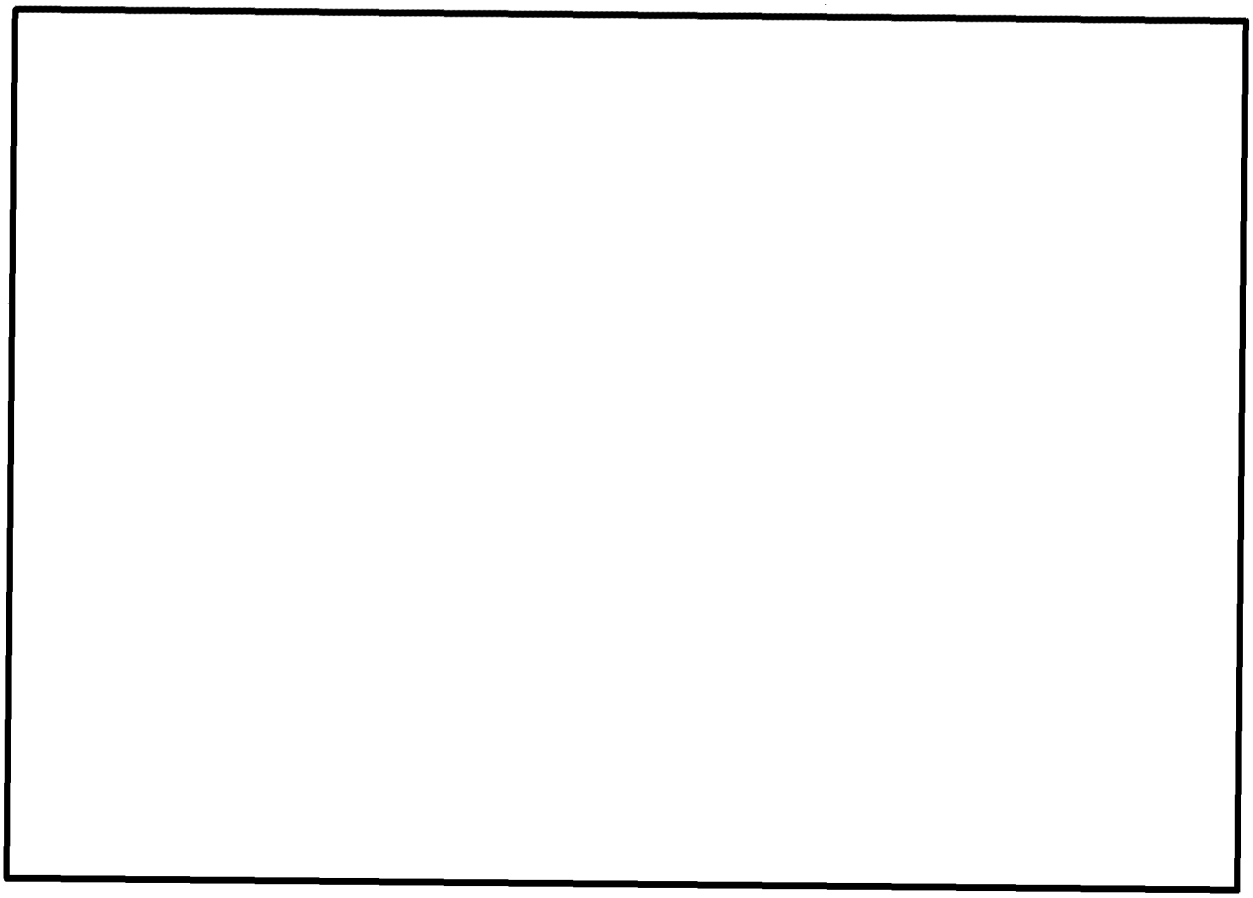
Dan Underwood has over 20 years of commercial real estate experience and has a successful record of managing both retail and industrial properties. Prior to joining Encore Retail, LLC, Mr. Underwood was the senior property manager for Emerson's Commercial and was instrumental in growing business, adding two new portfolios.

Mr. Underwood has a significant reputation as being a problem solver, coordinator and overall property manager. His ability to work with tenants, vendors and owners is just one of many assets he brings to Encore Retail. Mr. Underwood's commercial real estate career also includes service as senior property manager for Lincoln Properties and senior property manager for Cencor/Weitzman Realty. Mr. Underwood has a Bachelor of Arts in Business Administration and a Bachelor of Arts in Business Management with a minor in Accounting.

Hospitality

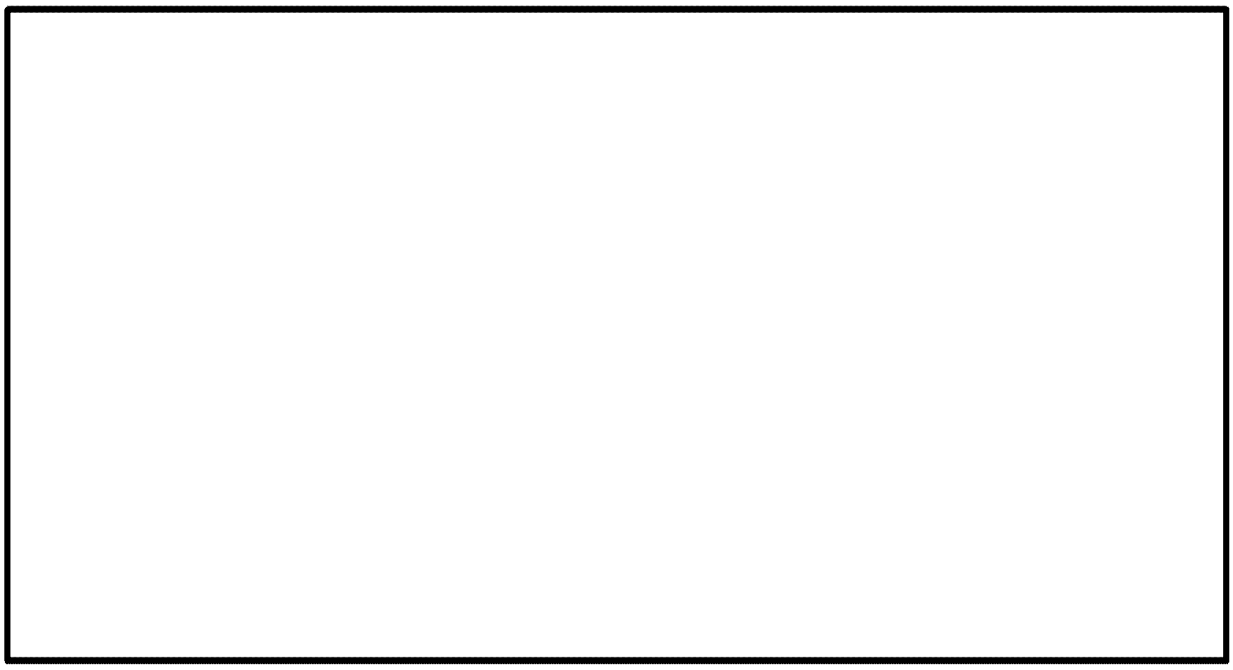
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Overview

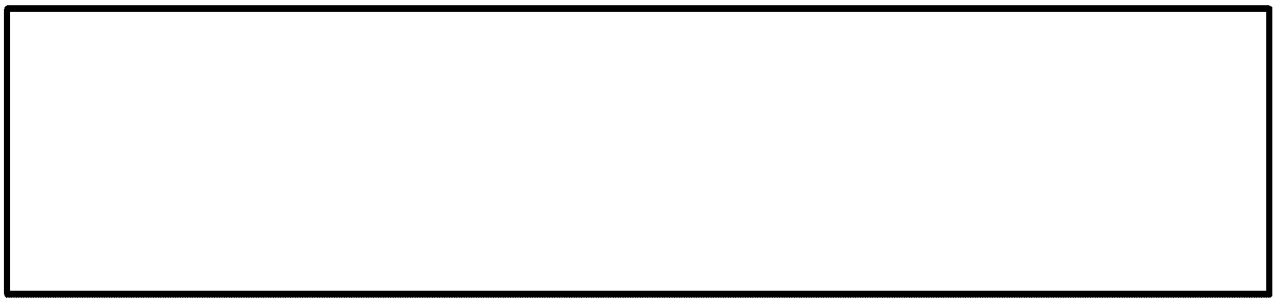




Strategy



Investment Criteria



Deal Flow



Exit Strategies

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Encore Hospitality Management Team

Glenn Pedersen, President

Glenn Pedersen began his career as president of Pineapple Management Services in 1994. His responsibilities are to oversee hotel development, construction, design and management, including contract negotiations, guest and employee satisfaction, capital expenditure planning, budgeting and the day-to-day operations of all hotels. Mr. Pedersen has been involved in the hotel industry for over 34 years, starting out his career as a front office manager of the Royal Sonesta Hotel in New Orleans, Louisiana in 1976. Through his hard work, dedication and design for achievement, he has been a picture of success throughout his career.

Glenn Pedersen began working for Marriott International in 1980 where he was assigned to the New Orleans Marriott full service hotel. After 4 years in the full service hotel division he was given the responsibility of opening his first Marriott hotel in Columbus, Georgia. He was completely responsible for the operation of the hotel and was proud to produce $2.5 million dollars in annual sales in the first year. Having proven his ability to succeed, Mr. Pedersen was promoted to the Marriott Corporation/Courtyard division regional director of rooms in 1987, where, during the course of 14 months, oversaw the opening of 25 hotels.

In November of 1987, Mr. Pedersen was promoted again to regional manager of the Courtyard/Fairfield Inn division in Georgia and Alabama, where he supervised the complete strategic and operational responsibility of 29 Courtyard and Fairfield Inns, representing over $75 million dollars in sales. At that time, Mr. Pedersen achieved the highest market share and yield goals in the Southeastern United States, and was one out of only four managers to qualify for Courtyard Division Achievement Forum recognition program seven straight years.

In 1994 Mr. Pedersen left Marriott International and started Pineapple Management Services where he developed, built and opened 20 Marriott hotels in three-and-a-half years.

Multi-Family

Overview

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Strategy

Investment Criteria

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Deal Flow

[redacted]

Exit Strategies

[redacted]

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Sample Portfolio

Bayou Reserve Thibodaux, Louisiana 240 units August 2009	Encore Crossing Corpus Christi, Texas 200 units December 2010	Encore Highpointe Park Thornton, Colorado (Denver) 220 Units January 2013	Encore Memorial Tulsa, Oklahoma 248 units June 2012
Oceanaire Biloxi (St. Martin), Mississippi 196 units February 2009	Encore Alsbury Burleson, Texas (Dallas/Fort Worth) 200 units August 2011	Encore Waggoner Creek Texarkana, Texas 168 Units April 2012	Encore Landing Temple, Texas 180 units April 2012

Encore Multi-Family Management Team

Brad Miller, President

Brad Miller has over 25 years of multi-family development and investment experience. He is a senior executive with a distinguished career in building relationships, and leading investment and management teams in the real estate and software industries. His decisive and pro-active management style is one of the many assets he brings to Encore Multi-Family, LLC. Over his prestigious career, he has overseen the development and acquisition of over 20,000 multi-family units.

Prior to joining Encore Multi-Family, LLC, Mr. Miller served as a national partner for Fore Property Company where he oversaw development activities in multiple markets, including Florida, Arizona, Nevada and Texas. He also was directly responsible for developing the first ever LEED Certified multi-family community in North Texas.

Pat Ivie, Asset Manager

Pat Ivie is the asset manager for Encore Multi-Family, possessing over 30 years of experience in all facets of operating apartment communities from ground-up developments through successful turn-arounds and dispositions.

Prior to joining Encore, Ms. Ivie served as regional property management executive for Orion Real Estate, Pacific West Management, and Quest Asset Management. In addition, she spent 18 years at Lincoln Property Company in various supervisory positions. Throughout her career, she has distinguished herself in the areas of leadership and motivation of property management teams to achieve superior results from operations. Her experience covers a broad base of product types including market-rate Class A, seniors, and affordable housing; financed both conventionally, and through government sponsored programs.

Ms. Ivie's professional designations include Certified Apartment Supervisor and Certified Occupancy Specialist from the National Apartment Association. She is also a CPM candidate from the Institute of Real Estate Management.

Charlie Keels, Lead Underwriter/Development Coordinator

Charlie Keels is the development coordinator of the Encore Multi-Family division, where he is responsible for underwriting, due-diligence, predevelopment, asset management, development and acquisitions.

He is actively involved in all functions of the Multi-Family group for Encore. He has experience in HUD/FHA financing as well conventional financing, and is actively involved with structuring new debt. Mr. Keels comes from a healthcare background in which he served as the controller of a skilled nursing facility chain. He was responsible for all financing functions and helped the chain achieve tremendous growth. Mr. Keels holds a Bachelor of Business Administration in Accounting from Texas A&M University.

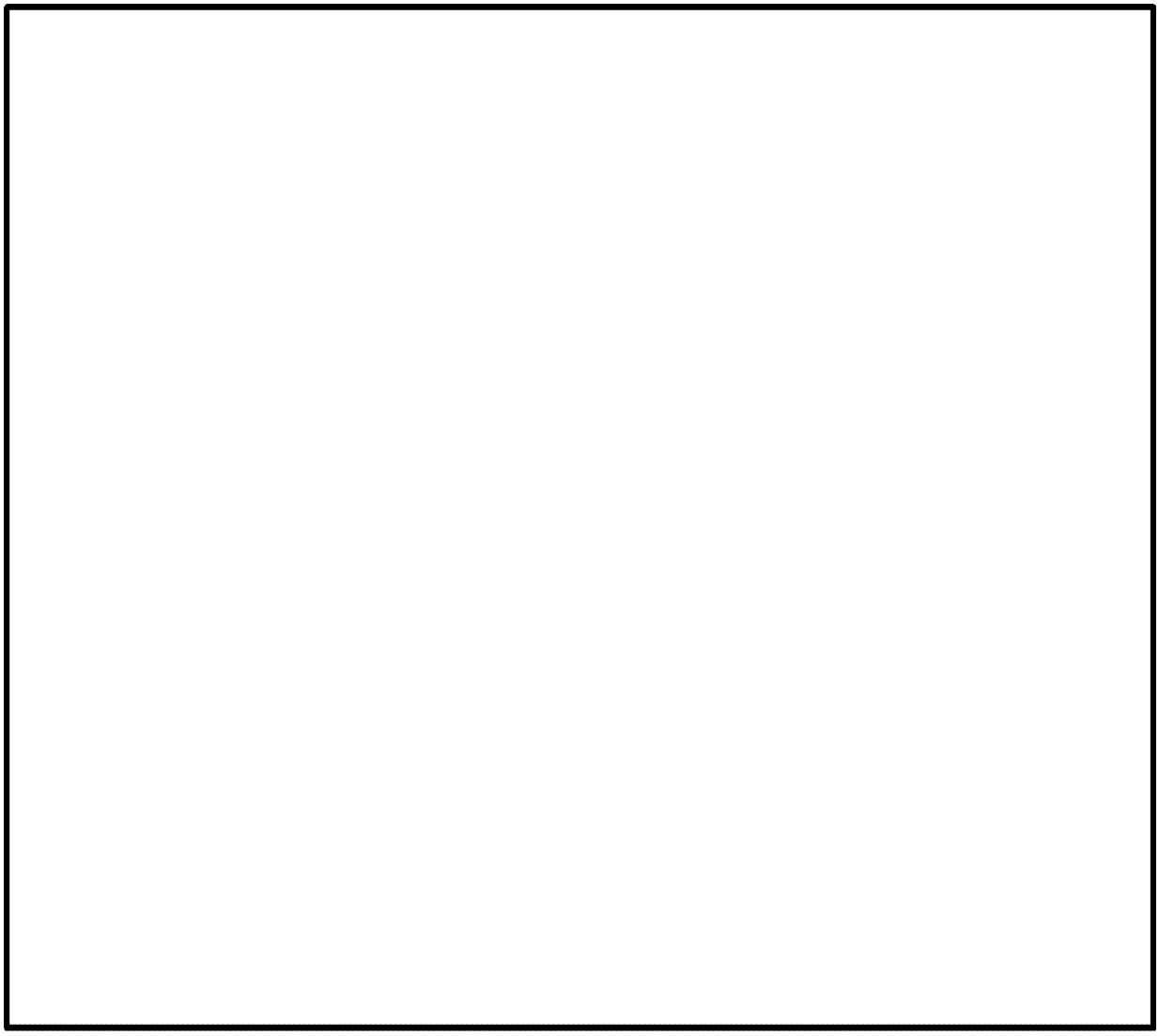
Office

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Overview



Strategy



Investment Criteria



[redacted]

Deal Flow

[redacted]

Exit Strategies

[redacted]

Encore Office Management Team

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Mark Cypert, President

Mark Cypert brings to Encore more than two decades of expertise and a proven track record in managing commercial real estate investments completing approximately $1.8 billion in commercial office investments and acquiring, developing and managing over 15 million square-feet of commercial office space during his career.

As a member of Encore's senior leadership team, Mr. Cypert is focused on the day to day operations of the office division, as well as raising institutional investor equity and managing Encore's research and underwriting programs. Prior to joining Encore, he was managing director and principal of Cawley Partners where he oversaw the firm's commercial real estate investment funds. Mr. Cypert previously served as senior vice president of CRT Properties (NYSE office REIT) where he oversaw the firms Southwestern and Mid-Atlantic regions. He also was the director of asset management for UBS Realty Investors, where he was responsible for an office investment portfolio in the Central U.S.

Mr. Cypert is a senior instructor for the CCIM Institute with a specialty in commercial real estate market analysis. Mr. Cypert has a Bachelor of Science in Construction Engineering Technology from Texas Tech University.

Rodrigo Godoi, Director of Acquisitions

Rodrigo Godoi has over 11 years of commercial real estate experience handling financial analysis, asset management, acquisitions and dispositions. He has successfully negotiated more than $500 million of real estate deals during his career. As the director of acquisitions, Mr. Godoi manages the sourcing and

acquisition pipeline of Encore Office as well as other responsibilities including asset management, underwriting and due diligence.

Prior to joining Encore, Mr. Godoi served as a managing director with Centrus Capital management, providing acquisitions due diligence, asset management and financial modeling services to U.S. and Latin American commercial real estate investment groups. He also served as the senior director of asset management with Ashford Hospitality Trust (NYSE:AHT) where he was responsible for the asset management of 105 hotels. Mr. Godoi previously worked with Toll Brothers, Inc. (NYSE:TOL) as a land acquisition manager where he prospected and negotiated acquisition and disposition deals throughout Florida and with PricewaterhouseCoopers as a consultant.

Mr. Godoi has a Master's degree in Real Estate from Cornell University concentrating in finance and investments as well as a Bachelor of Science in Economics from Louisiana State University.

Construction

(b)(4)

Overview

Strategy

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Resources and Specialties

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Project Delivery Systems

Sample Project History

Listed next is a sample of projects Encore Construction Group, LLC has completed over the past 5 years.

Project	Owner	Contract Amount
D'Iberville Courtyard	D'Iberville Hotel	
Bayour Reserve Apartments	Encore Multi-Family	
Courtyard by Marriott	Spanish Fort North	
Gulfport Plaza	Encore Retail	
Marriott Fairfield Inn AL	Spanish Fort South	
Retail center 65,000 SF	Encore Retail	
Archon 29 hotels portfolio	BRV Realty	
Shops at Lakeview	Encore Retail	
Lakeview Retail Phase V	Encore Retail	
Milwaukee portfolio renovation	Pineapple Managemen	
Residence Inn portfolio renovation	Pineapple Managemen	
Camellia Pointe Development 24 Unit	Camellia Pointe LLC	
Hurricane Katrina 9 hotel restoration	Pineapple Managemen	
Lakeview Retail Phase III	Encore Retail	
Musselmen Portfolio Renovation	Pineapple Managemen	
Memphis Radisson	Pineapple Managemen	
Camellia Poitne Development 15 Units	Camellia Pointe LLC	
Lakeview Retail Phase III	Lakeview Investments	
Camellia Pointe Development Phase I	Camellia Pointe LLC	

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Encore Construction Management Team

Dwayne Rash, President

Dwayne Rash oversees all construction management for Encore. Mr. Rash has over twenty-two years of commercial and industrial construction experience ranging from project superintendent to president of operations. He is a licensed general contractor in all states where Encore currently conducts business. Mr. Rash is an experienced construction professional who has supervised the construction of over 10 million square feet of commercial and industrial projects including hotels, office buildings, electronics and semiconductor plants, telecommunications facilities and distribution centers. He has served in the capacities of field superintendent, resident manager, construction manager and vice president of construction operations and has successfully managed budgets for projects ranging from under $1 million to $200 million.

Mr. Rash has a strong background in estimating, QA and scheduling and supervision of subcontractors and direct-hire employees. He also has extensive experience in procurement, subcontract negotiation, safety, field engineering and document control.

Prior to joining Encore in 1999, Mr. Rash served for six years as resident manager for Raytheon Engineers and Constructors. In this capacity, he served as the company's on-site representative responsible for management and execution of a variety of construction projects in the Southeast. Among his many responsibilities, he hired and managed all employees on each project, established public relations with local government and civic groups, monitored labor productivity and cost projections, and implemented Environmental, Safety and Health programs.

Prior to Raytheon, Mr. Rash spent six years as vice president of construction in charge of all field personnel and construction activities for Metrolina Builders in Charlotte, North Carolina. He has also served as project manager with Crawford Construction in Dallas, Texas.

Mr. Rash attended Louisiana State University, majoring in Business Administration. He has also taken specialized courses in construction estimating, industrial management, and OSHA certification.

Taylor Trochesset, Project Manager

Taylor Trochesset is a home office project manager for Encore Construction, LLC. He has 11 years' experience in the construction industry. Mr. Trochesset has strong project management and estimating experience with government contracting, high rise condominium construction and retail construction. He has managed projects in excess of $70 million. Over Mr. Trochesset's career he has served as a field engineer, onsite superintendent, onsite project manager, and home office project manager. His experience, strong attention to detail and communication skills makes him an asset to any development or construction company.

Prior to coming to Encore, Mr. Trochesset spent three years with W. G. Yates and Sons Construction, a $1 billion construction company, as an onsite project manager along the Florida panhandle supervising condominium developments. Before joining Yates and Sons, he spent three years with Sanders Engineering as a project estimator/manager. Mr. Trochesset graduated with a Bachelor of Science in Construction Engineering from the University of Southern Mississippi. In pursuit of his degree he did three semesters of field and office internships with W. G. Yates and Sons Construction.

Curtis Parker, Superintendent

Curtis Parker is one of Encore Construction's top superintendents. Mr. Parker has 20 years' experience in the construction industry. He has successfully overseen numerous projects for Encore including over 200,000 square feet of retail and office space. Mr. Parker has also been involved in numerous high-rise hotel projects in Las Vegas and along the Gulf Coast. He has strong communication skills, an excellent eye for detail and is experienced in coordinating subcontractors to ensure timely completion of projects.

Prior to coming to Encore, Mr. Parker was project superintendent at White-Green Construction concentrating on lodging facilities for the federal government and the casino industry. He was project superintendent for Tri-Star Builders and participated in the construction of the Aladdin Casino and Resort in Las Vegas.

John Newman, Superintendent

John Newman has been with Encore Construction, LLC for six years, and has over 25 years' experience in the construction industry. Starting out in the business as a union electrician, Mr. Newman quickly moved up the ladder to electrical superintendent and has managed electrical projects in excess of $5 million with over 300 men directly reporting to him. He has worked in all parts of the country and overseas managing large commercial projects. Mr. Newman has completed numerous projects for Encore most notably a $20 million condominium

APPENDIX F: PROJECT BUSINESS PLANS

MEDICAL OFFICE BUILDING, HOTEL, RETAIL CENTER, AND APARTMENT COMMUNITY
HYPOTHETICAL BUSINESS PLANS

[See Attached]

Project Business Plans Executive Summary

Department of Homeland Security
U.S. Citizenship and Immigration Services

I–797E, Notice of Action

A #	Application/Petition I924, Application for Regional Center under Immigrant Investor Pilot Program
Receipt # RCW1201850576	Application/Petitioner Encore Raleigh/Durham Regional Center
Notice Date September 18, 2012 / Page 1 of 24	Beneficiary

M. Ford, Esq.
Law Office M. Ford
RE: Enocore Raleigh/Durham Regional Center
8004 Ashby Court
Plano, TX 75025

Request for Evidence

ACTION COMPLETED
APPROVED FOR FILING
NOV 19 2012
INITIALS:
FOC: CSC C30034

Notice also sent to:

C30034

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

Note: You are given until December 11, 2012 in which to submit the requested information to the address at the bottom of this notice.

Please note the required deadline for providing a response to this Request for Evidence. The deadline reflects the maximum period for responding to this RFE. However, since many immigration benefits are time sensitive, you are encouraged to respond to this request as early as possible but no later than the date provided on the request.

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

For more information, visit our website at www.uscis.gov
Or call us at 1-800-375-5283

Telephone service for the hearing impaired: 1-800-767-1833

CSC3759 WS25086 DIV III AC

13-21-7-1

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

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

USCIS - CALIFORNIA SERVICE CENTER
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0590
800-375-5283

RCW1201850576

Please see additional information on the reverse side.

Form I–797E (Rev. 05/05/06)

I. Subject Matter Being Adjudicated

On January 18, 2012, Encore Raleigh/Durham Regional Center ("ERDRC") filed an Application for Regional Center Under the Immigrant Investor Pilot Program (Form I-924). It appears that an initial designation as a Regional Center is being requested.

A request for initial designation as a Regional Center under the Immigrant Investor Pilot Program ("Pilot Program") or an amendment to an existing Regional Center designation is made pursuant to Section 610 of the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. 102-395, as amended. Such request may involve:

1. A request for review of an exemplar Form I-526, Immigrant Petition by Alien Entrepreneur, prior to the filing of Form I-526 petitions by individual alien entrepreneurs with USCIS and/or;
2. In the case of a Regional Center amendment request, a review of a specific capital investment project where a previous regional center designation approval involved a review of an exemplar capital investment project.

II. Procedural History and Background

The proposed Regional Center entity, ERDRC, was established on January 12, 2012 in Delaware, and is structured as a limited liability company. ERDRC is requesting jurisdiction over a geographic area within the State of North Carolina, including Durham, Johnston, Orange, and Wake counties. ERDRC plans to offer EB-5 capital investment opportunities in affiliated new commercial enterprises, organized as limited partnerships, focusing on projects in the following industry categories (Please note: The table below continues onto the next page).

Industry Category		NAICS Code
1	Residential Building Construction	2361
2	Construction of Nonresidential Buildings	2362
3	Hospitals	622
4	General Medical and Surgical Hospitals	6221
5	Offices of Physicians	6211
6	Real Estate	5310
7	Lessors of Real Estate	5311
8	Retail Trade	4A00[1]
9	Grocery Stores	4451
10	Clothing Stores	4481
11	Shoe Stores	4482
12	Sporting Goods Stores	45111
13	Book Stores	451211
14	General Merchandise Stores	452

15	Miscellaneous Store Retailers	453
16	Hotels and Motels, including Casino Hotels	7211[2]
17	Food Services and Drinking Places	7220
18	Other Amusement and Recreation Industries	713B[3]
19	Scenic and Sightseeing Transportation and Support Activities for Transportation	48A0[4]

[1] This is not a valid NAICS according to the U.S. Census Bureau website at http://www.census.gov/cgi-bin/sssd/naics/naicsrch.

[2] The corresponding industry for 7211 is Traveler Accommodation, per the U.S. Census Bureau website.

[3] This is not a valid NAICS according to the U.S. Census Bureau.

[4] This is not a valid NAICS according to the U.S. Census Bureau. (b)(4)

Evidentiary Requirements for Regional Center Proposals

Title 8 Code of Federal Regulations ("8 C.F.R.") § 204.6 (m)(3) describes the evidence that must be submitted in support of a Regional Center proposal. After review of the applicant's proposal, the following documentary evidence is required. Please note that in response to this notice, it is helpful to provide a cover letter that acts as an executive summary, followed by a table of contents with sections that are tabbed at the bottom of the page.

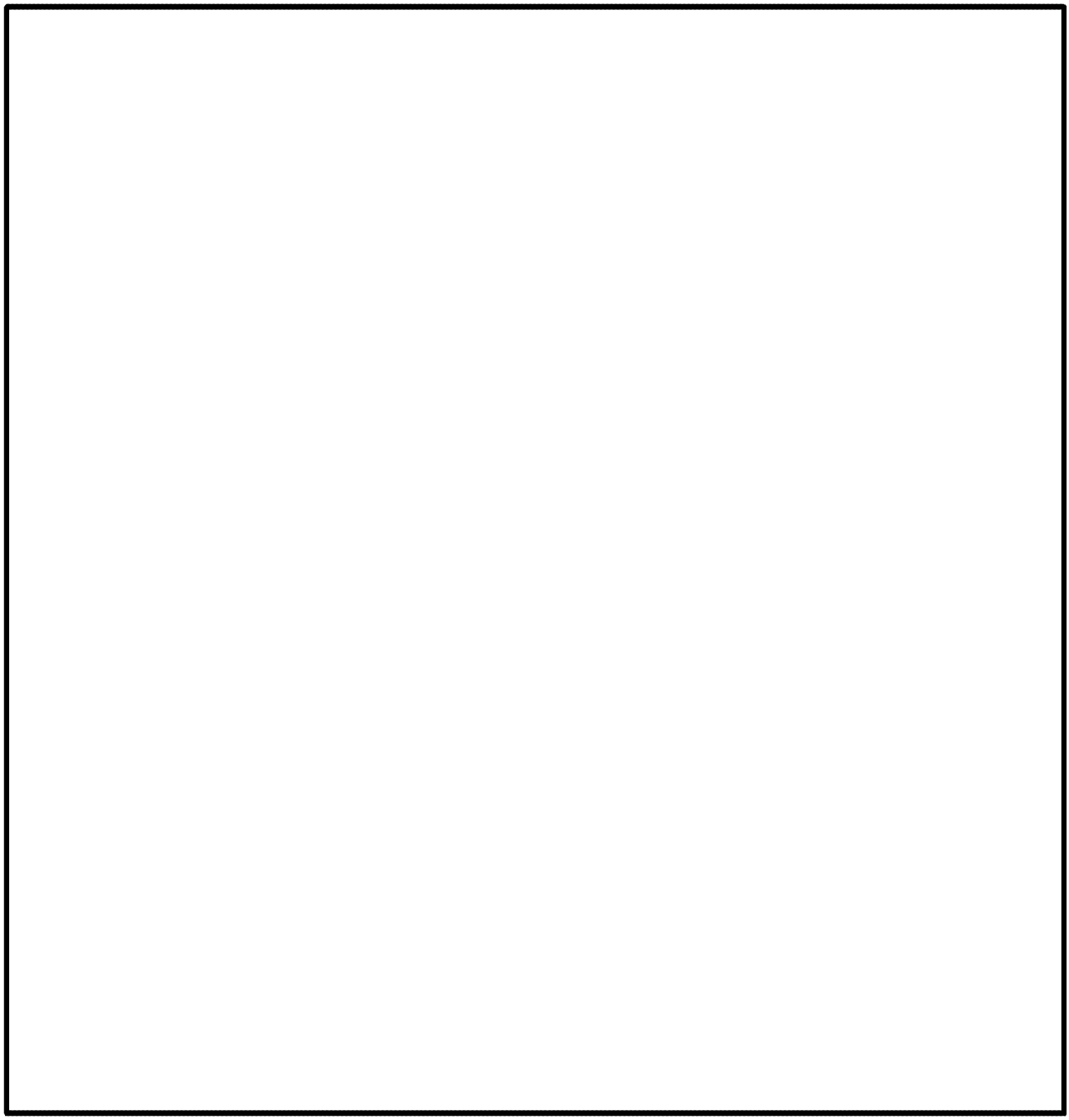
III. Analysis

Issue #1: Establishing that the Regional Center Creates a Sufficient Number of Indirect Jobs, Based Upon a Reasonable Methodology; Title 8 C.F.R. Section 204.6(m)(3).

Section 610(c) of the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, as amended, allows aliens admitted under the pilot program described in this section to establish *reasonable methodologies* for determining the number of jobs created by the pilot program, including jobs which are estimated to have been created indirectly through revenues, improved regional productivity, job creation, or increased domestic capital investment resulting from the pilot program.

Title 8 C.F.R. § 204.6(m)(3)(ii) requires that a Regional Center proposal must provide in verifiable detail how jobs will be created indirectly, while 8 CFR § 204.6(m)(3)(v) describes the analytical tools that the Regional Center must employ when making economic and job creation predictions.

(b)(4)



A. Business Plan Analysis

Project 1: Surgery Center and Medical Office Building

(b)(4)

The applicant presents the following proposed project:

Project	NAICS Code	NAICS Title
Surgical Center & Medical Offices	23	Construction
	621111	Office of physicians, dentists and other health practitioners

(b)(4)

The applicant does not provide a specific business plan for this project. The business plan supplied by the applicant discusses how the regional center operates in general.

(b)(4)

(b)(4)

Project 2: Grocery-Anchored Shopping Center

The applicant presents the following proposed project:

Project	NAICS Code	NAICS Title
Grocery-anchored Shopping Center	236220	Commercial and Institutional Building Construction
	44–45	Retail

(b)(4)

[redacted]

Project 3: Limited Service Hotel

The applicant presents the following proposed project:

Project	NAICS Code	NAICS Title
Limited Service Hotel	236220	Commercial and Institutional Building Construction
	721110	Hotels (except Casino Hotels) and Motels

[redacted]

[redacted]

Project 4: Multifamily Residential Community

The applicant presents the following proposed project:

Project	NAICS Code	NAICS Title
Multifamily Residential Community	236117	New Housing Operative Builders
	531110	Lessors of Residential Buildings and Dwellings

[redacted]

[redacted]

B. Economic Impact Analysis (dated 3/26/12)

The applicant submitted an updated economic impact analysis (dated 03/26/12) conducted by Evans, Carroll, & Associates (Evans-Carroll). We address the entire updated analysis in the following sections.

Requested NAICS:

The following table presents the industries used in the analysis and their applicability to the proposed projects.

NAICS	Industry	Applicable?
2361	Residential Building Construction	[redacted]
2362	Construction of nonresidential Buildings	
6220	Hospitals	
6221	General Medical and Surgical Hospitals	
6211	Offices of Physicians	
5310	Real Estate	
5311	Lessors of Real Estate	
4A00	Retail Trade	
4451	Grocer Store	
4481	Clothing Stores	
4482	Shoe Stores	
45111	Sporting Good Stores	
451211	Book Stores	
452	General Merchandise Stores	
453	Misc Store Retailers	
7211	Hotels Motels, including Casino Hotels	
7220	Food Services and drinking places	
713B	Other Amusement and Recreation Activities	
48A0	Scenic and Sightseeing transportation and support Activities for transportation	

Project 1: Surgery Center and Medical Office Building

The analysis calculates the potential effect of constructing and operating a hospital and medical center within the EB-5 regional center's proposed geographic scope of the counties of Durham, Johnston, Orange, and Wake.

Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II calibrated for the counties of Durham, Johnston, Orange, and Wake. (b)(4)

(b)(4)



Project 2: Grocery-Anchored Shopping Center

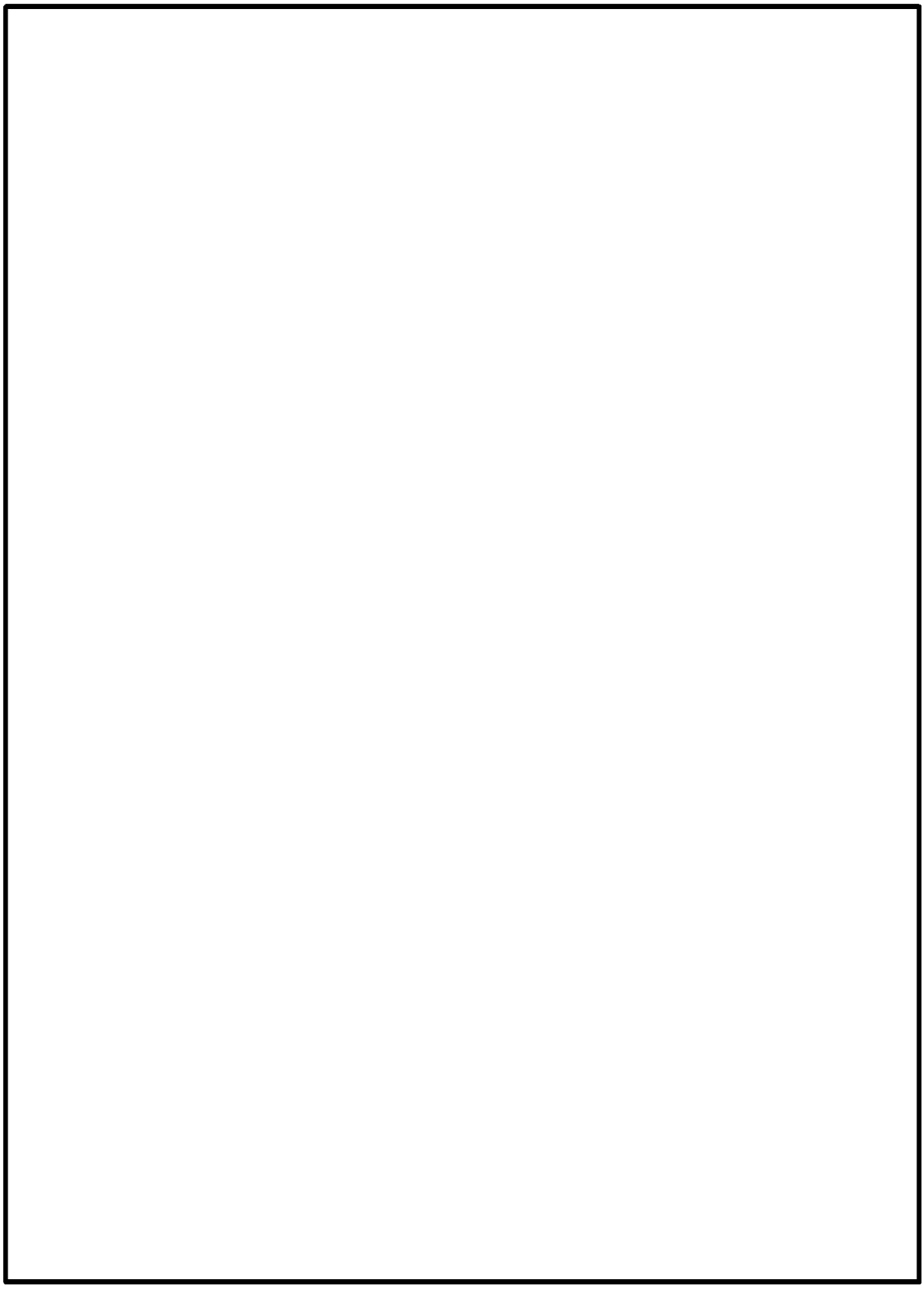
The analysis calculates the potential effect of constructing a grocery-anchored shopping center within the EB-5 regional center's proposed geographic scope of Durham, Johnston, Orange, and Wake Counties.

Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II calibrated for the counties of Durham, Johnston, Orange, and Wake.



(b)(4)

(b)(4)



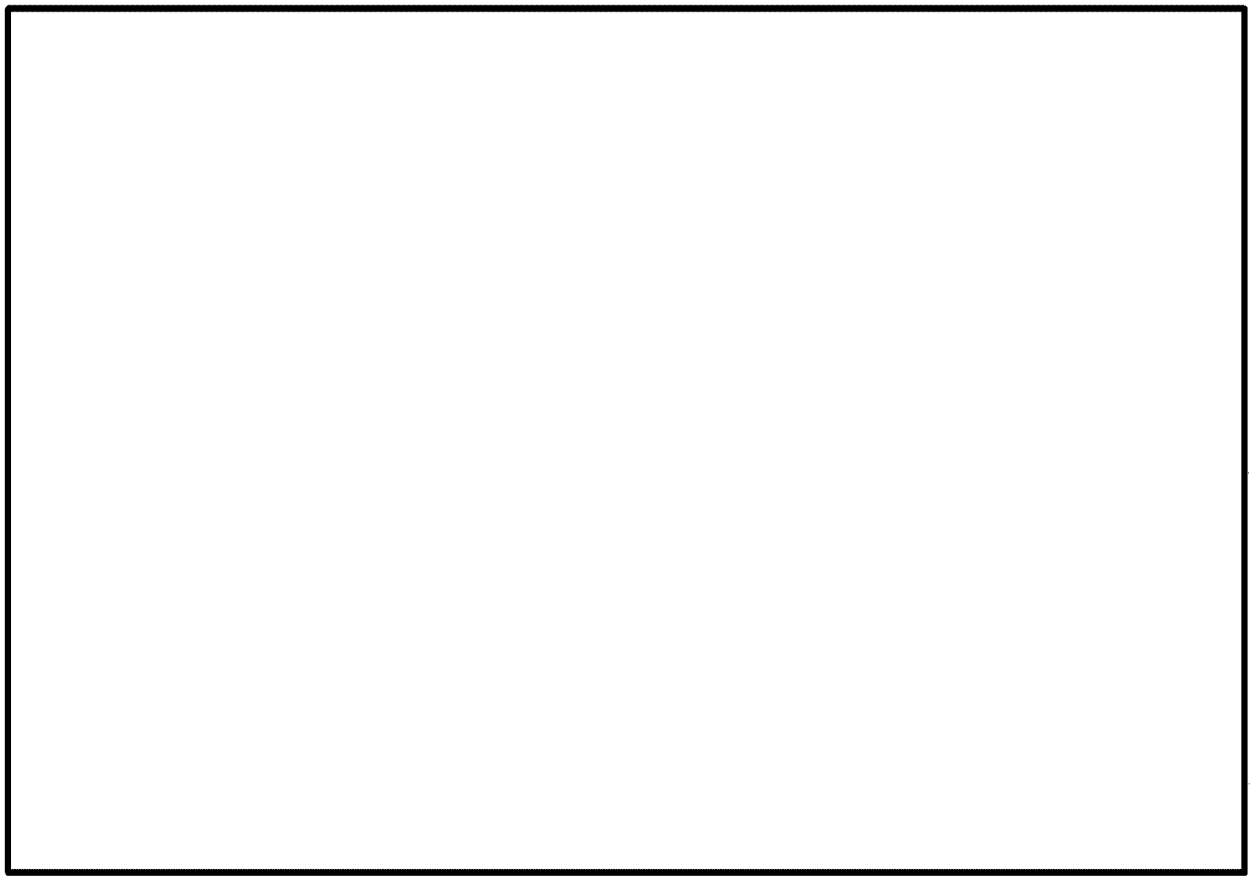
(b)(4)



Project 3: Limited Service Hotel

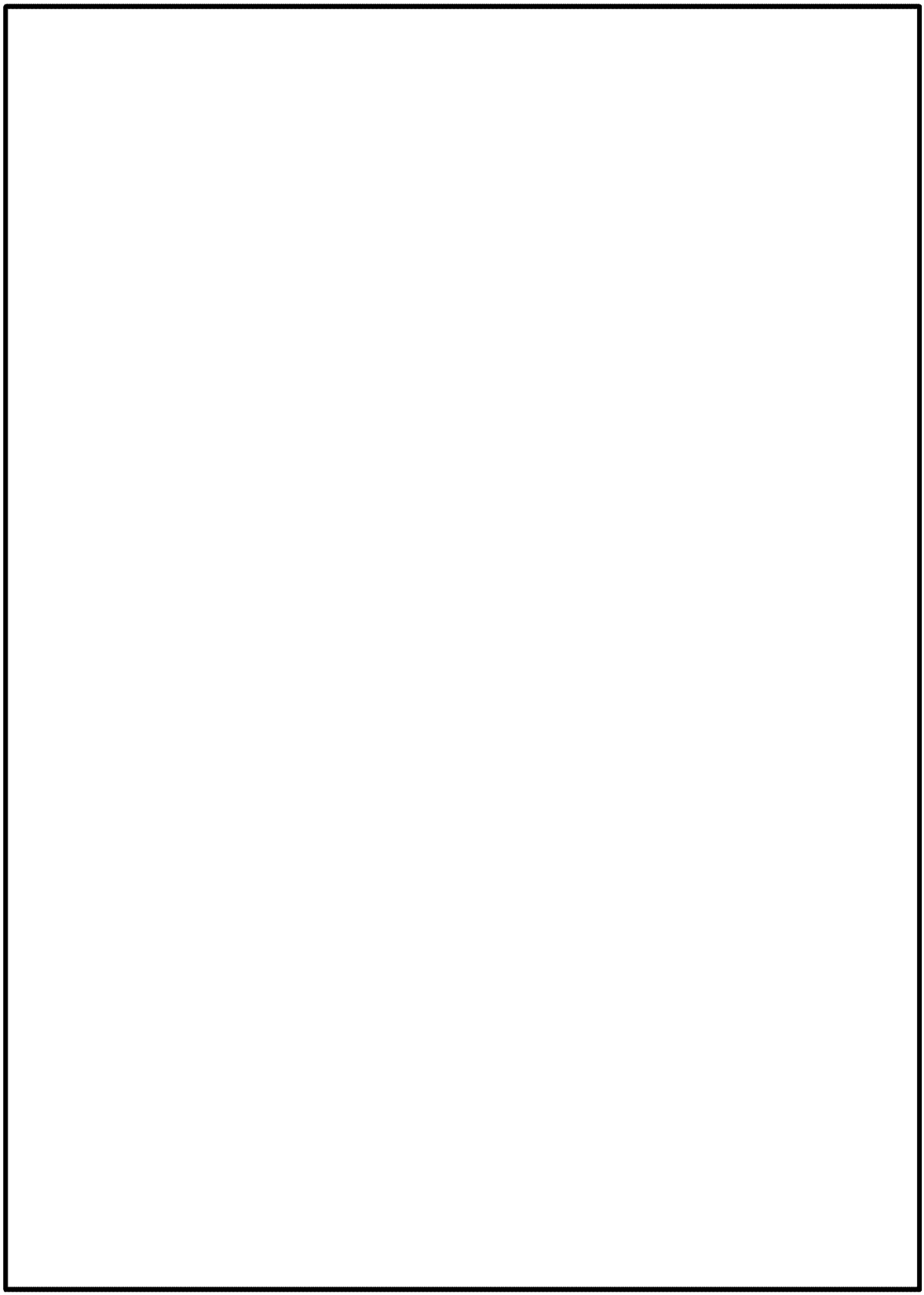
The analysis calculates the effect of constructing and operating a limited service hotel within the EB-5 regional center's geographic scope.

Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II in the economic analysis. The applicant does not clearly explain for which region(s) the model is calibrated.



(b)(4)

(b)(4)



(b)(4)

Project 4: Multifamily Residential Community

The analysis calculates the effect of constructing and operating a multifamily residential community within the EB-5 regional center's geographic scope.

Economic Impact Model Used (IMPLAN, RIMS II REDYN, etc.). Evans-Carroll uses RIMS II in the economic analysis. The applicant does not clearly explain for which region(s) the model is calibrated.

(b)(4)

(b)(4)

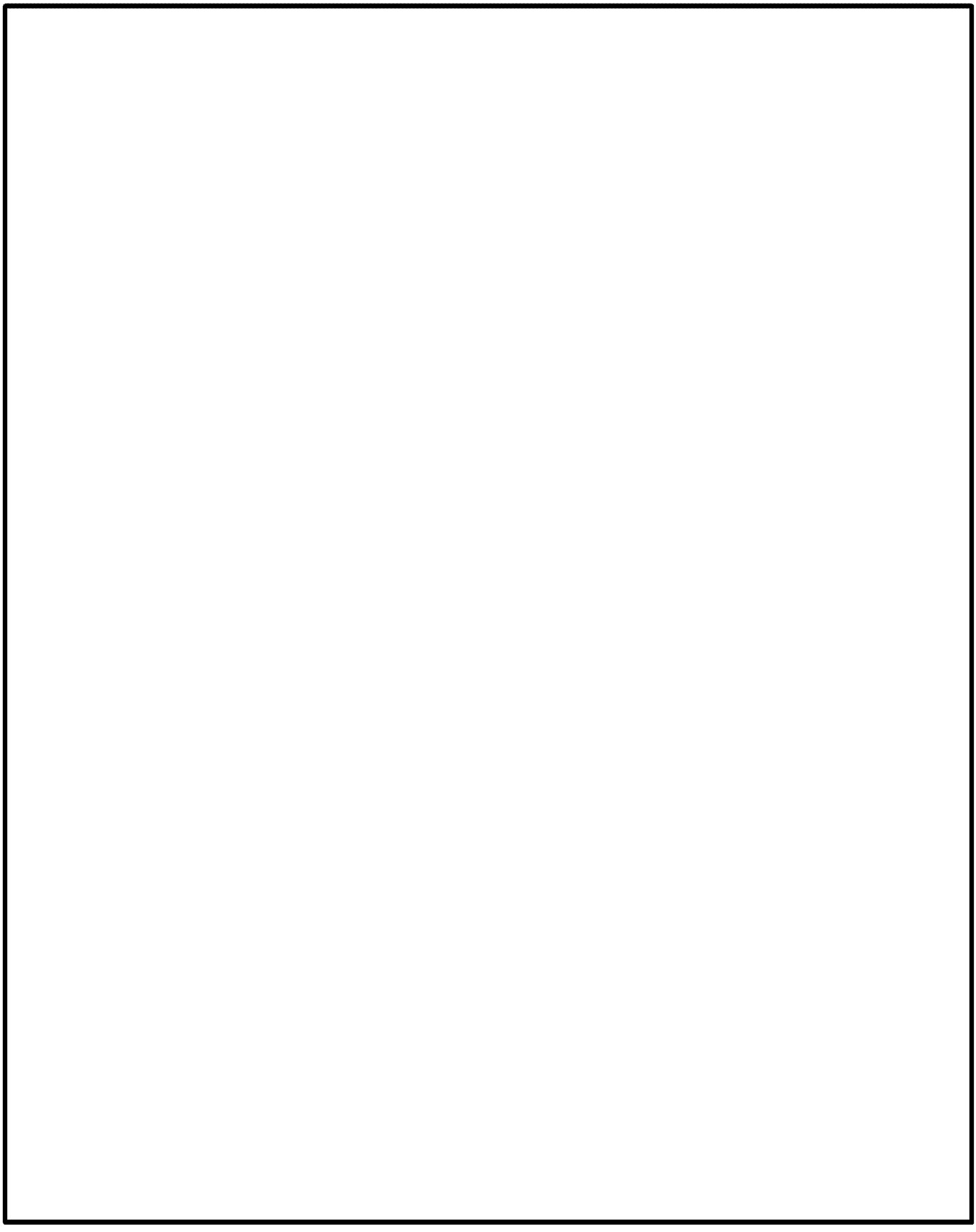
[redacted]

Issue #2: Evidence and Analysis Requested to Establish Eligibility; Reasonable Methodology: Evidence of Demand or Other Economic Factors that Demonstrate an Economically Acceptable Relationship Between the Investment and the Jobs Created by the Investment.

[redacted]

(b)(4)

(b)(4)



(b)(4)

Issue #3: Regional Center's Operational Plan [8 CFR 204.6(m)(3)(iii) and 8 CFR 204.6(m)(6)]

A Regional Center proposal should have at least two business plans. One for the Regional Center's Operational Plan and an actual or exemplar business plan for a project in each of the defined target industries in the proposal.

Issue#4: Administrative Oversight [8 CFR 204.6(m)(6)]

(b)(4)

Note: 8 CFR 204.6(m)(6) requires that an approved Regional Center must continue to meet the statutory requirements of the Pilot Program. Please note that commencing with fiscal year 2011 (October 1, 2010 – September 30, 2011), each approved Regional Center must comply with the Form I-924A Supplement reporting requirements.

Issue#5: Review of the Commercial Enterprise's Organizational Documents

A Regional Center may provide documentation for USCIS to review for EB-5 compliance within a Regional Center proposal, to include: (b)(4)

[redacted]

Issue #6: Regional Center Request for Approval of an Exemplar I-526 Project

[redacted]

A. Business Plans (b)(4)

All regional center proposals should include a business plan to demonstrate job creation for EB-5 purposes.

In Matter of Ho, 22 I. & N. Dec. 206, Assoc. Comm'r 1998, the Administrative Appeals Office held that a "comprehensive business plan as contemplated by the regulations should contain, at a minimum, a description of the business, its products and/or services, and its objectives." Elaborating on the contents of an acceptable business plan, the decision states the following:

> "The plan should contain a market analysis, including the names of competing businesses and their relative strengths and weaknesses, a comparison of the competition's products and pricing structures, and a description of the target market/prospective customers of the

> new commercial enterprise. The plan should list the required permits and licenses obtained. If applicable, it should describe the manufacturing or production process, the materials required, and the supply sources. The plan should detail any contracts executed for the supply of materials and/or the distribution of products. It should discuss the marketing strategy of the business, including pricing, advertising, and servicing. The plan should set forth the business's organizational structure and its personnel's experience. It should explain the business's staffing requirements and contain a timetable for hiring, as well as job descriptions for all positions. It should contain sales, cost, and income projections and detail the bases therefor. Most importantly, the business plan must be credible."

Further, a "comprehensive business plan" will demonstrate that "due to the nature and projected size of the new commercial enterprise, the need for not fewer than ten (10) qualifying employees will result, including approximate dates, within the two years subsequent to the filing of the I-526, and when such employees will be hired." To be considered "comprehensive," a business plan must be sufficiently detailed to permit the Service to reasonably conclude that the enterprise has the potential to meet the job-creation requirements.

B. Examples of Projects

Business plans may generally be reviewed in conjunction with a Form I-924 application as one of the following three types of projects:

1. **Hypothetical Project:** A hypothetical project is a project used to demonstrate how an actual investment project will be capitalized and operated in a manner that will create at least 10 direct or indirect jobs per alien investor for a particular industry segment. Although only proposals, hypothetical projects must still show credible job creation and economic impact projections in order to meet the requirements of a regional center, i.e. how the regional center will create jobs in verifiable details utilizing reasonable economic methodologies.

2. **Actual Project:** An actual project describes genuine projects that will be the focus of EB-5 capital investments throughout the regional center in each of the NAICS industry categories in order to meet job creation requirements. Although real and intended, an "actual" project may meet the requirements of a regional center, but may still not be ready to meet established EB-5 eligibility requirements.

3. **Actual Project supported by an Exemplar Form I-526:** This type of project is an actual project that the applicant feels certain will meet established EB-5 eligibility requirements and is Matter of Ho compliant as seen above. Generally, this would be a project that has advanced to the stage where work may begin immediately upon approval of the project. It requires the filing of a Form I-526, Immigrant Petition by Alien Entrepreneur, with all supporting documentation to determine

if it is in compliance with established EB-5 eligibility requirements. If approved, an exemplar I-526 project will be included in the I-924 Regional Center approval notice by name.

If the business plan submitted with any subsequently filed individual immigrant investors' Form I-526's is the same as what was submitted with this Form I-924, USCIS will give deference to the business plan and the economic analysis that derived the job creation estimates. However, it should be noted that if the business plan and/or the economic analysis is changed at the time of filing an I-526, USCIS will review the new business plan and/or economic analysis to determine if it qualifies, as this would be a change to what is being approved within this Form I-924.

C. Clarification of the Applicant's Proposed Project

Please clarify at this time, if the applicant wishes the project described in the application to be considered as a "hypothetical" project, an "actual" project, or as an "an actual project supported by an exemplar Form I-526.".

If the applicant wishes to have their project(s) considered as a "hypothetical" or "actual" project, individual I-526 petitions may be filed at a later date with more details required at that time concerning the project if the I-924 is approved. Or, the applicant may file an I-924 Amendment after receiving regional center designation, requesting USCIS review and approval of an exemplar I-526 project that is Matter of Ho compliant.

If, however, the applicant is seeking USCIS review and approval of the current project as an "an actual project supported by an exemplar Form I-526", a completed Form I-526, is required. Also, the applicant must provide additional evidence of a comprehensive business plan in order to be Matter of Ho compliant.

If USCIS determines that the "actual project supported by an exemplar Form I-526" is not Matter of Ho compliant, but complies with the lesser standard similar to a "hypothetical" or "actual" project, the I-924 may be approved without including the project by name in the I-924 approval letter.

Please include one of the following two options in response to this request for evidence in order to clarify the type of project being requested for each business project presented in the I-924 proposal:

1. Please review the project as a "hypothetical" or "actual" project as it is not Matter of Ho compliant at this time. It is understood that the project will not be specifically named in the I-924 approval notice. It is also understood that either individual I-526 petitions or an I-924 Amendment with an exemplar I-526 will be filed at a later date with more details required at that time to comply with the Matter of Ho standards.

2. Please review the project as an "actual project supported by an exemplar Form I-526" that is Matter of Ho compliant. If approved, it is understood that the project will be mentioned by name in the I-924 approval notice. If USCIS determines that the project is not Matter of Ho compliant, but

complies with the lesser standard similar to a "hypothetical" or "actual" project, it is understood that the I-924 may be approved without mentioning the project by name in the I-924 approval letter.

D. Review of the Actual Project Supported by an Exemplar Form I-526 for Matter of Ho Compliance.

If the project(s) is to be reviewed as an "actual project supported by an exemplar Form I-526" please provide a Form I-526, Immigrant Petition by Alien Entrepreneur, with all supporting documentation in order to determine if the project is in compliance with EB-5 eligibility requirements; and a comprehensive business plan that establishes EB-5 compliance pursuant to Matter of Ho.

USCIS has reviewed the business plan submitted with regional center proposal and observed that the business plan is not EB-5 compliant pursuant to Matter of Ho. As such, please provide the following narrative and documentary evidence to establish that the business plan is EB-5 compliant pursuant to Matter of Ho. In this respect, the business plan must show that the job creating entity is at the stage where work is immediately ready to begin. It appears that the Operational Business Plan provided did not establish that the four proposed projects are Matter of Ho compliant. The following information is needed if any of the proposed projects are to be considered as "an actual project supported by an exemplar I-526."

1. **Market Analysis**

   a. *Competing Businesses:* Provide the names of competing businesses and their relative strengths and weaknesses.
   b. *Products and Pricing Structure:* Provide a comparison of the competition's products and pricing structures.
   c. *Target:* Provide a description of the target market/prospective customers of the new commercial enterprise.

2. **Permits and Licenses**
   a. Provide evidence that the appropriate permits and licenses have been obtained in order to begin work on the project.
   b. Building projects – provide evidence that all necessary building permits have been obtained including any Environmental Protection Agency permits necessary to immediately begin construction. (Examples: Water, sewage, wastewater, and health department permits.)
   c. Provide evidence of agreements entered into with other companies to provide marketing, goods, or services for the job creating entity.

   NOTE: If providing the permits would require the submission of scores, hundreds, or thousands of pages of documents, then just provide a letter from the appropriate city, county, state, or federal agency that confirms the permits have been issued.

3. **Marketing and Strategy of the Business**

a. *Pricing*: Provide additional discussion of the pricing strategy for the products to be sold by the proposed project.
b. *Advertising*: Provide an explanation of the new commercial enterprise's advertising strategy.
c. *Servicing*: Explain the new commercial enterprise's servicing strategy.

4. **Business Organization**

a. *Location*: Indicate the exact location of the job creating entity. Evidence to establish the location of the job creating enterprise may include but is not limited to: corporate documents, leases, power and water bills, etc.
b. *Structure*: Describe the new commercial enterprise's business organizational structure.

5. **Staffing**

a. *Requirements*: Explain the job creating business's staffing requirements.
b. *Timetable*: Provide a timetable for the hiring of the job creating entity's staff.
c. *Descriptions*: Provide job descriptions for all positions with the job creating entity. Be sure to indicate the management structure of the job creating enterprise.

6. **Projections**

a. *Commitments*: The Operational Business Plan includes a list of the total costs for the projects and the projected EB-5 funds. For projected non-EB-5 funds that will be used, provide a secure commitments from the non-EB-5 investors (Examples: contracts, bonds, loans, confirmation from the lender, other sources, etc.)
b. *Expenditures*: Provide clear and verifiable projections for expenditures to be applied to the new job creating entity.
c. *Infusion of EB-5 Capital*: Indicate the following:

i. Is capital infusion based upon equity, loans, or both?
ii. Provide actual dates or a detailed explanation of the infusion of EB-5 capital into the job creating enterprise in relation to expected job creation within 2 years of the start of the project.

- Indicate if there are EB-5 groups in LPs assigned to phases of the project.
- Indicate if any of these funds are used as a bridge loan. If yes, indicate the total number of employees prior to the infusion of the EB-5 funds.

d. *Goals*: Provide a timetable of actual dates or projected milestones and the ultimate completion of the project for implementation of project goals, (e.g., acquisition of permits, buildings, etc.)

e. Sales: Provide sales projections for the new job creating enterprise. Submit details regarding the sources and /or derivation of the input data being used and the methodological steps taken so that USCIS can be confident that they are derived from reliable sources using reasonable assumptions.

f. Costs: Provide cost projections for the new job creating enterprise:
   i. Include costs of permits, reports and design fees, developer fees, finance fees, construction loan interest fees, and any other costs or fees for each project; and
   ii. Indicate where the money for these fees would come from.

g. Income: Provide income projections for the new job creating enterprise.

IV. Conclusion

At present, USCIS has determined that the record submitted does not establish eligibility for the benefit sought. Accordingly, USCIS is requesting evidence that addresses the issues outlined above. As required by regulation, the applicant must prove, by a preponderance of the evidence, in other words, that it is more likely than not, that the applicant is fully qualified for the benefit sought. Please note that USCIS will make a final decision based on the initial evidence submitted upon filing and after consideration of all additional evidence submitted in response to this request.

NOTES:

Any document submitted to the USCIS containing a foreign language, must be accompanied by a full English language translation that has been certified by the translator as complete and accurate, and that the translator is competent to translate from the foreign language into English. Submit clear and legible copies of all requested evidence. If clear and legible copies are not possible, submit the original documents. These originals will be returned, if requested.

Please provide an index of any submitted evidence and include corresponding tabs for each section of evidence.

Encore Raleigh/Durham Regional Center Application Index

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Law Office M. Ford
8004 Ashby Court
Plano, TX 75025
Tel: (972)712-5524
Markmford@aol.com

November 16, 2012

VIA FEDERAL EXPRESS (8684 1308 1070)

U.S. Citizenship & Immigration Services
California Service Center
Attn: EB-5 Regional Center Proposal
24000 Avila Road, 2nd Floor
Laguna Niguel, California 92677

RE: RCW-1201850576– Response to Request for Evidence REGIONAL CENTER PROPOSAL – INITIAL DESIGNATION Petitioner: ENC Raleigh/Durham, LLC

Dear Officer:

This enclosed response and support documents constitute the response of ERC Raleigh/Durham, LLC (ERDRC), (Petitioner), to the Request for Evidence (RFE) issued to the Petitioner by the Service dated September 18, 2012 (the "RFE").

Please note the following:

Timely Filed

The RFE required the Petitioner to submit its response to USCIS on or before December 11, 2012. Accordingly, this response is timely filed.

The Petitioner, Encore Raleigh/Durham Regional Center is providing hereafter a complete detailed analysis and response to each and every question/concern/issue raised in the RFE. Accordingly, the response is signed off by the Petitioner's President/C.E.O. Patrick Barber.

Should you have any questions or need any additional information, please contact M. Ford at Law Office of M. Ford or via e-mail at markmford@aol.com.

Sincerely,

M. Ford, Esq.

ENCORE RALEIGH/DURHAM REGIONAL CENTER

5005 LBJ FREEWAY, SUITE 1200 * DALLAS, TX 75244
PHONE: 214-259-7000 * FAX: 214-259-7001
WEBSITE: www.encore.bz

Executive Summary

Petitioner's response to the RFE is organized using the same headers used by the Service in the RFE (ie., Subject Matter Being Adjudicated).

(b)(4)

I. SUBJECT MATTER BEING ADJUDICATED

II. PROCEDURAL HISTORY AND BACKGROUND

The Petitioner originally used various NAICS codes, some of which were deemed invalid as determined by the Service. ERDRC has modified its NAICS codes and is now using only the following:

- NAICS 236220 – Construction of commercial buildings
- NAICS 541300 – Architectural and Engineering

All other NAICS codes originally submitted with the I-924 petition have been removed except for the above mentioned NAICS codes which remain in the RIMS model for job creation.

Evidentiary Requirements for Regional Center Proposals

(b)(4)

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III. ANALYSIS

Issue #1: Establishing that the Regional Center Creates Sufficient Number of Indirect Jobs, Based Upon a Reasonable Methodology; Title 8 C.F.R. Section 204.6(m)(3)

Section 610(c) of the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, as amended, allows aliens admitted under the pilot program described in this section to establish *reasonable methodologies* for determining the number of jobs created by the pilot program, including jobs which are estimated to have been created indirectly through revenues, improved regional productivity, job creation, or increased domestic capital investment resulting from the pilot program.

Title 8 C.F.R § 204.6(m)(3)(ii) requires that a Regional Center proposal must provide in verifiable detail how jobs will be created indirectly, while 8 C.F.R § 204.6(m)(3)(v) describes the analytical tools that the Regional Center must employ when making economic and job creation predictions.

The Service concludes that any business plan, hypothetical or actual, provided in support of a regional center proposal or amendment must contain sufficient specificity to provide valid and reasoned inputs into the economic model, if such a model is used to demonstrate job creation for EB-5 purposes.

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A. Business Plan Analysis

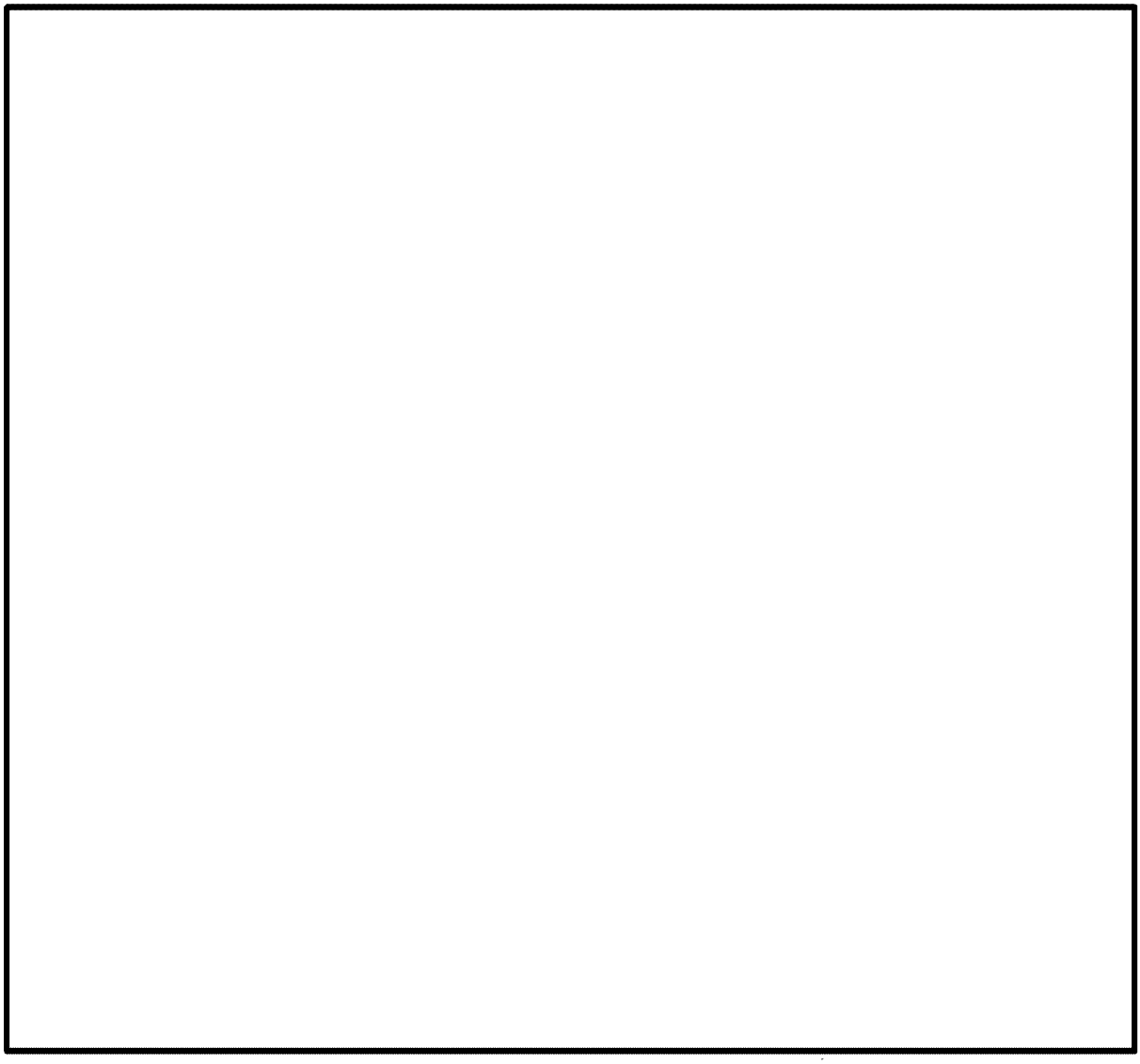
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Project 2: Grocery-Anchored Shopping Center

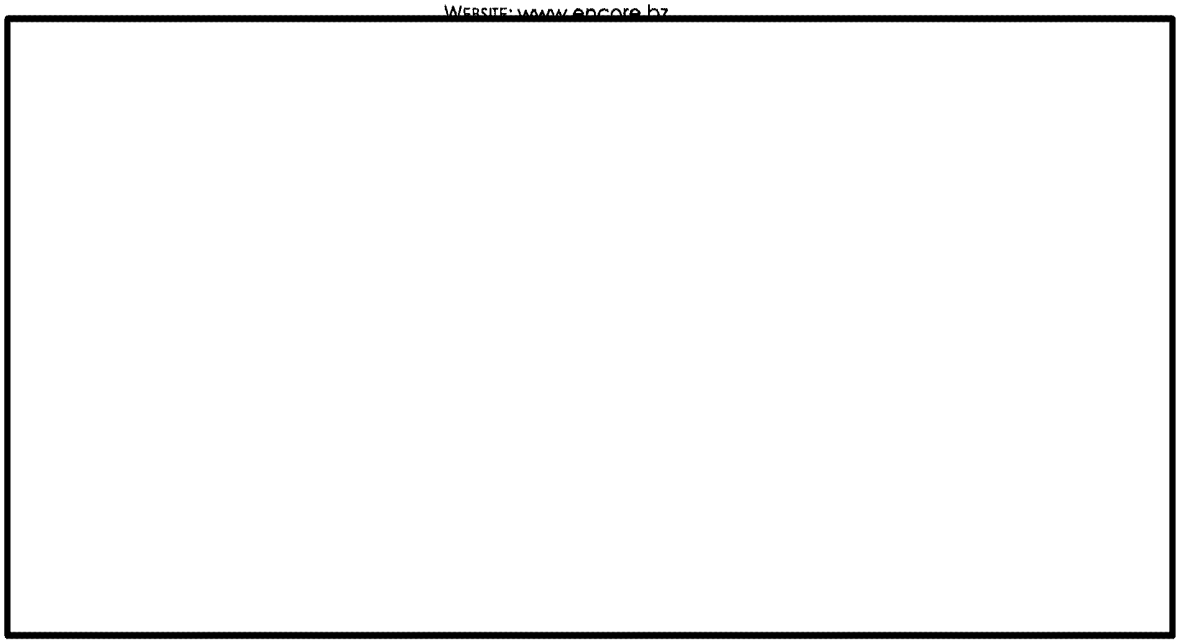


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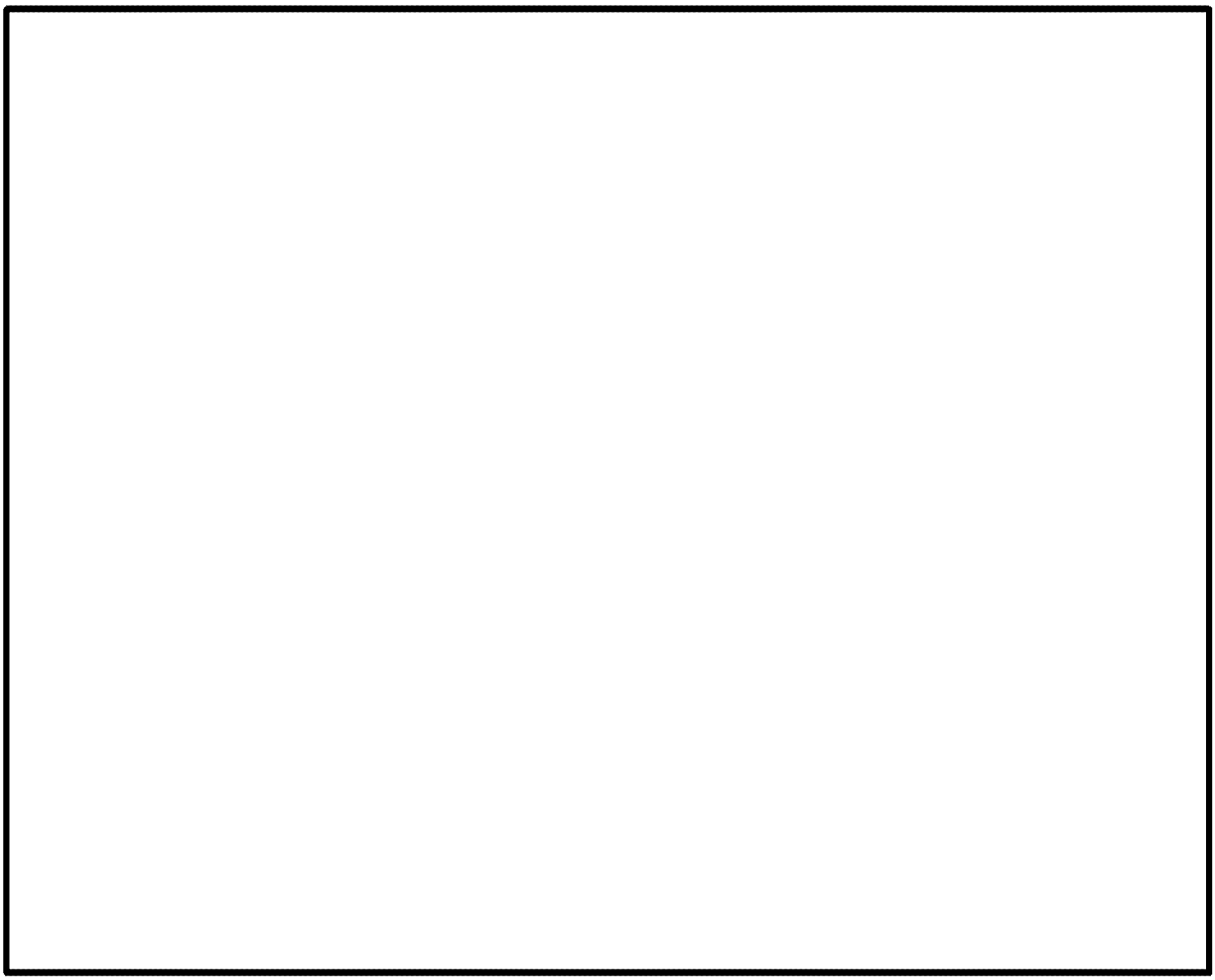
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Project 3: Limited-Service Hotel

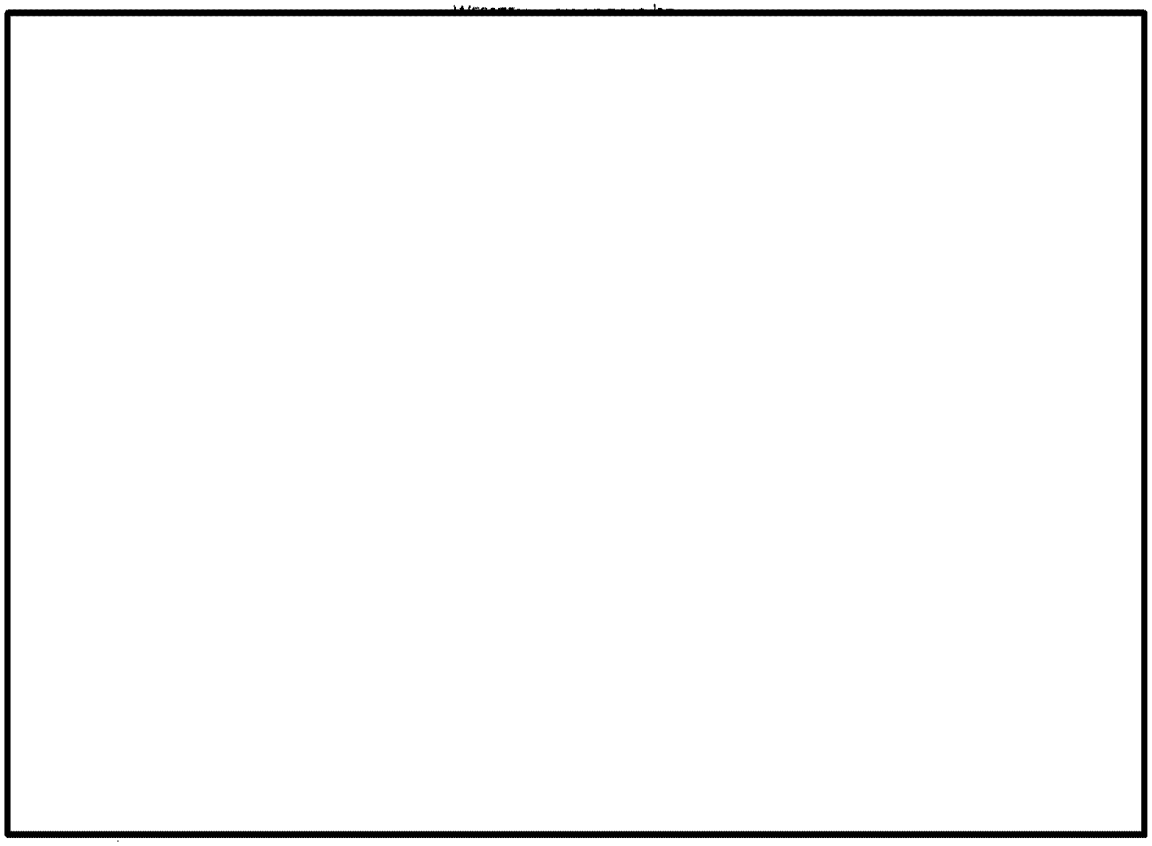


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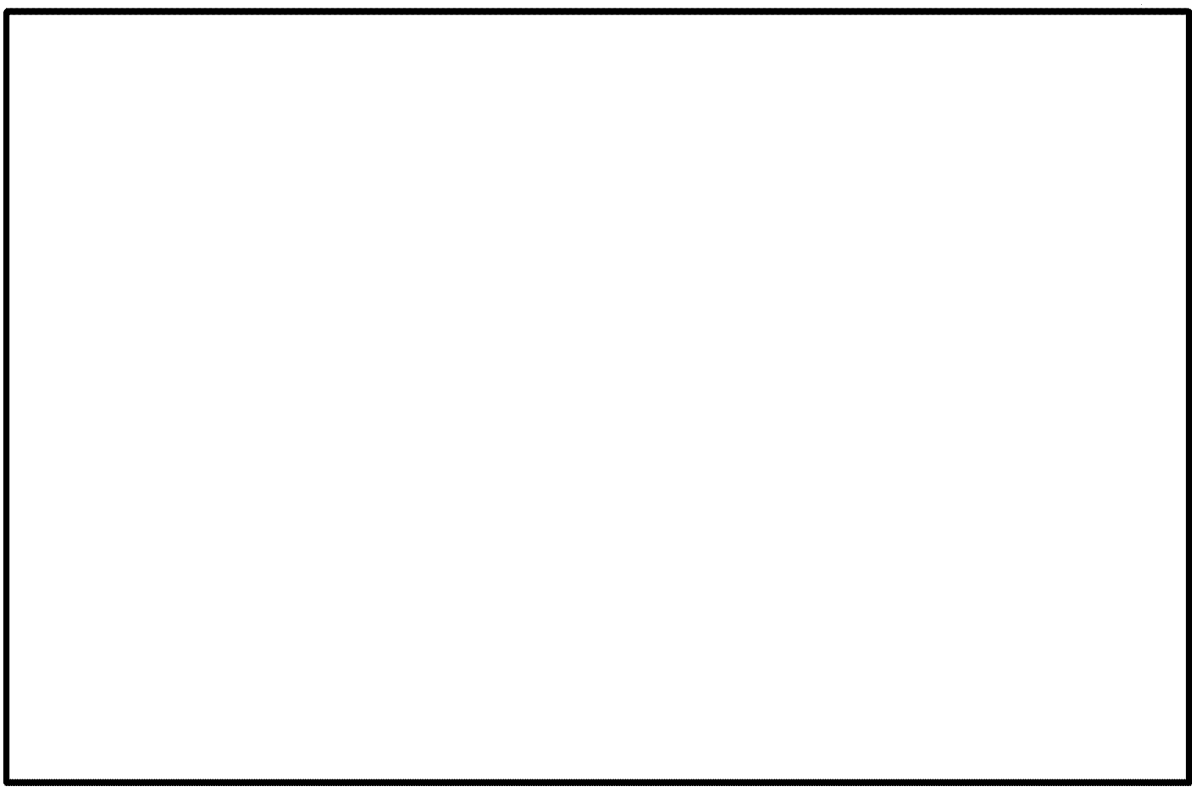
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Project 4: Apartment Community



(b)(4)

(b)(4)

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[redacted]

Project 4.

B. Economic Impact Analysis (dated 3/26/12)

The Service provides a table of all NAICS codes the Petitioner originally requested for approval along with the applicability of each NAICS code to the RIMS II model. The Petitioner has modified the NAICS codes utilized in the RIMS model to only include the following for the construction and predevelopment phases of each real estate project:

List of NAICS Codes Used in Model	
236220	Construction
541300	Architecture, engineering and related services

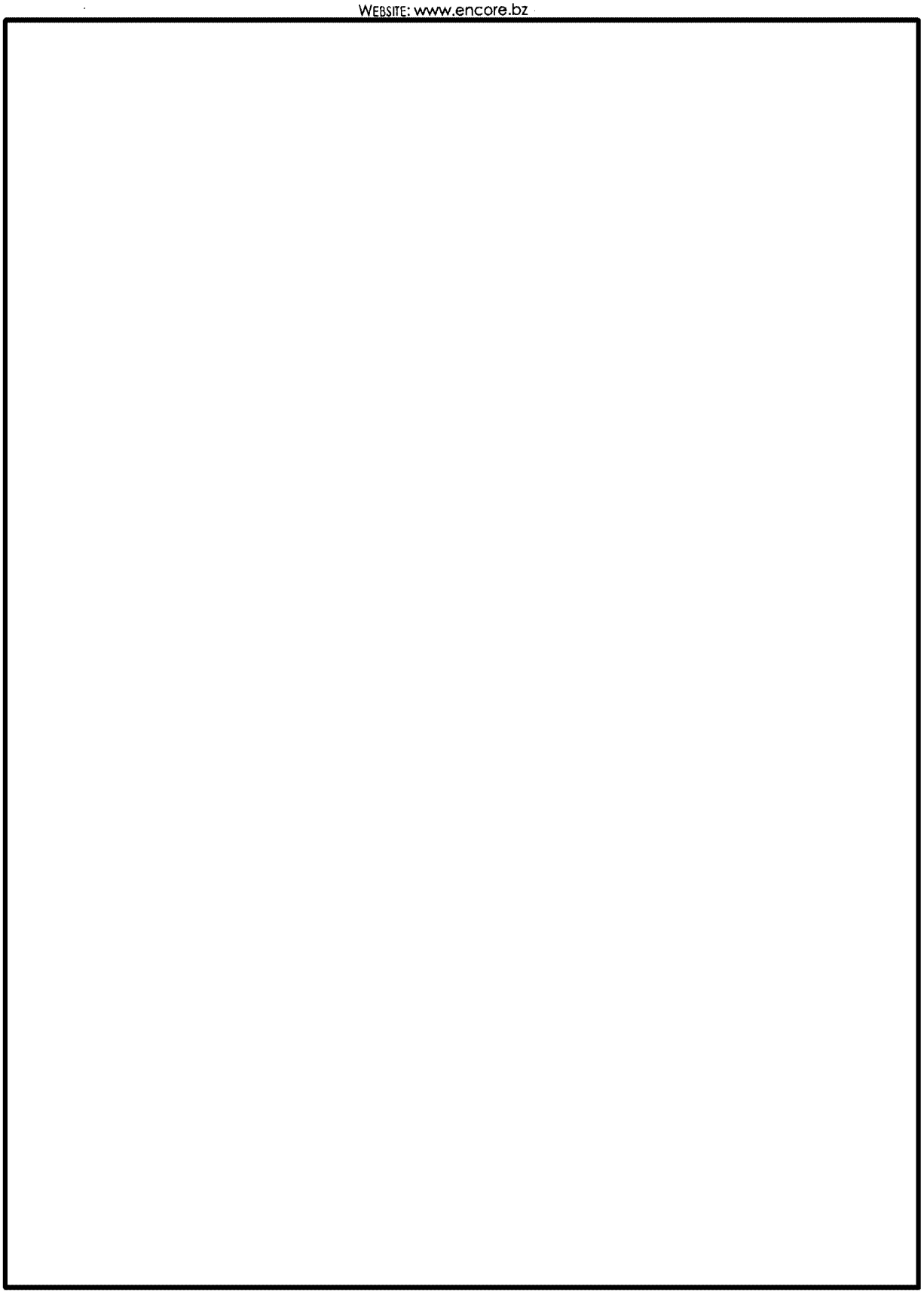
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ENCORE RALEIGH/DURHAM REGIONAL CENTER

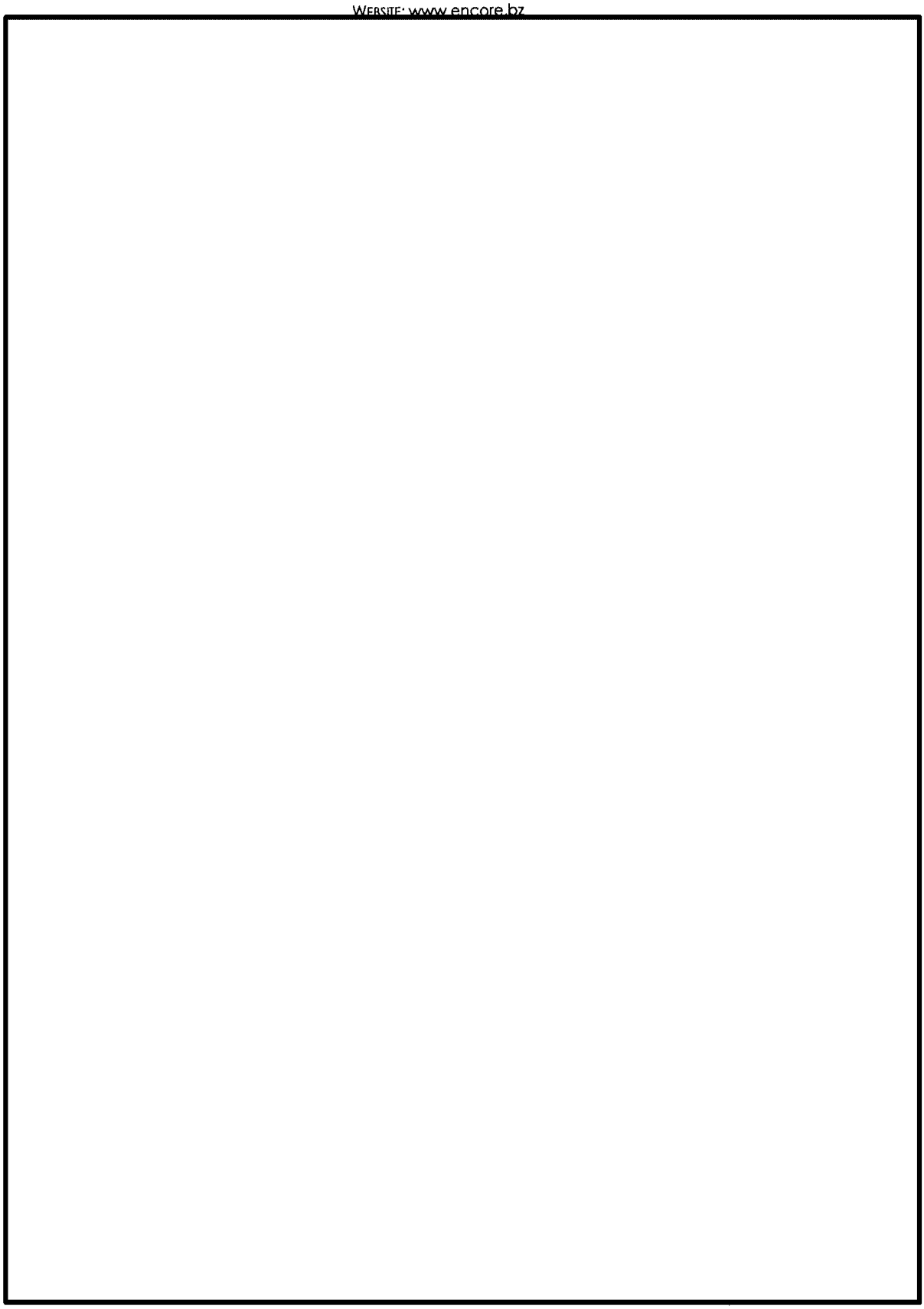
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Project 2: Grocery-Anchored Shopping Center

(b)(4)

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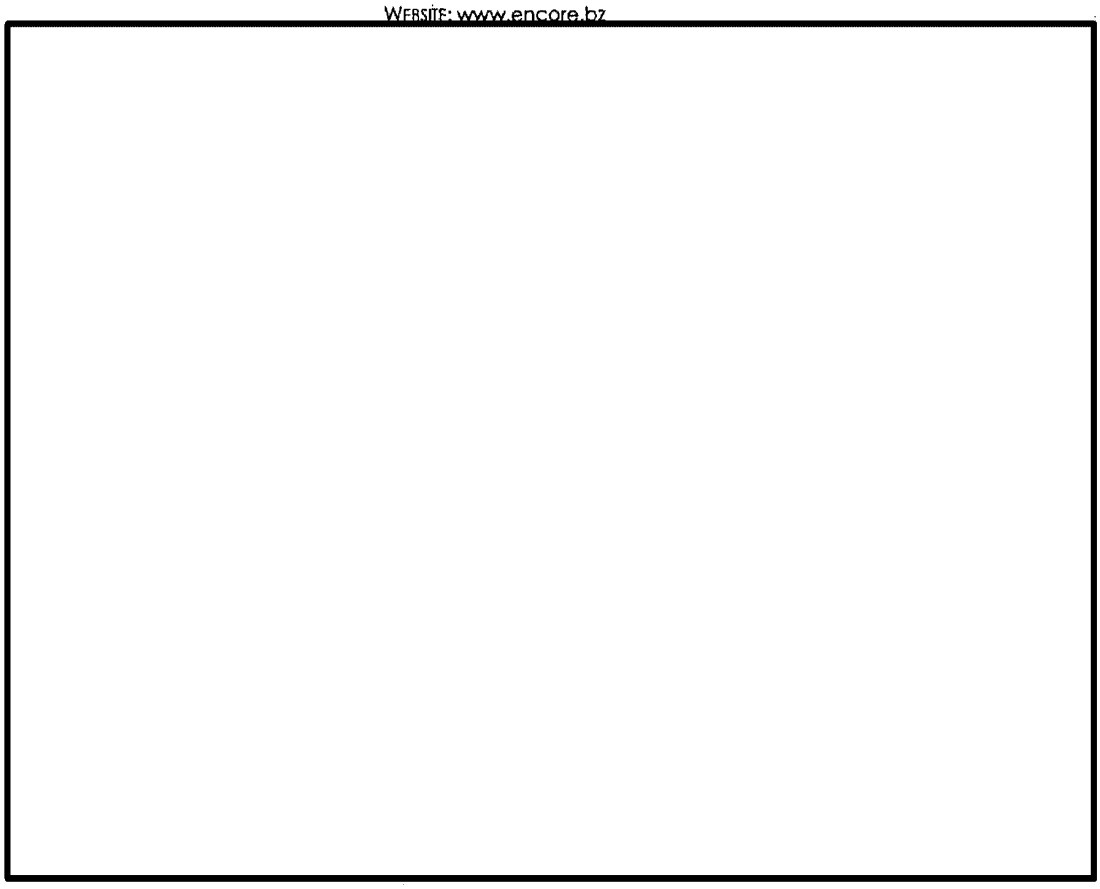
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Project 3: Limited-Service Hotel

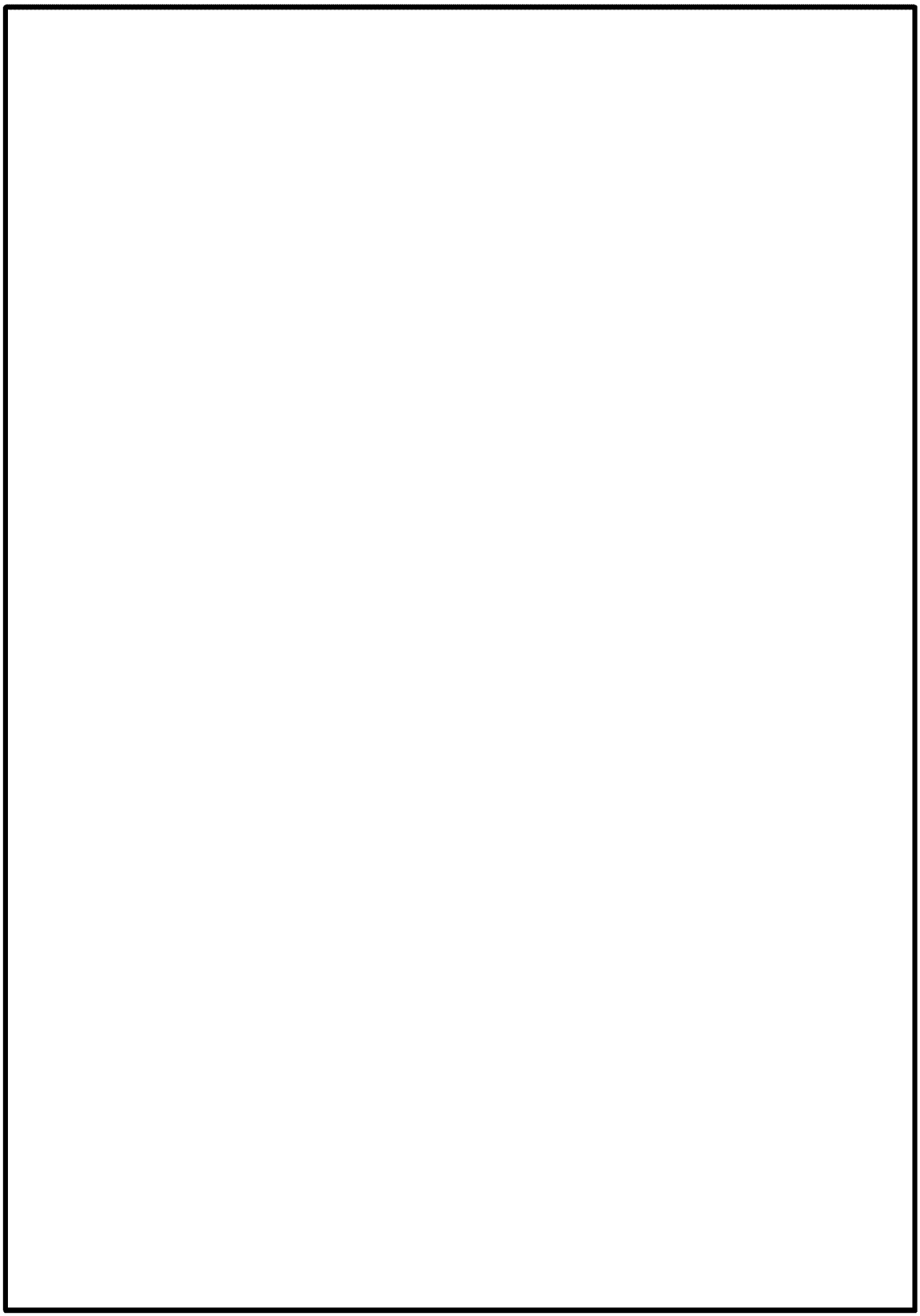


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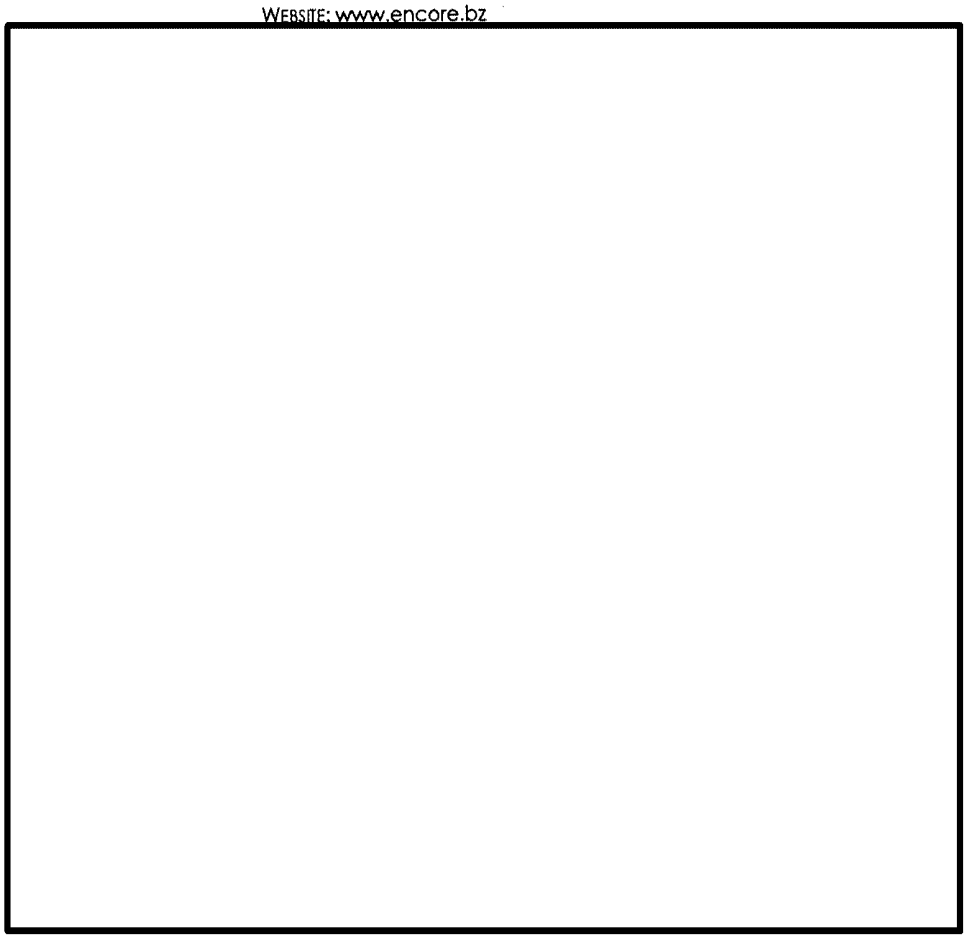


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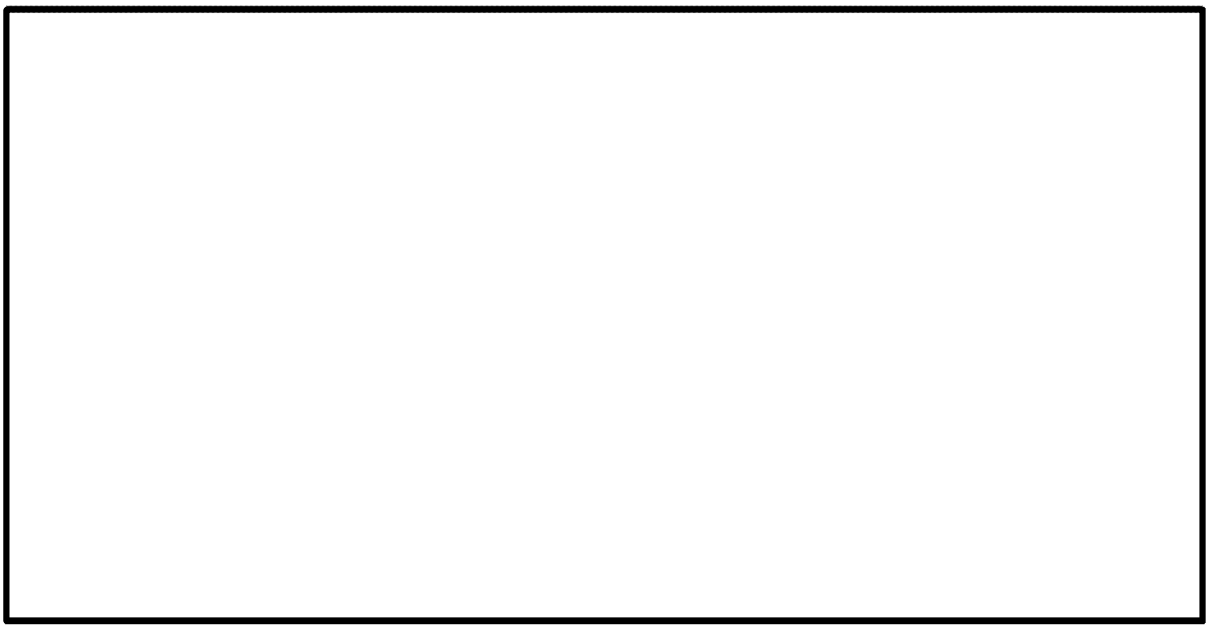
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[redacted]



Project 3: Multifamily Residential Community



(b)(4)

(b)(4)

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[redacted]

ISSUE #2 Evidence and Analysis Requested to Establish Eligibility; Reasonable Methodology; Evidence of Demand or Other Economic Factors that Demonstrate an Economically Acceptable Relationship Between the Investment and the Jobs Created by the Investment,

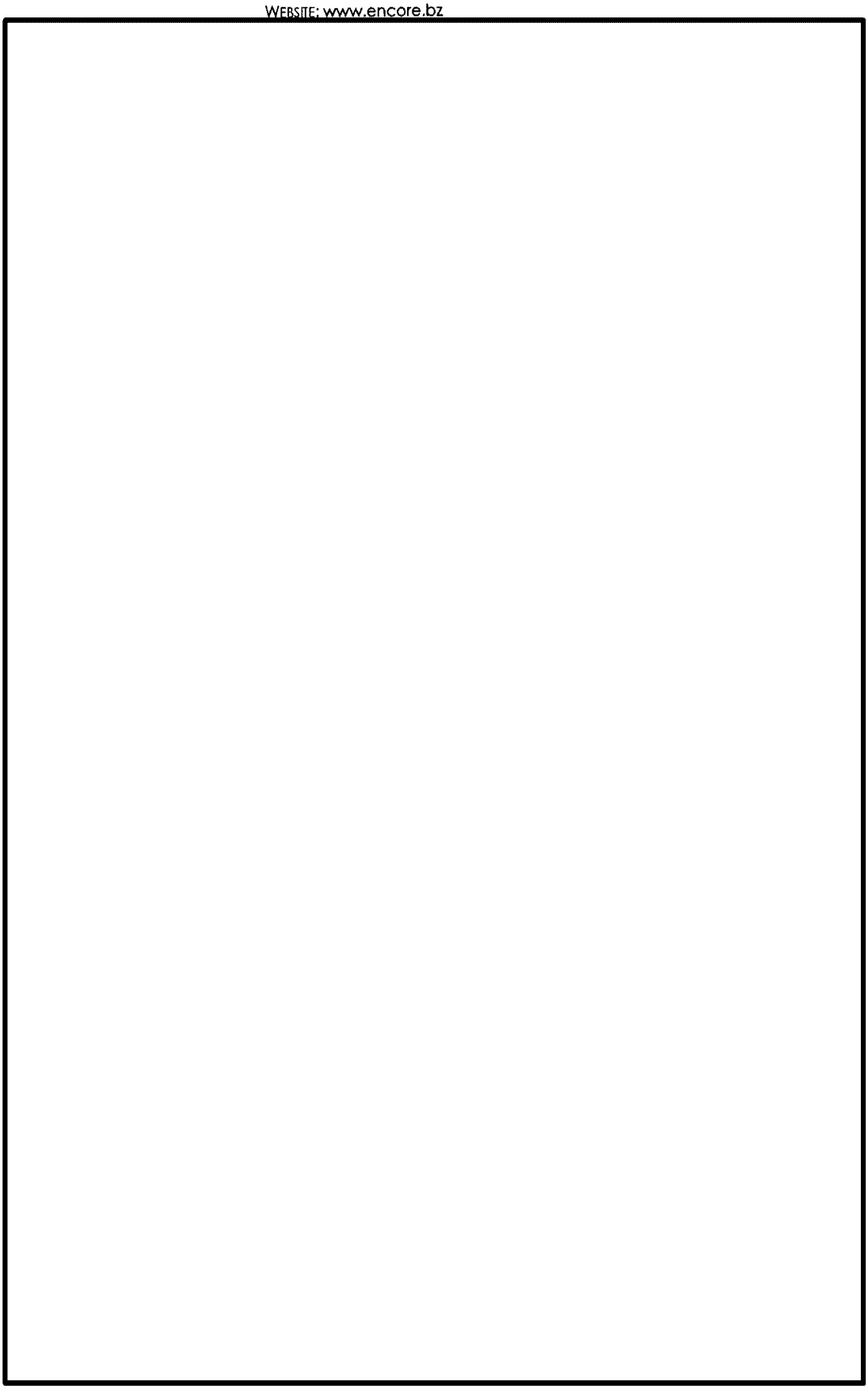
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ISSUE #3 Regional Center's Operational Plan [8 C.F.R. 204.6(m)(3)(iii) and 8 C.F.R. 204.6(m)(6)]

[redacted]

Issue #4 Administrative Oversight [8 C.F.R. 204.6(m)(6)]

[redacted]

(b)(4)

(b)(4)

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PHONE: 214-259-7000 * FAX: 214-259-7001
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Issue #5 Review of the Commercial Enterprise's Organizational Documents

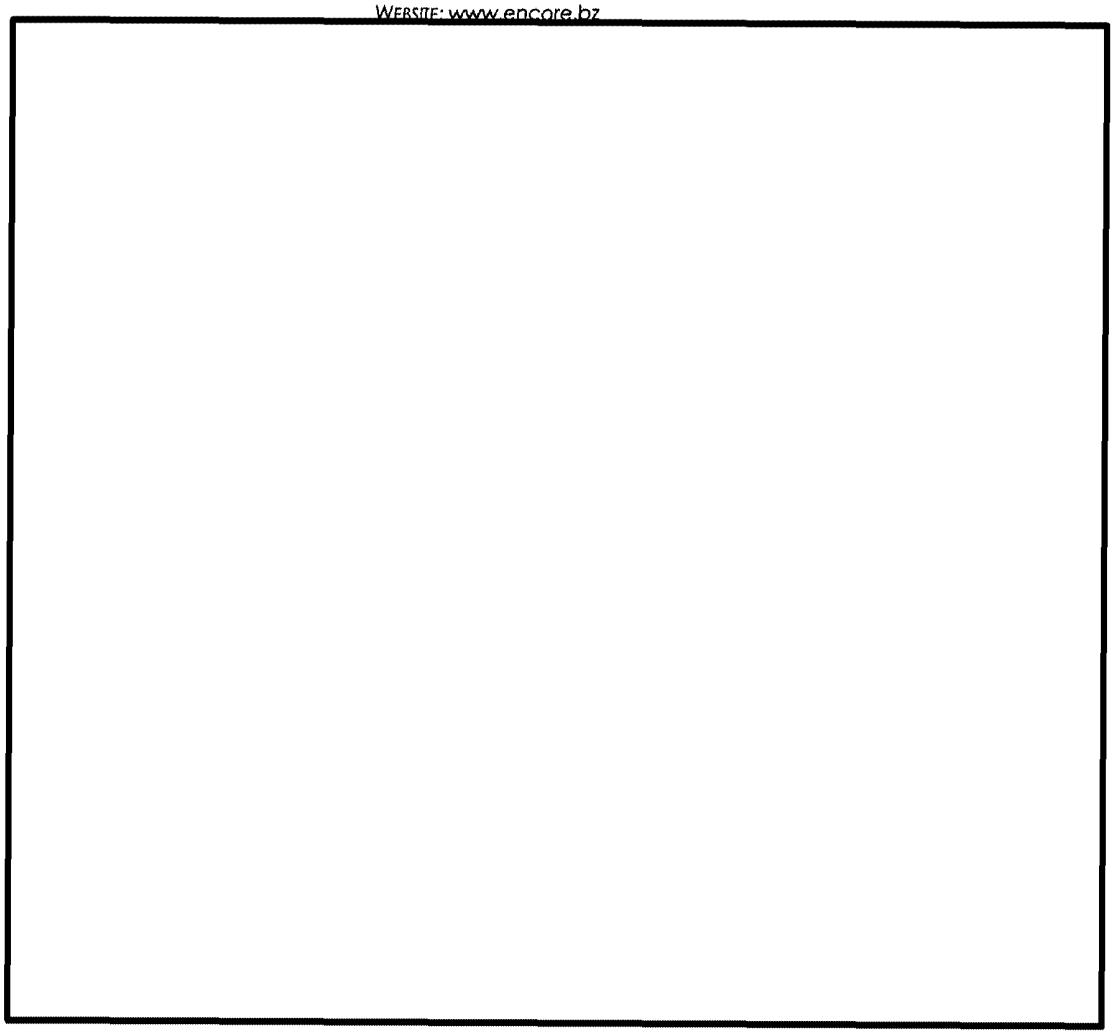
Issue #6 Regional Center Request for Approval of an Exemplar I-526 Project

(b)(4)

(b)(4)

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(b)(4)

III. CONCLUSION

Should you have any questions, kindly contact the undersigned.

Sincerely,

Patrick Barber
President & C.E.O.

cc: M. Ford, Esq.
Law Office M. Ford

Enclosures: (as stated in this text and enclosed Exhibit List)

ERC RALEIGH/DURHAM RC, LLC November 16, 2012

Response to USCIS RFE

EXHIBIT LIST

EXHIBIT A: RFE & Response Summary

EXHIBIT B: Regional Center Business Plan & Economic Analysis

EXHIBIT C: Four Hypothetical Project Business Plans

OPERATIONAL BUSINESS PLAN

ENCORE RALEIGH/DURHAM REGIONAL CENTER
c/o Encore Global Investment Management, LLC
5005 LBJ Freeway, Suite 1200
Dallas, Texas 75244
214.259.7000 (telephone)
214.259.7001 (fax)

ENCORE GLOBAL

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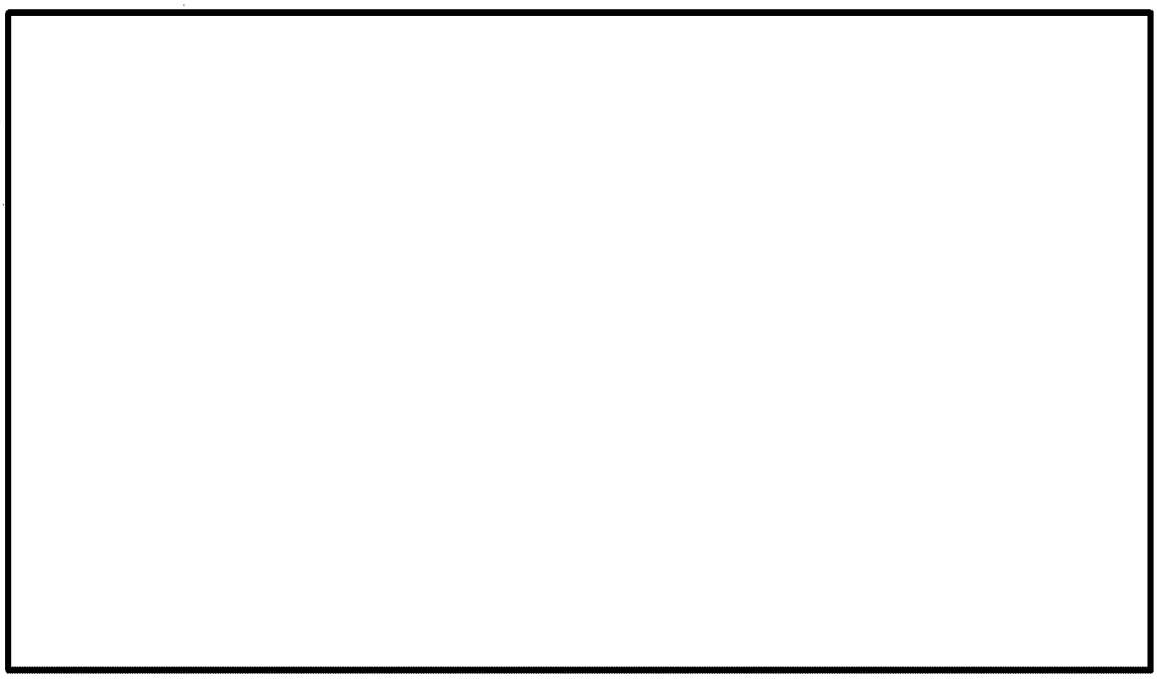
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EXECUTIVE SUMMARY

Overview

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ERDRC Structure



Operational Structure



(b)(4)

Figure 1: Regional Center Ownership Structure

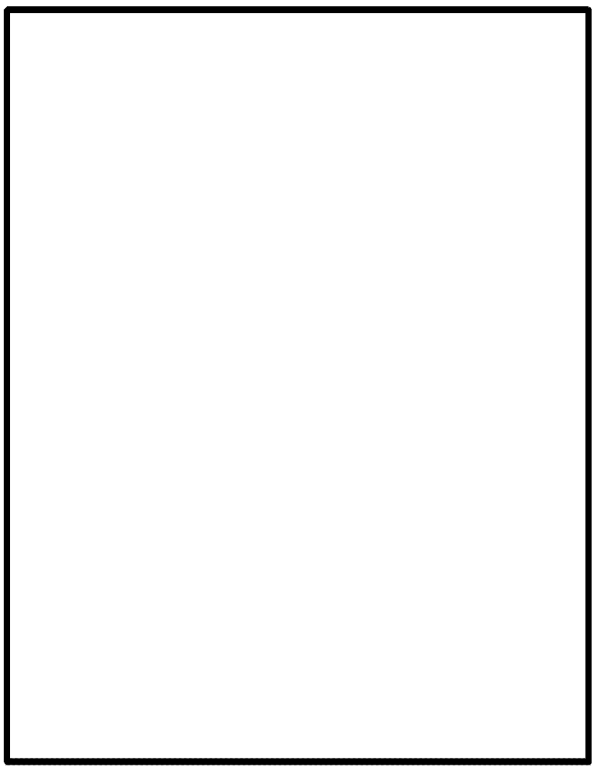


Figure 2: Initial and Prospective ERDRC Fund Structures



Investment and Job Creation Structure

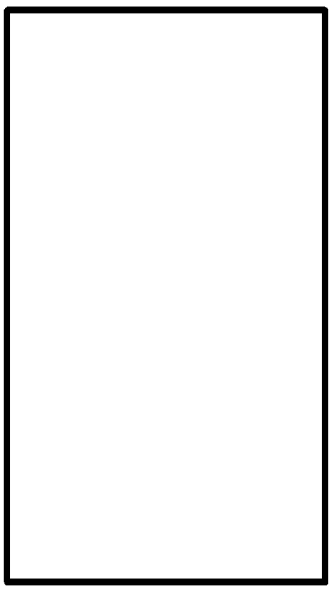




Figure 3: ERDRC Fund Job Creation Flowchart



Process Outline:



Commitment of Operational Capital



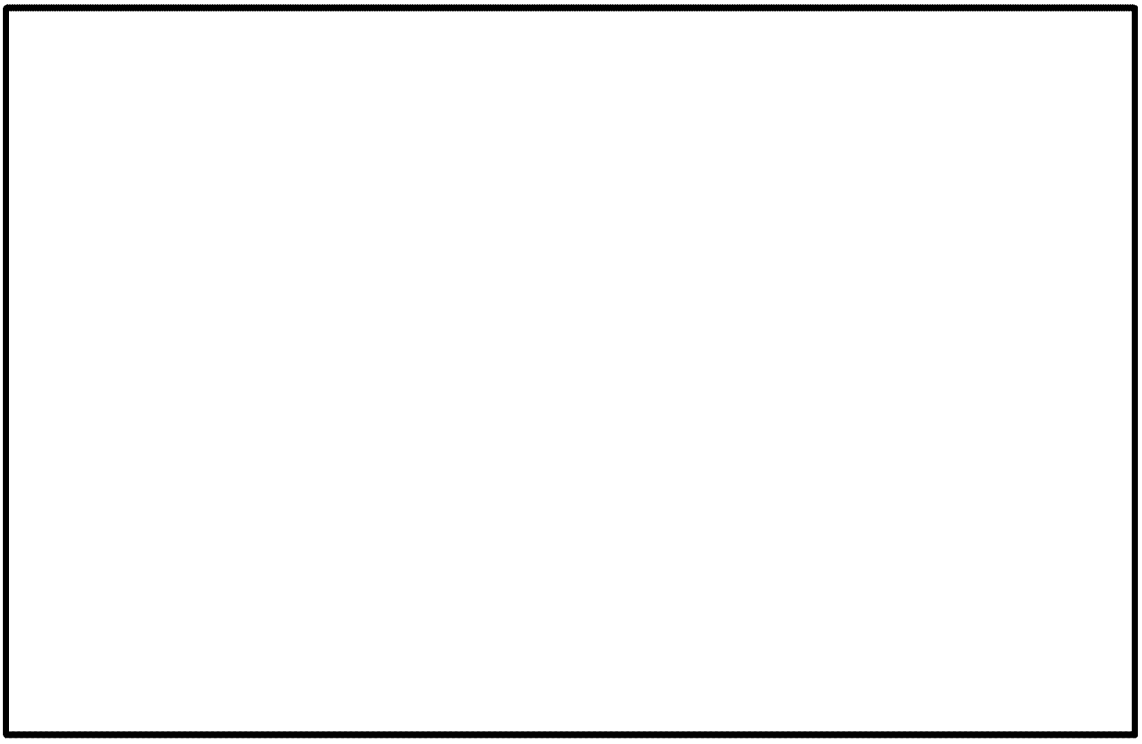
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The industry sectors for which ERDRC (the "***Industry Sectors***") is seeking authorization are set forth in detail in *Table 2* below:

Table 2. List of NAICS Codes Used in Model	
236220	Construction
541300	Architecture, engineering and related services

ERDRC Business Model Summary

ERDRC Economic Impact Summary



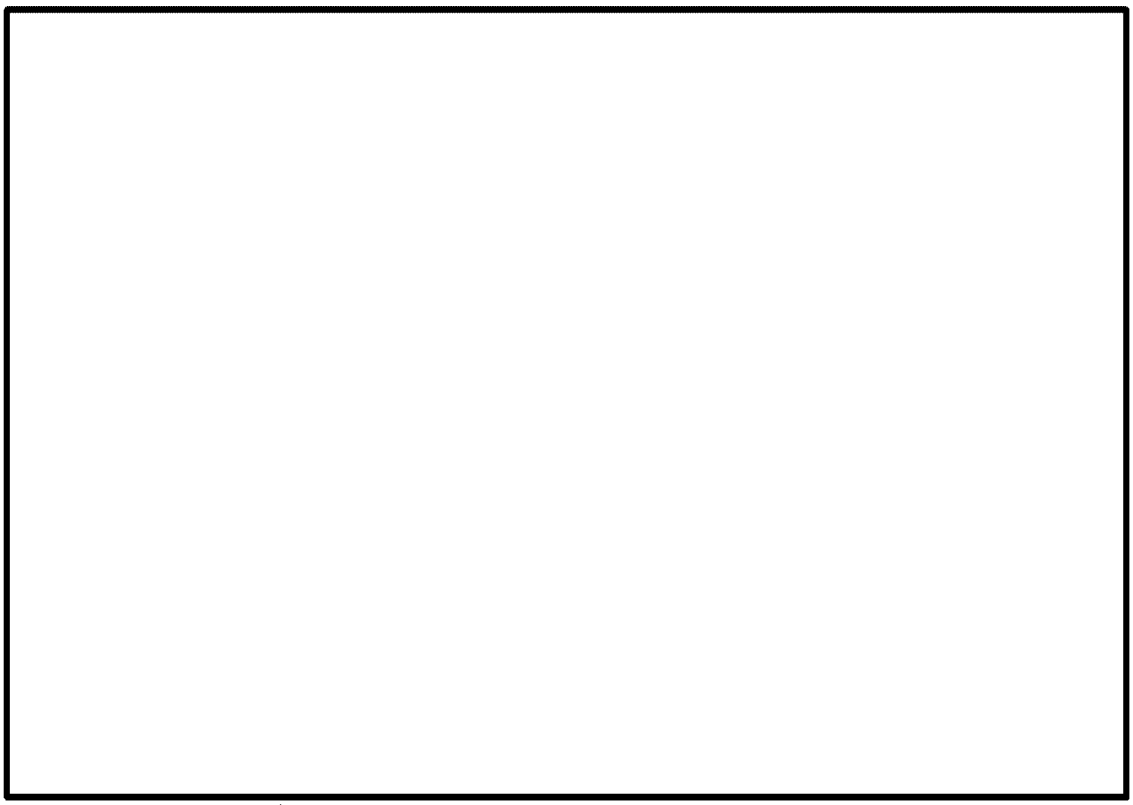
ERDRC Management Summary



ERDRC Business Model

Overview



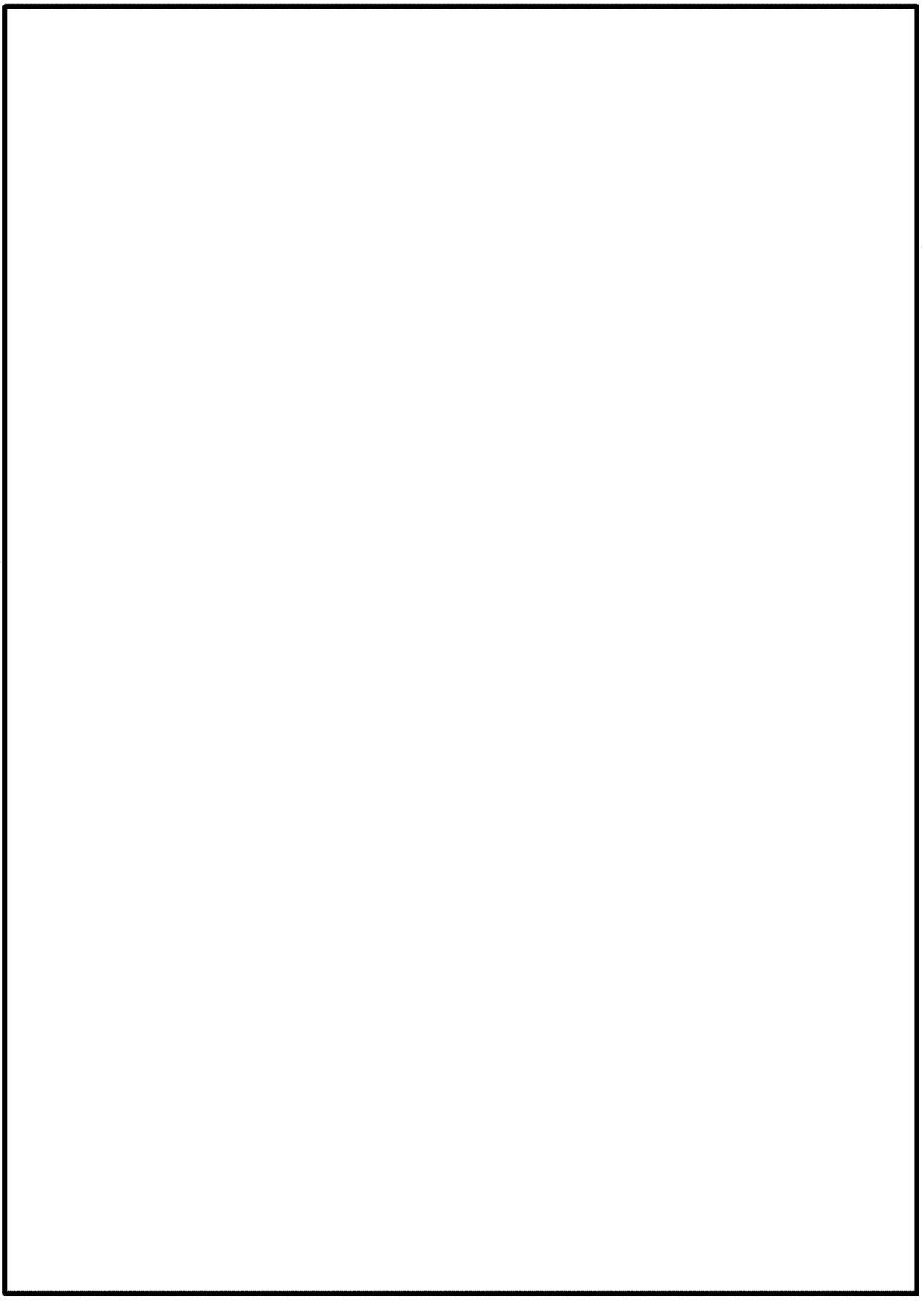


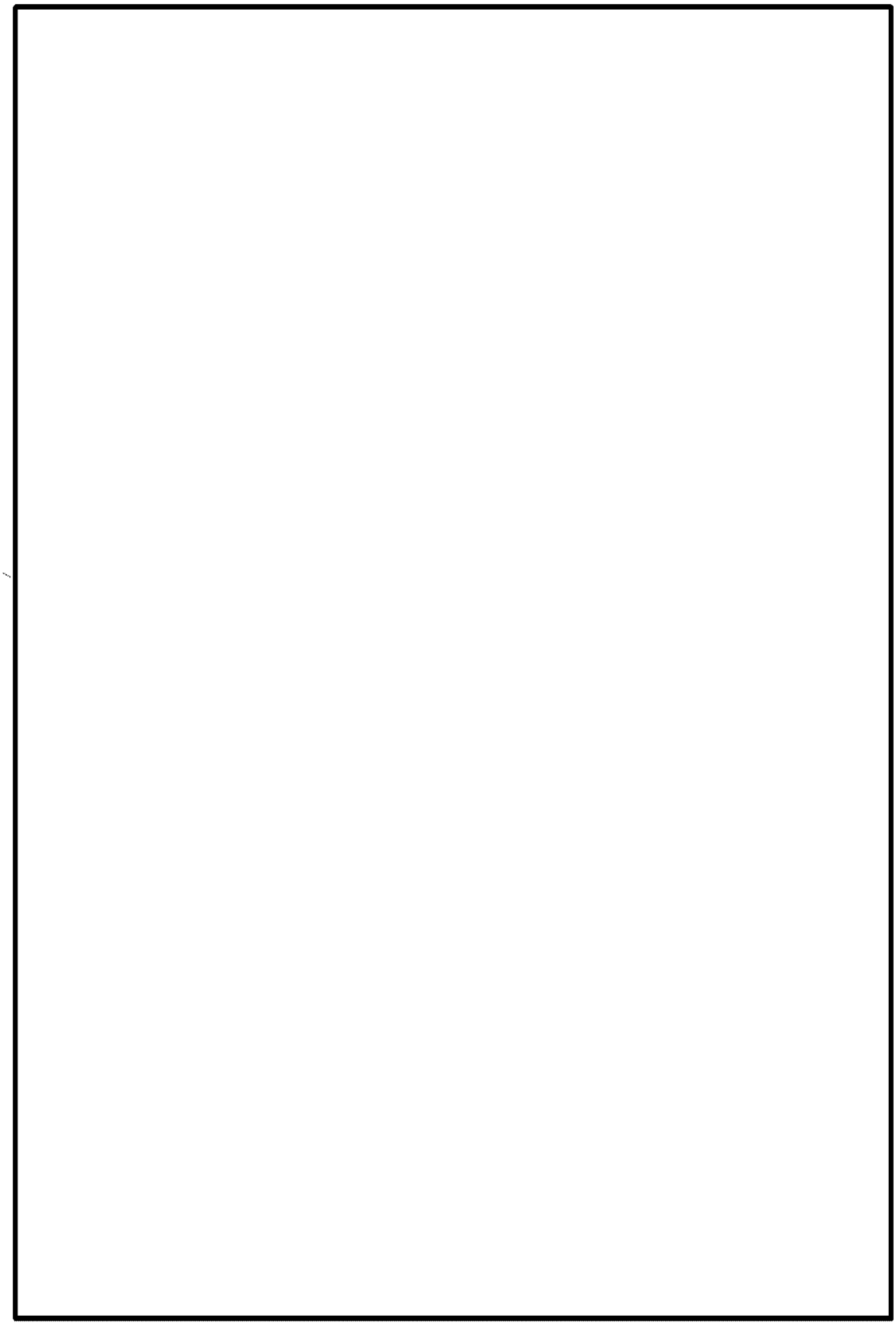
ERDRC Investment Strategy

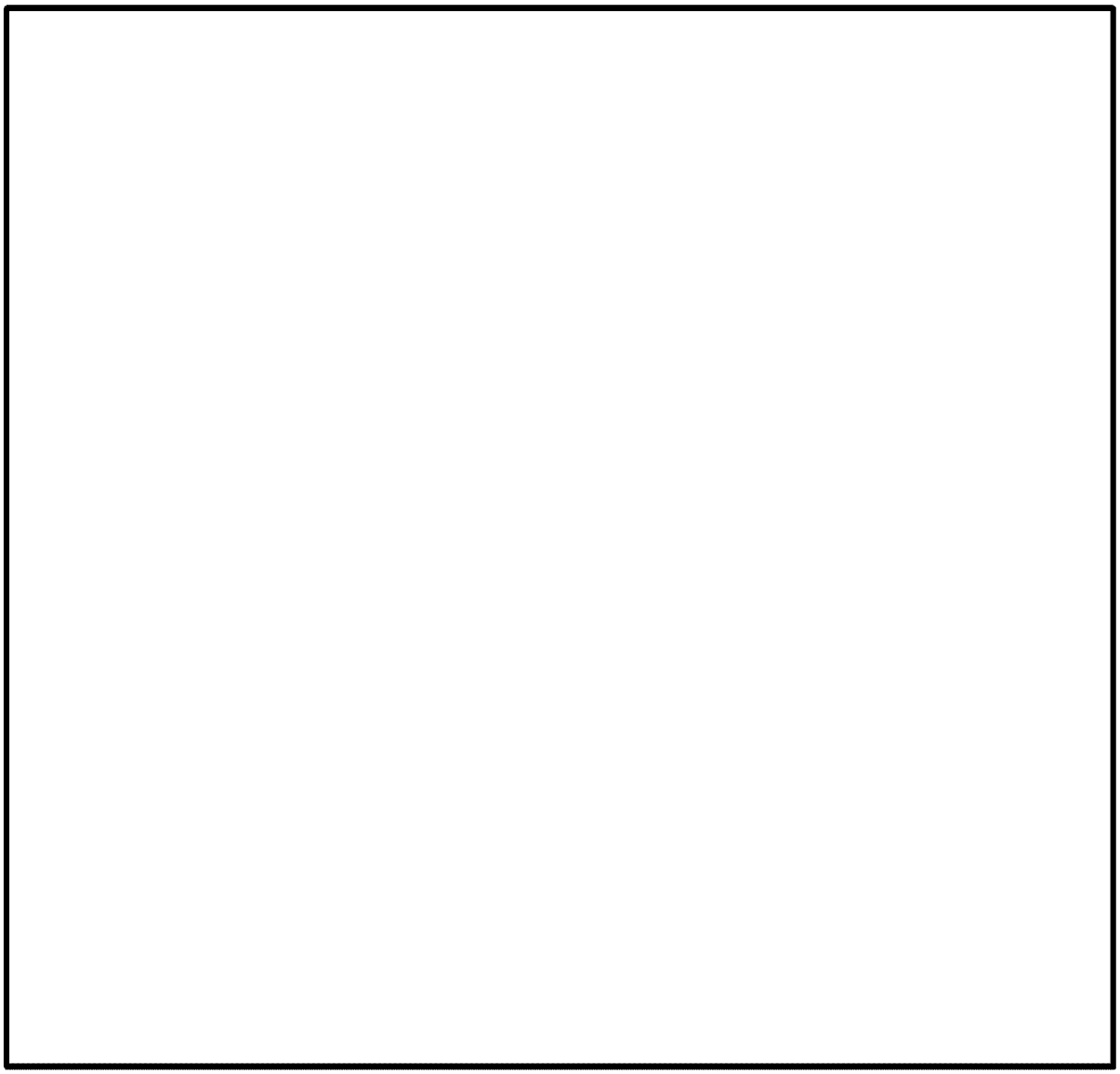
Primary Strategy

Asset Classes

Investor Relations / Annual Reporting Requirements to USCIS







Types of Capital Investments



Structure for EB-5 Investors



Projected Investment Volume

Summary of Investment Process and Fees



ERDRC ECONOMIC IMPACT ANALYSIS

Forecasted Results

Calculation Detail

Population

Household Summary

Housing Summary

Households by Income Summary



Population by Education Summary



Population by Employment Summary

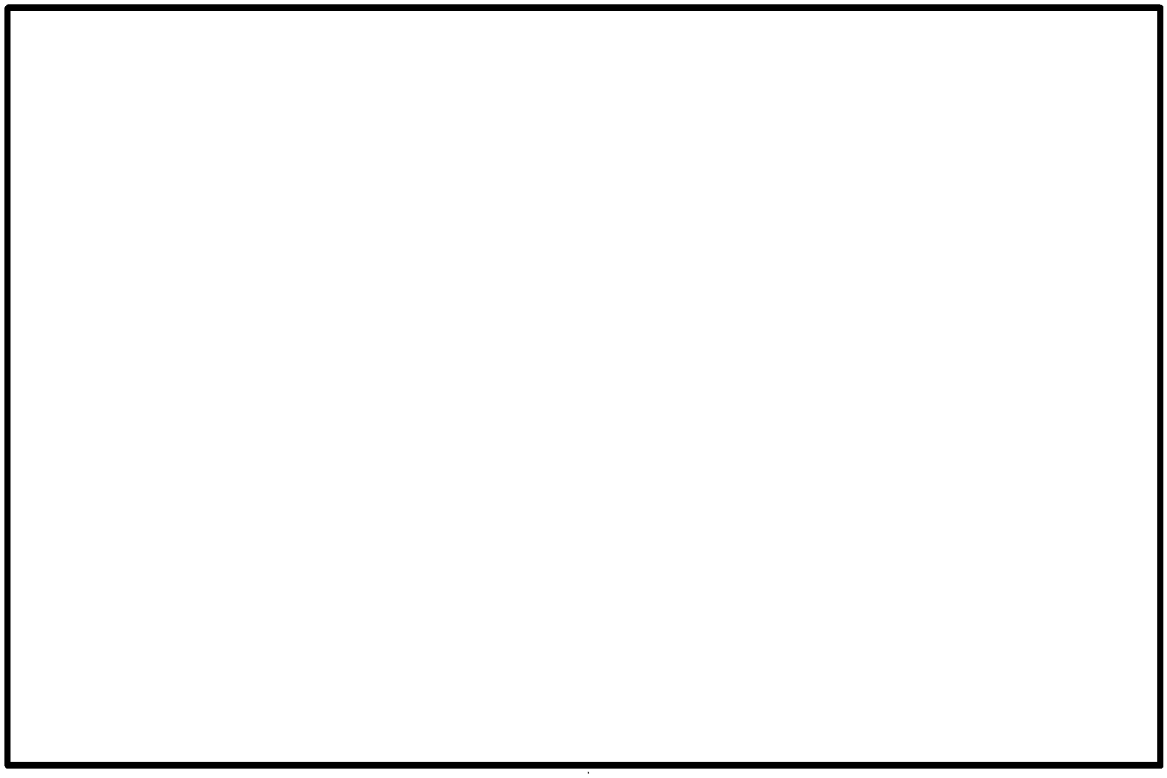


RIMS II Economic Forecast Model

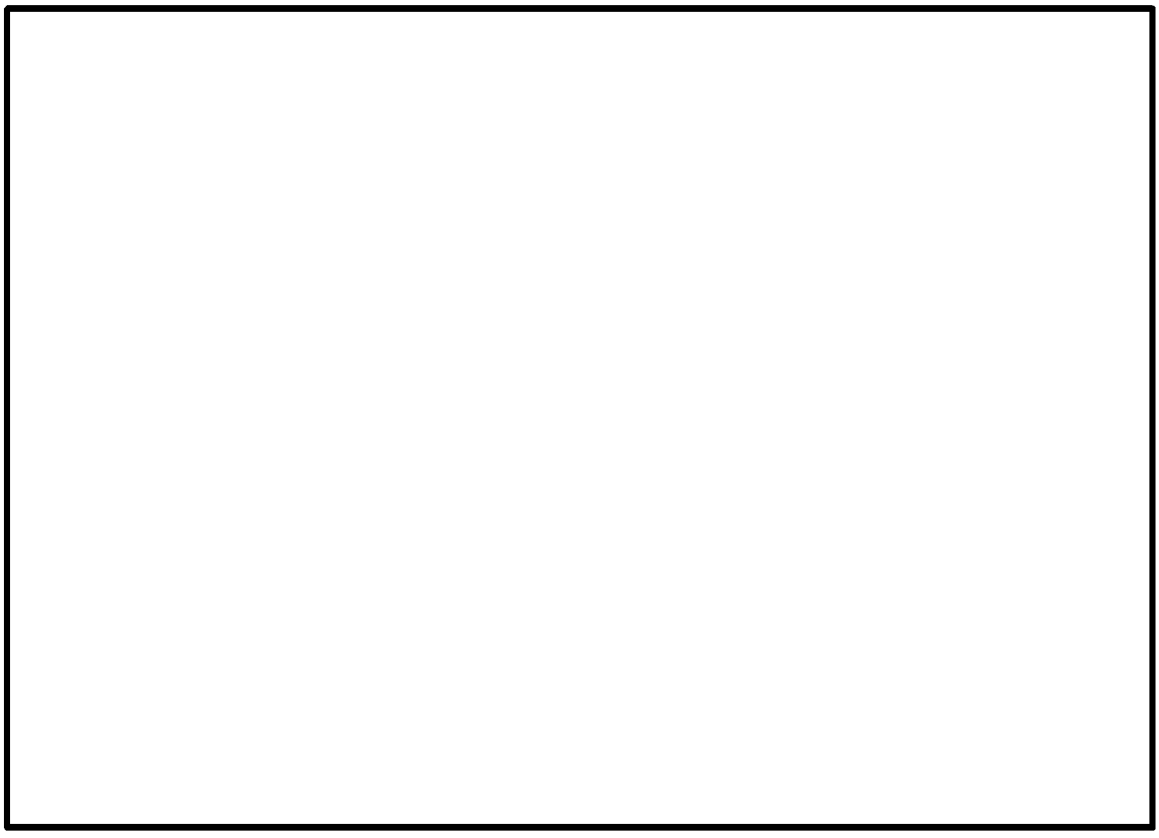


Economic Multipliers

RIMS II Assumptions



Summary Conclusions



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Targeted Employment Area Analysis

Figure 6: Overview of TEA Territory within the ERDRC

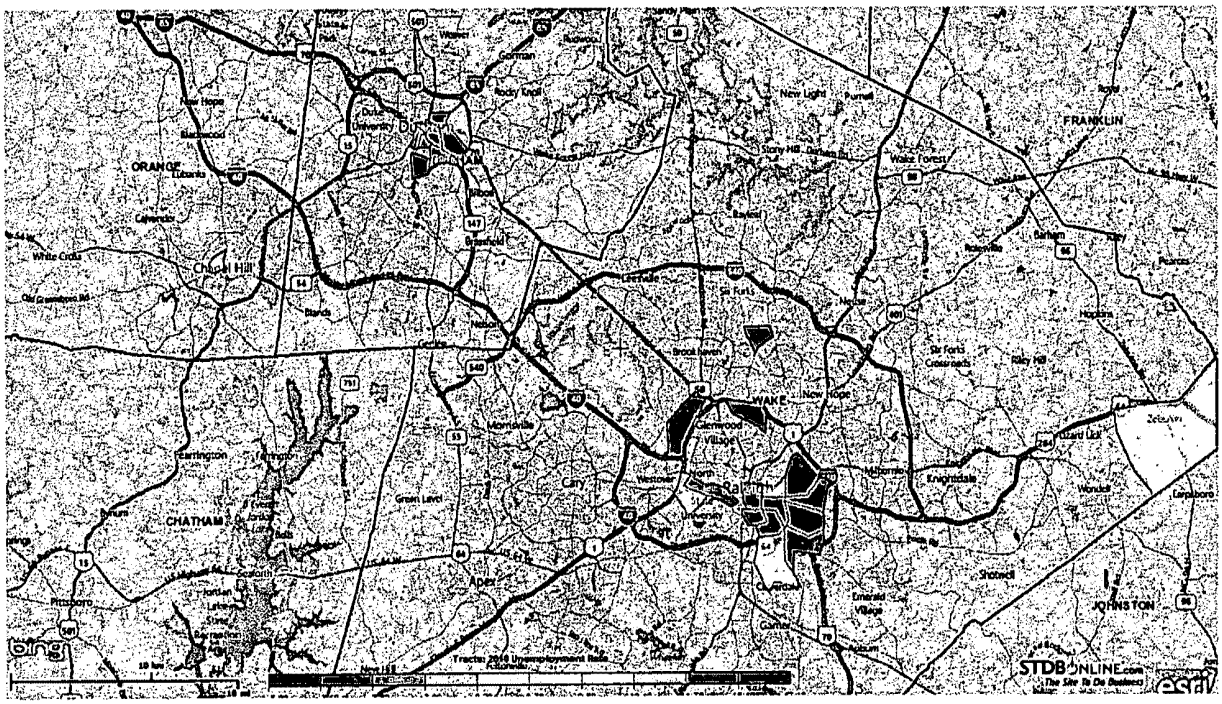


Figure 7: Overview of TEA Territory within Raleigh

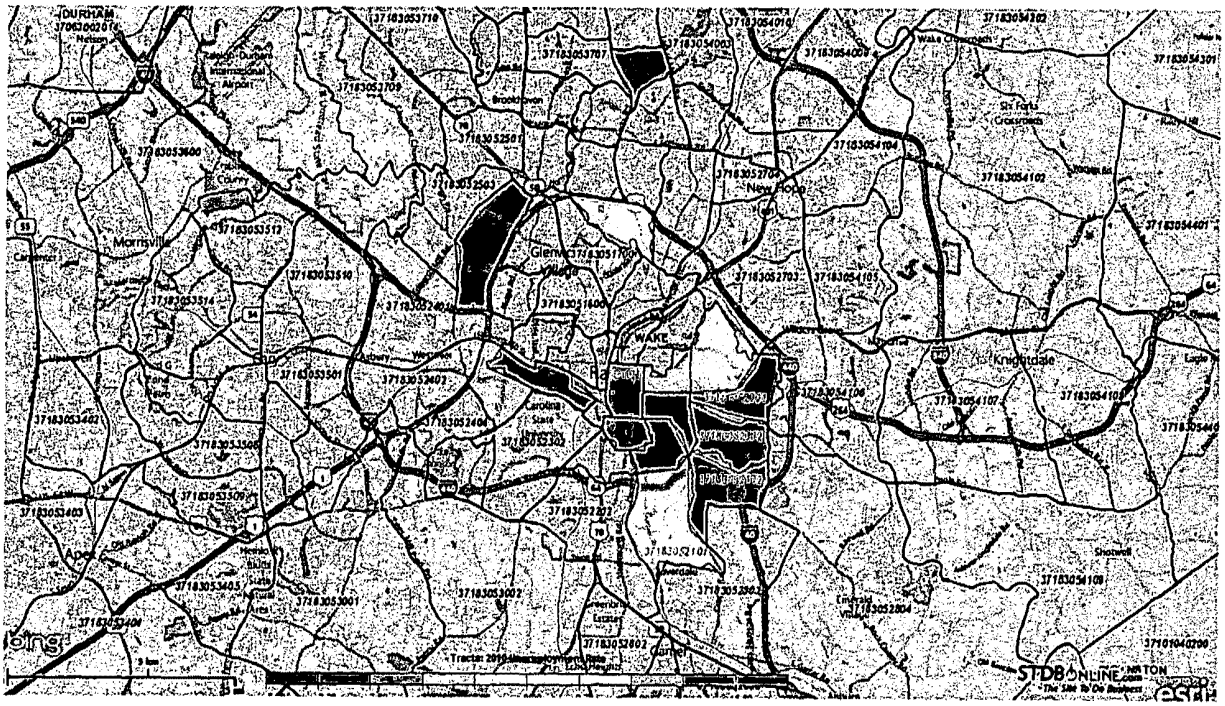
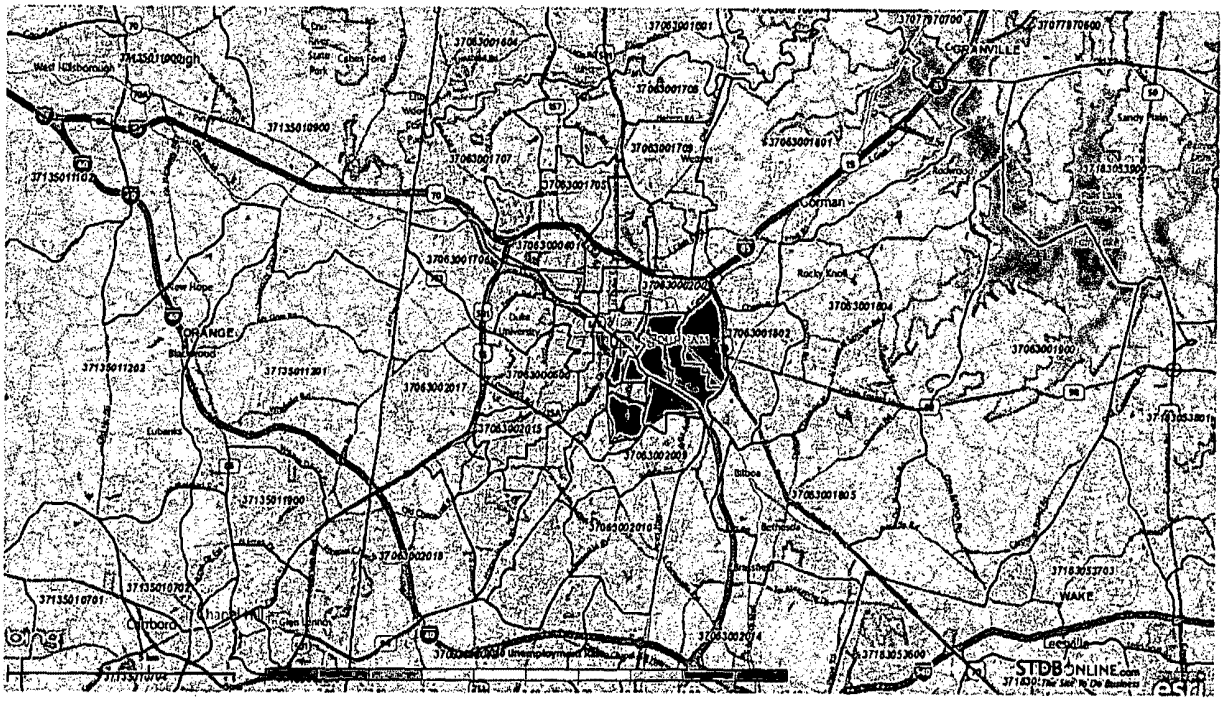


Figure 8: Overview of TEA Territory within Durham



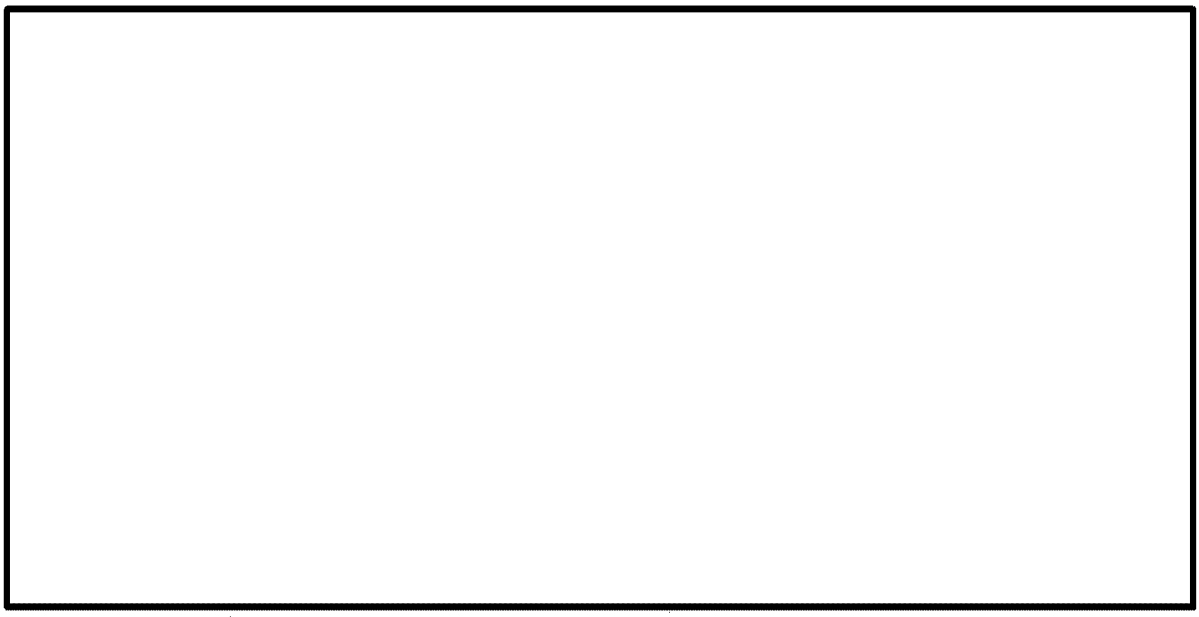
ERDRC MANAGEMENT

Management and Organization

The following member of EGIM and Encore will provide support to ERDRC as needed.

EGIM Management (b)(4)

SOURCING TRANSACTIONS



INVESTOR MARKETING PLAN

Sourcing Investment Capital

S

International marketing and investor intake process

(b)(4)

Current and Planned Actions

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PROCESSING AND SCREENING PROCESS

EGIM will establish detailed protocols for soliciting, screening and processing potential investors in ERDRC.

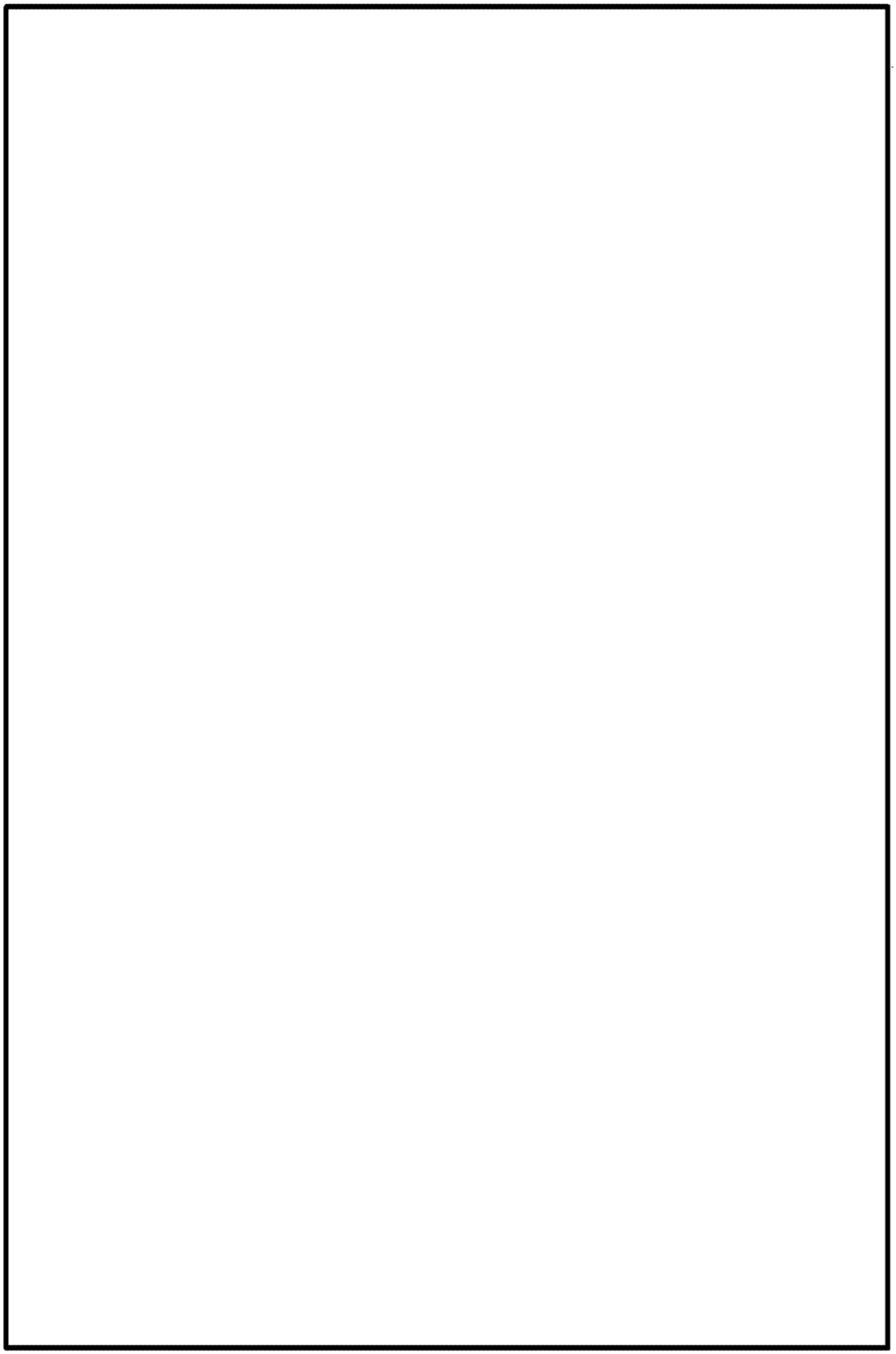
Investor Subscriptions

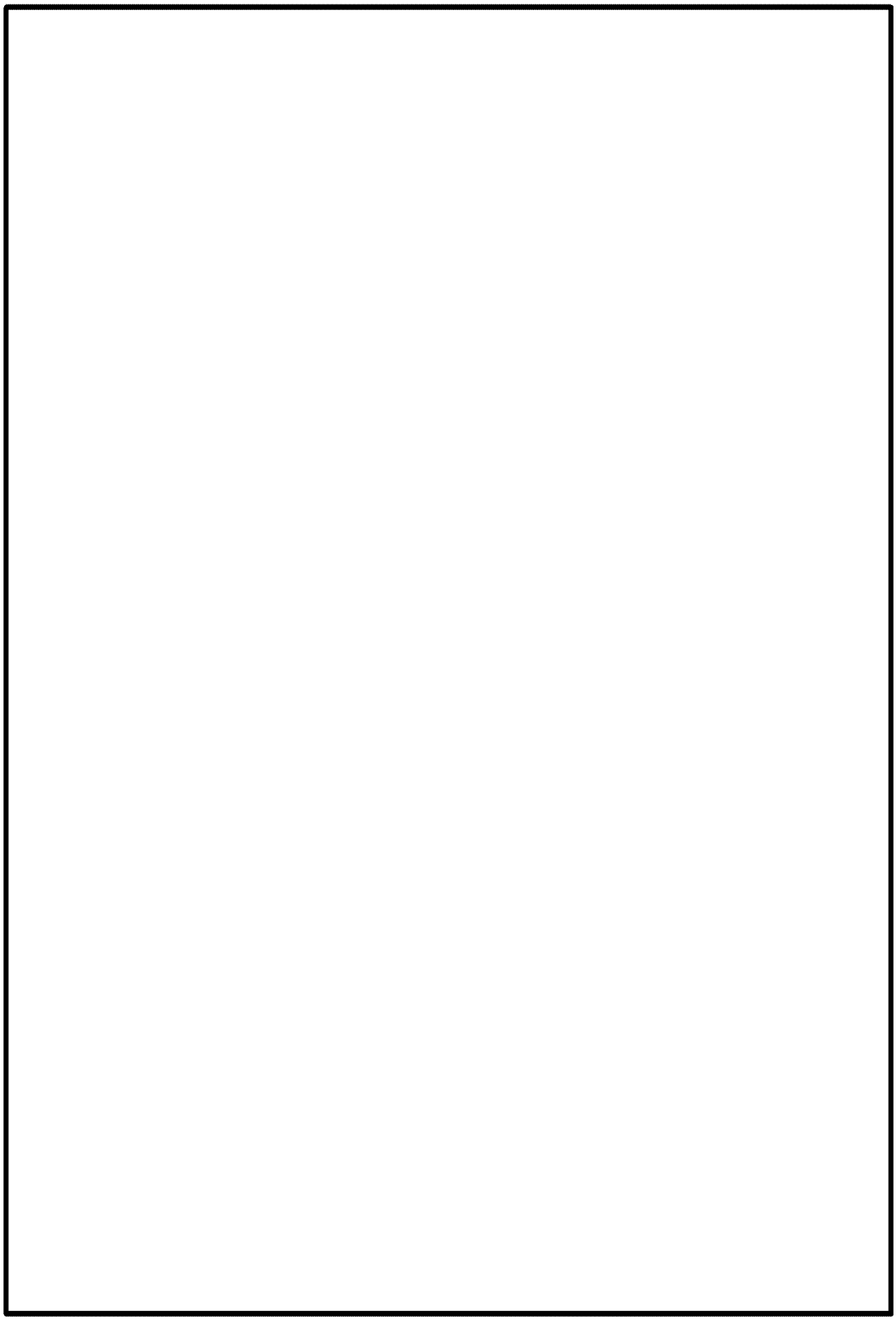
USCIS Compliance

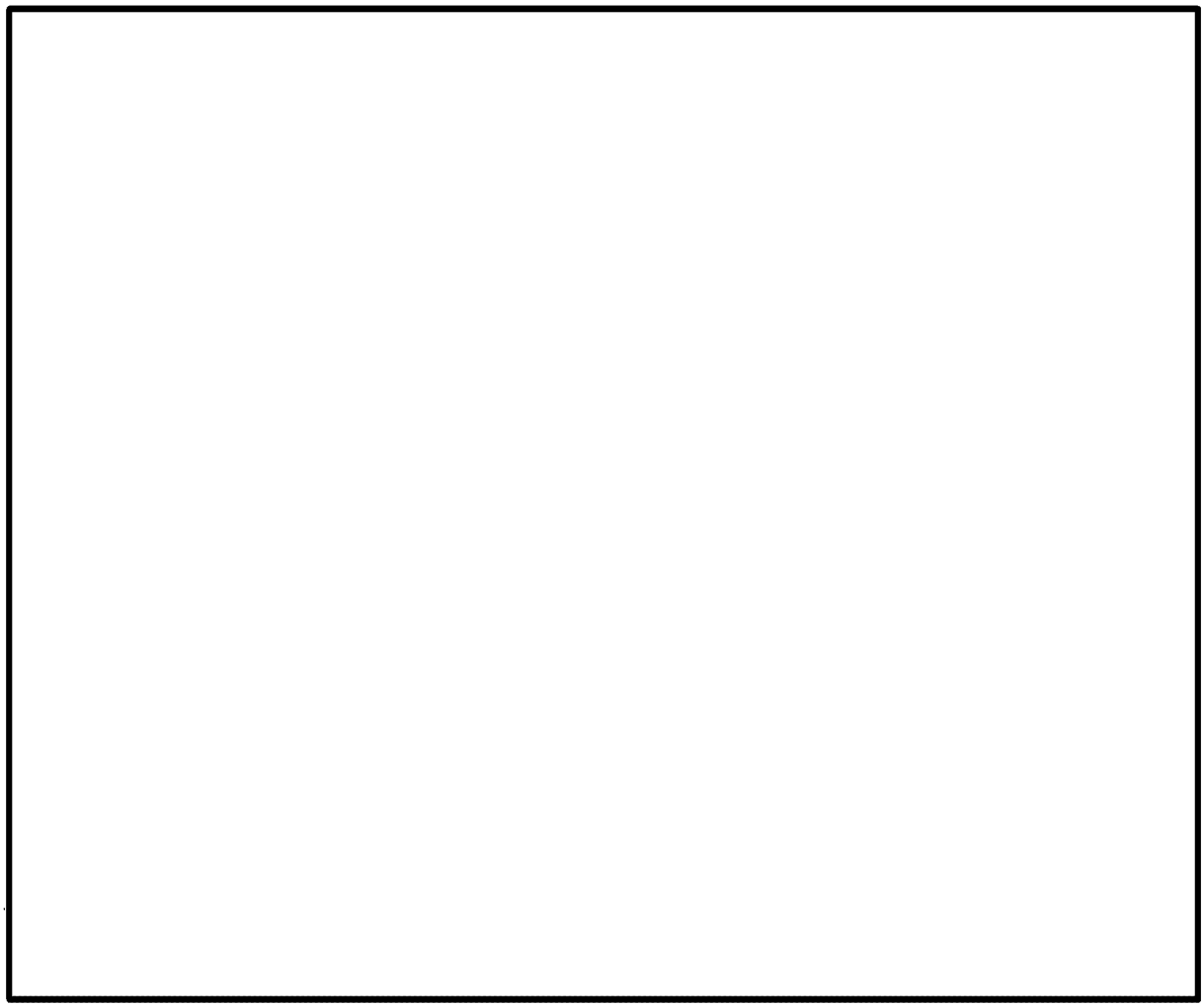
Immigration Process



REPORTING AND FINANCIAL COMPLIANCE







APPENDIX A: ERDRC REGIONAL COVERAGE AND MAP

The territory covered by ERDRC is set forth in detail in *Table 1* below and Appendix A, along with economic data supporting the need for the creation of ERDRC and related development and investment, and includes the following North Carolina counties (the "*ERDRC Territory*"):

Table 1: ERDRC Counties
Durham
Johnston
Orange
Wake

Figure 9: Overview of ERDRC Territory

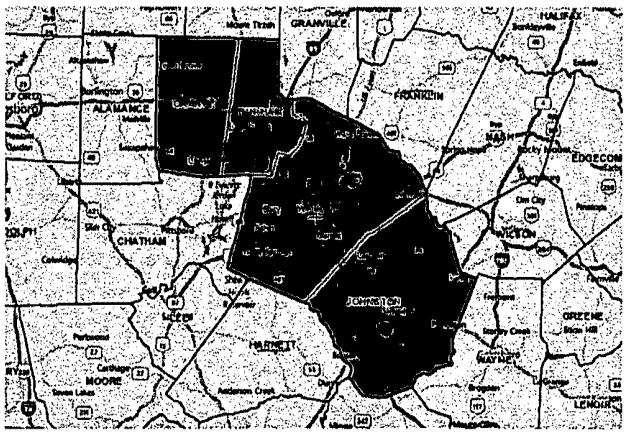
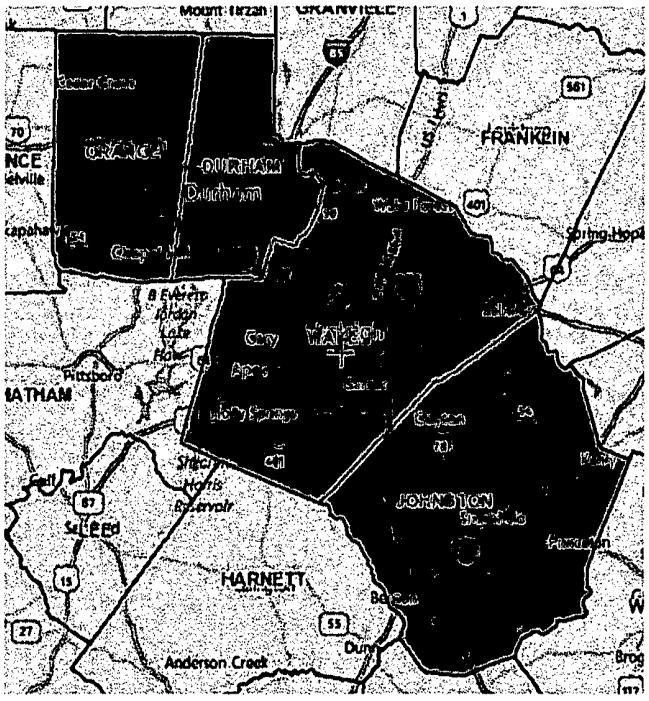


Figure 10: Detail of ERDRC Counties

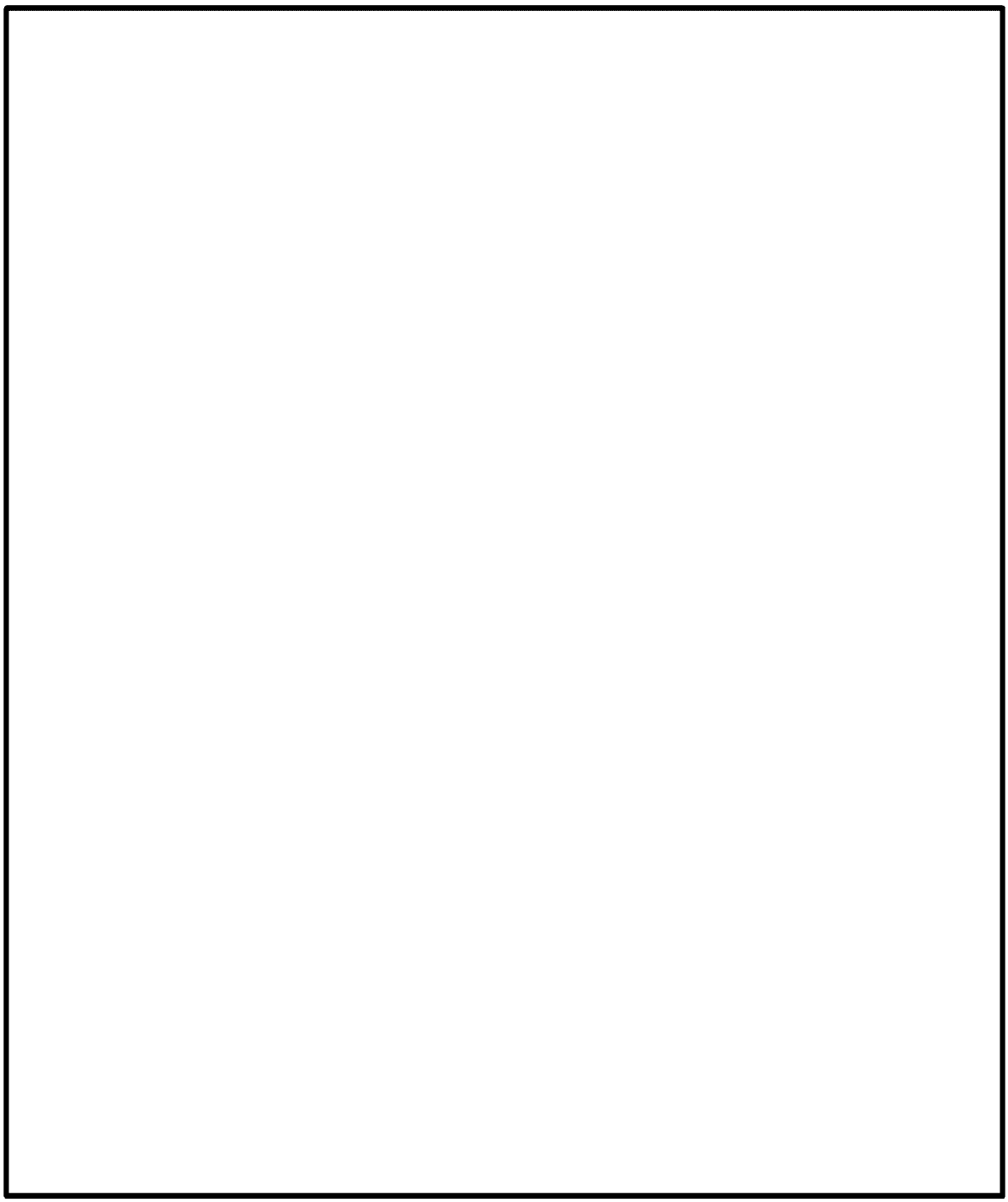


APPENDIX B: ERDRC ECONOMIC ANALYSIS

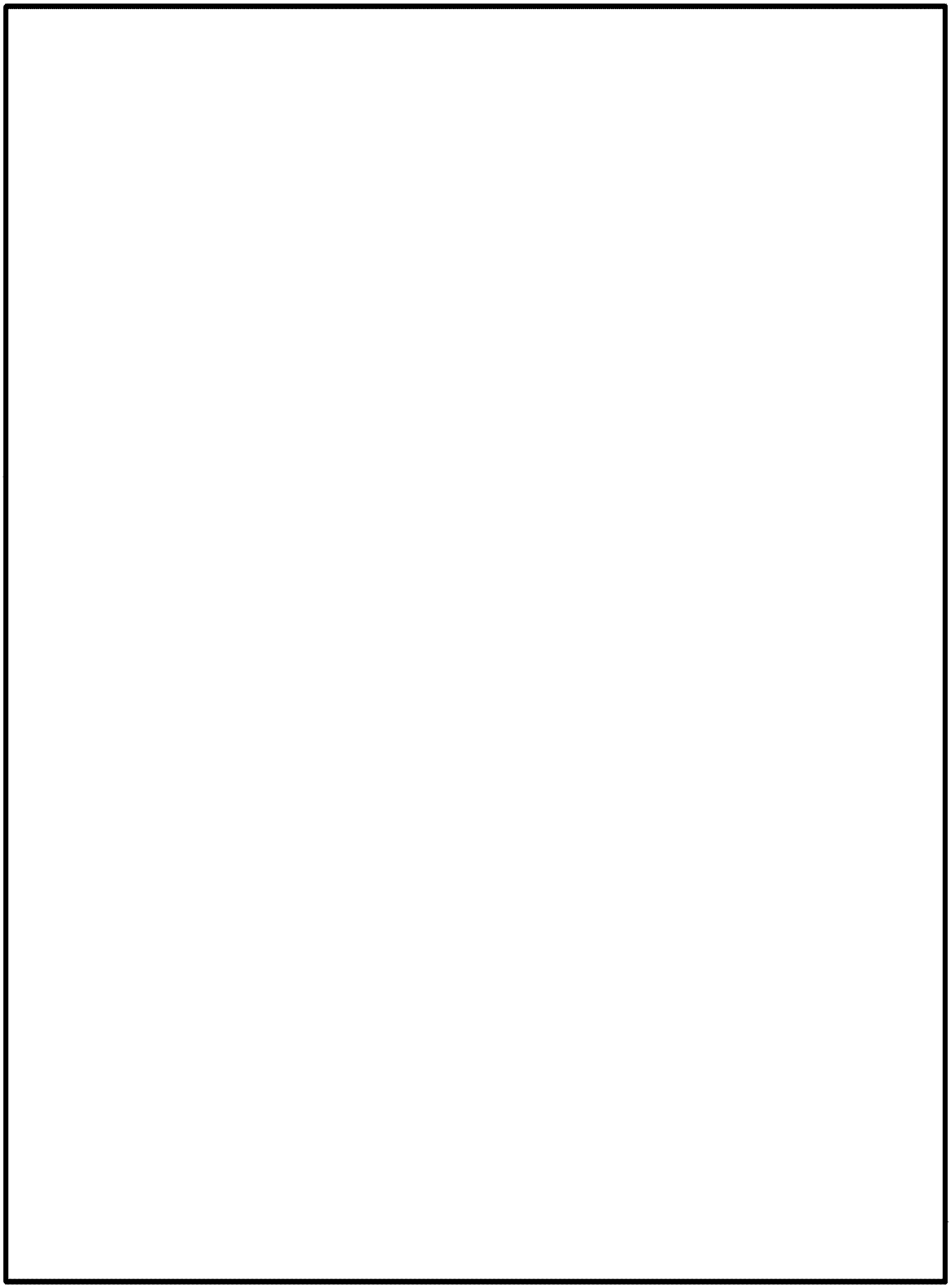
[See Attached]

ERDRC Economic Analysis Executive Summary

Overview



Raleigh Durham County Group



Raleigh Durham County Group Economic Analysis

Economic Impact of Four Projects in the Raleigh Durham Area of North Carolina, for Hospital, Medical Office Building, a Hotel Project, a Retail Shopping Center and an Apartment Community

Prepared for:

Encore Global Investments Management, LLC
Dallas, Texas

Prepared by:

Encore Enterprises, Inc.
Dallas, Texas

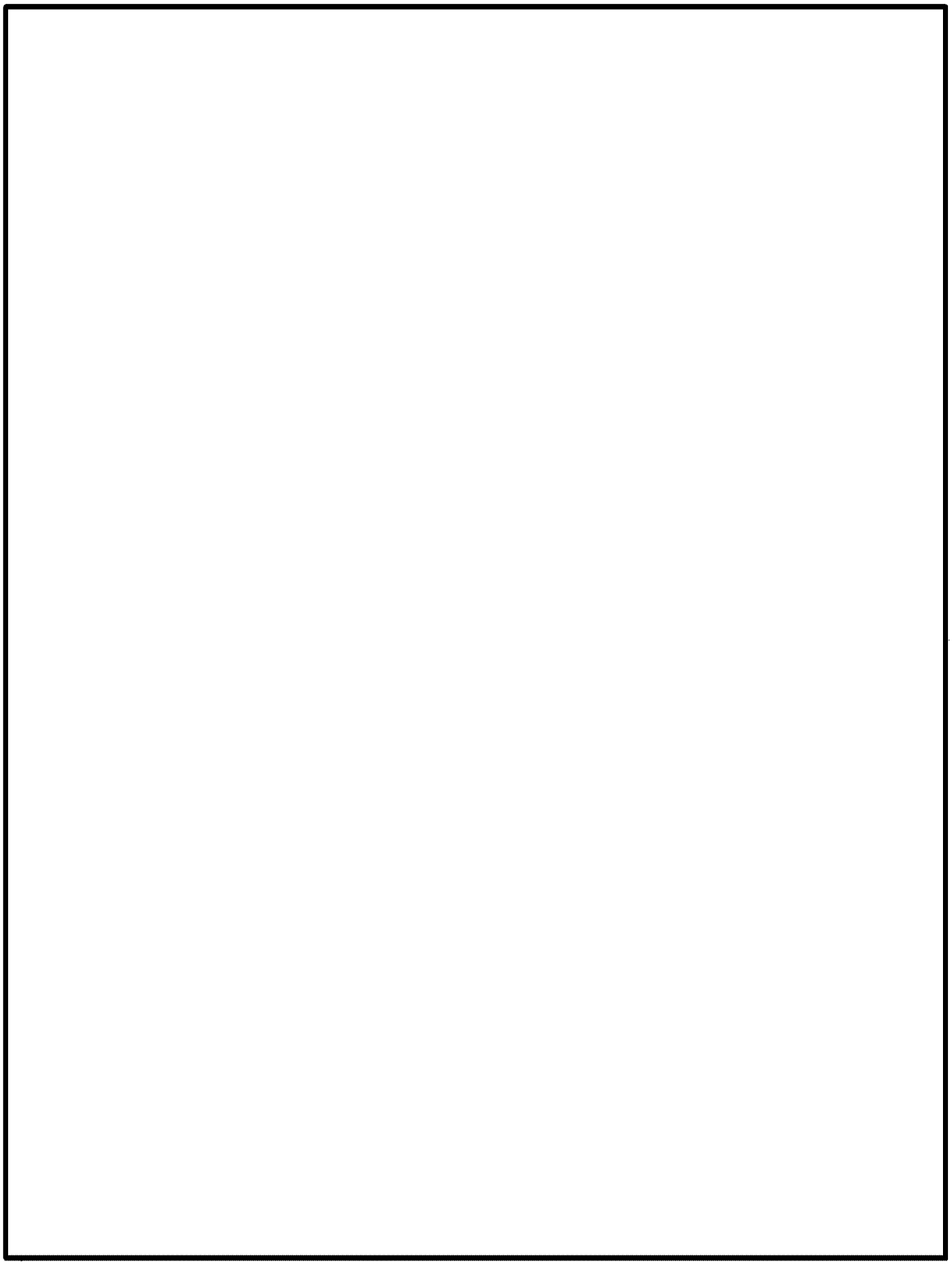
Under the supervision of:

Michael K. Evans
Evans, Carroll & Associates, Inc.
2785 NW 26th St.
Boca Raton, FL33434
561-470-9035

mevans@evanscarrollecon.com

November 10, 2012

1. Raleigh Durham County Group Executive Summary



(b)(4)

2. Tabulation of Principal Results

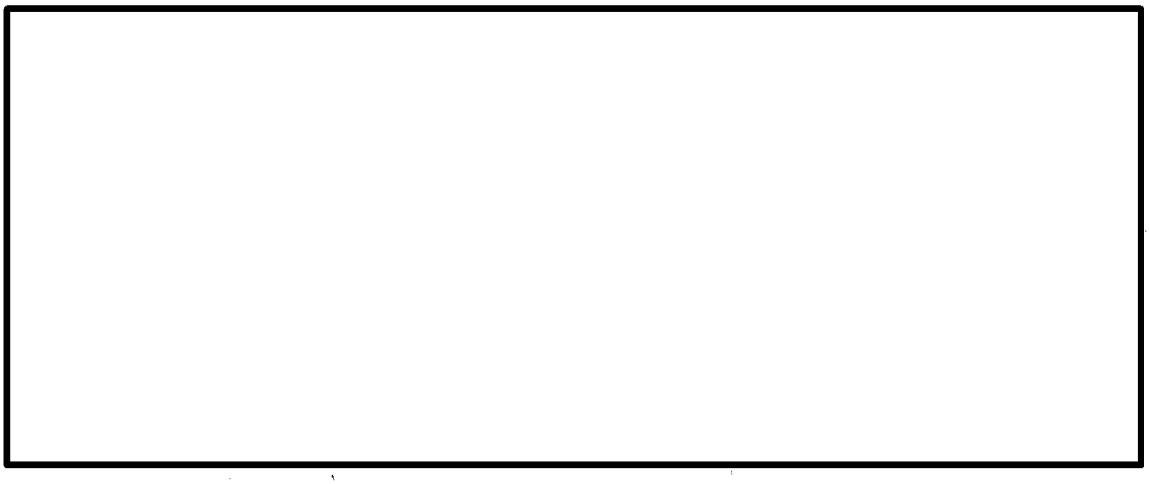
Tabulation of Principal Results For Medical Office Building

The results for the employment, revenues, household income, and output for key sectors for the project, which is the medical office building, are summarized in Table 2-1. For construction costs and architectural and engineering costs, only the indirect and induced jobs are counted. All figures in this table represent new indirect and induced jobs created.

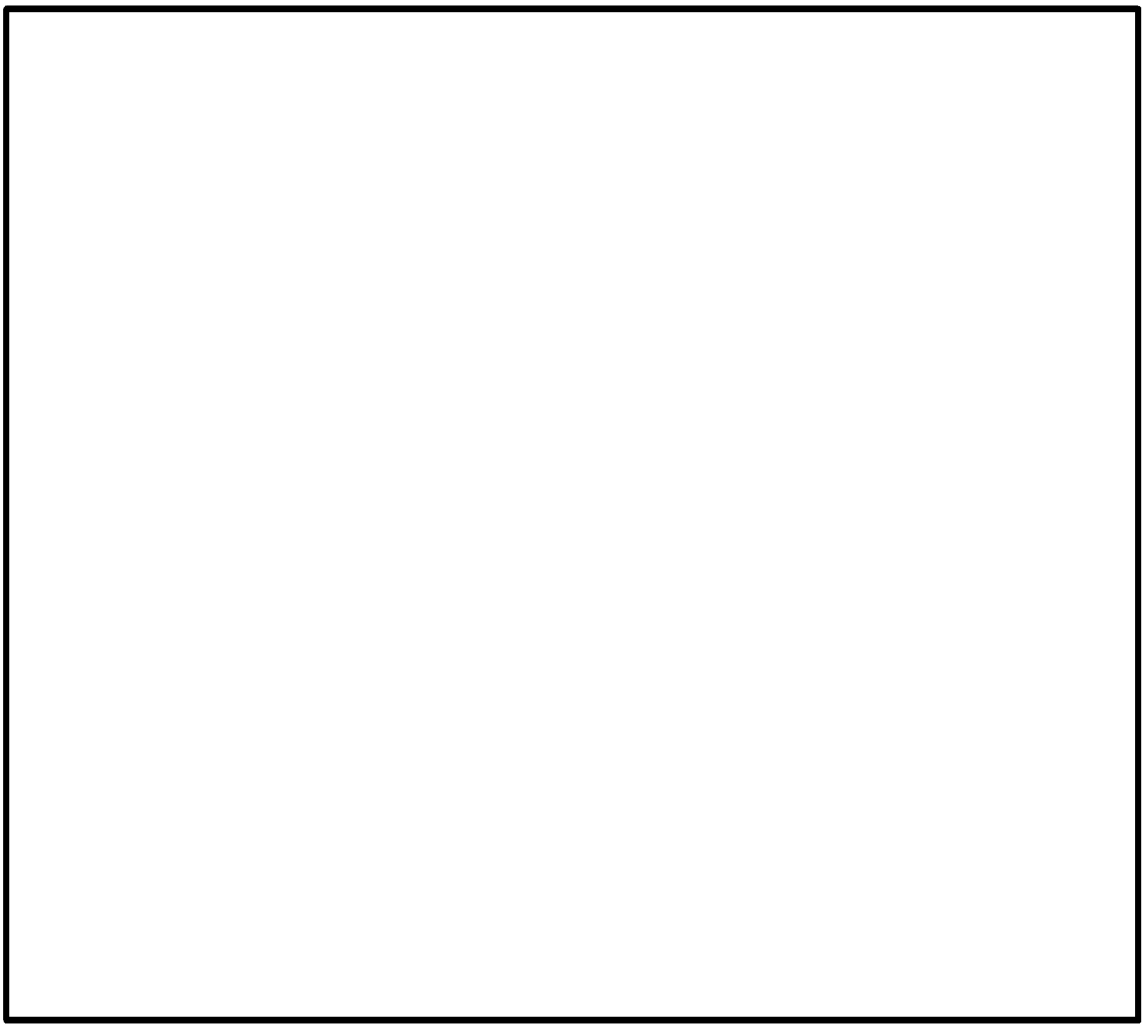
Table 2-1. Hospital and Medical Office Building

Activity	Expenditures	Final Demand	Total

Household Earnings (Labor Income)



Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers





Tabulation of Principal Results For 125-Room Limited Service Hotel

The result for the employment, revenues, household income, and output for key sectors for the hotel project is summarized in Table 2-2 for the hotel project. For construction and architectural and engineering costs, only the indirect and induced jobs are counted. All figures in this table represent new indirect and induced jobs created.

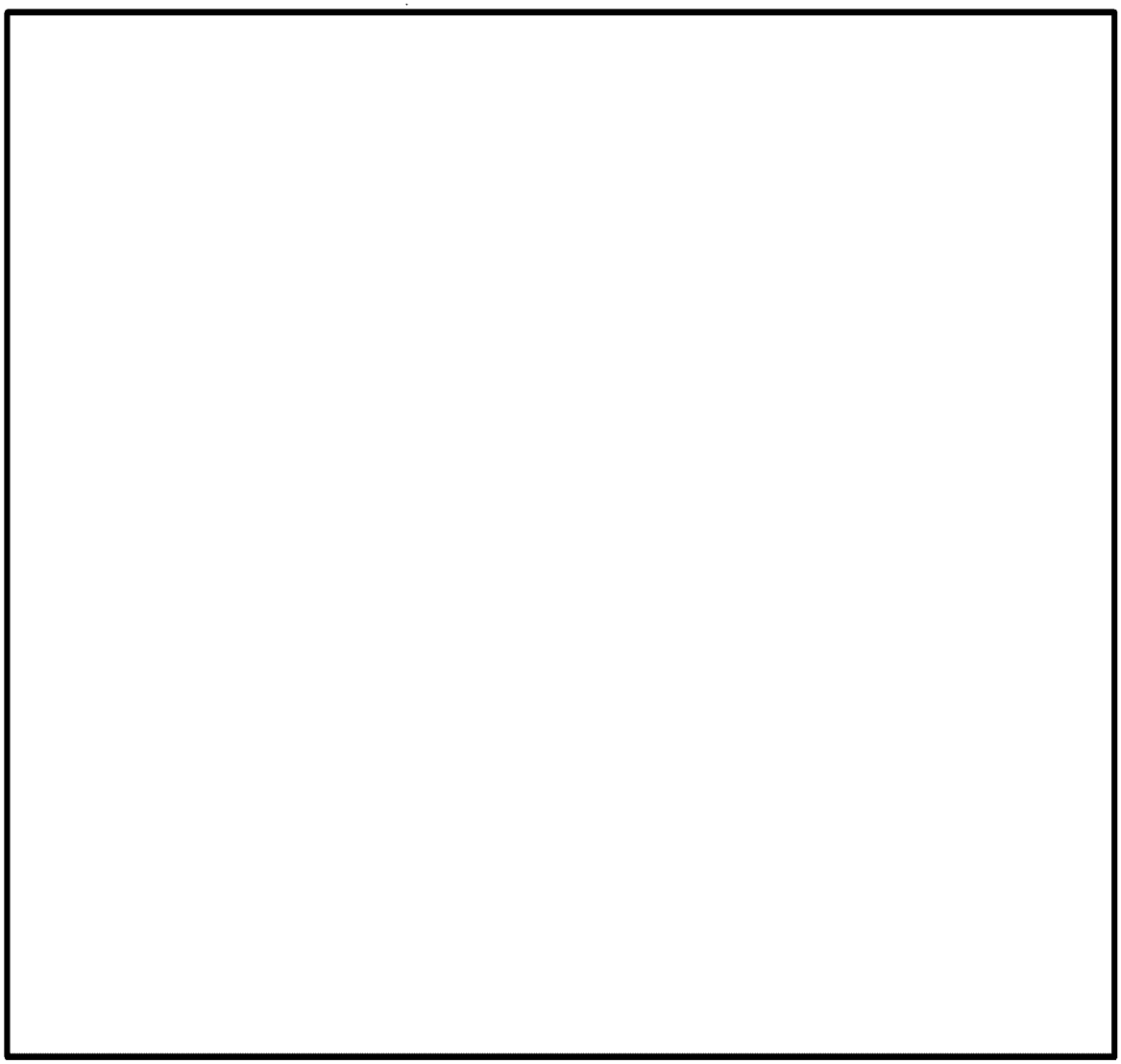
Table 2-2. Hotel Project

Activity	Expenditures	Final Demand	Total

Household Earnings (Labor Income)



Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers





Tabulation of Principal Results For [redacted] Retail Shopping Center

The result for the employment, household income, and output for key sectors for the retail shopping center project is summarized in Table 2-3. For construction and architectural and engineering costs, only the indirect and induced jobs are counted. All figures in this table represent new indirect and induced jobs created.

Table 2-3. Retail Shopping Center

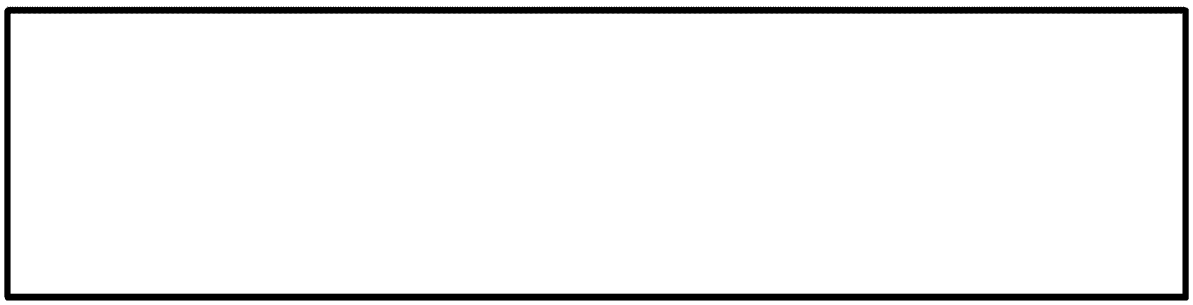
Activity	Expenditures ($ million)	Final Demand Multiplier	Total Jobs
[redacted]			

Household Earnings (Labor Income)

[redacted]

Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers

(b)(4)



Tabulation of Principal Results For [redacted] Apartment Community

The result for the employment, household income, and output for key sectors for the apartment community project is summarized in Table 2-4. For construction and architectural and engineering costs, only the indirect and induced jobs are counted. All figures in this table represent new indirect and induced jobs created.

Table 2-4. Apartment Community Project

Activity	Expenditures	Final Demand	Total
[redacted]			

Household Earnings (Labor Income)

[redacted]

(b)(4)

Demand for Business Services, Utilities, Maintenance and Construction, and New Supplier/Vendor Relationships Created with Manufacturers

(b)(4)

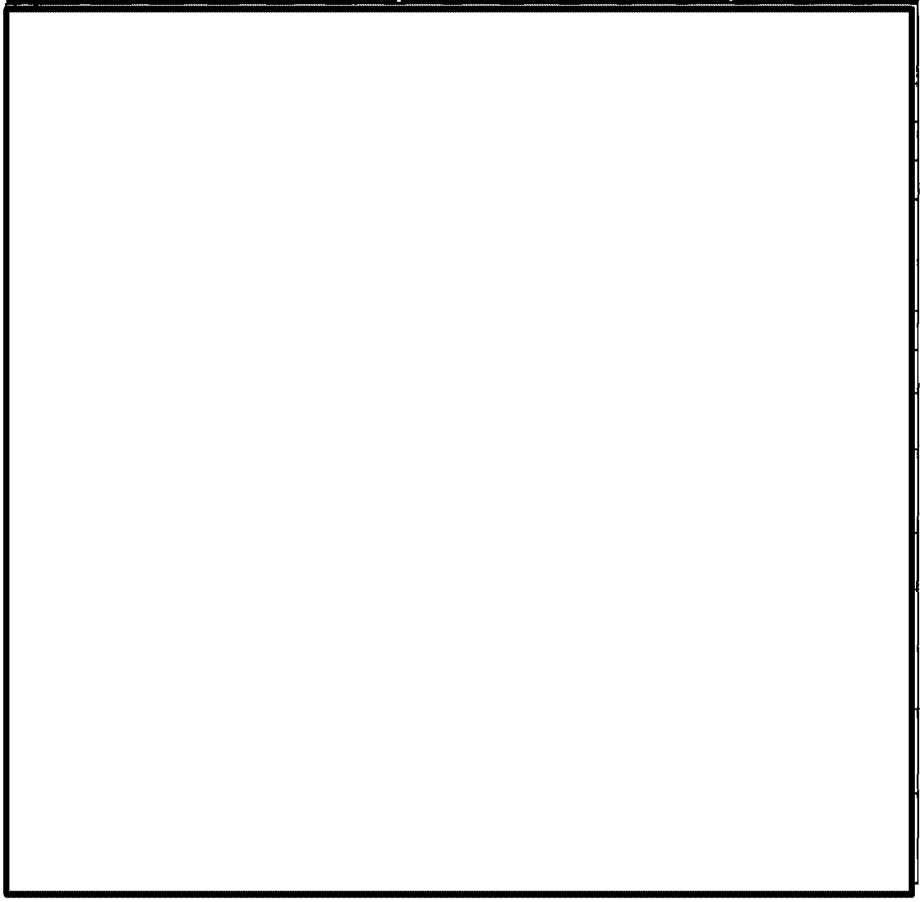


Table 2-5 shows the NAICS codes used for the construction and architectural and engineering costs RIMS II calculations of all projects in the Encore Raleigh-Durham Regional Center.

Table 2-5. List of NAICS Codes Used in Model	
236220	Construction
541300	Architecture, engineering and related services

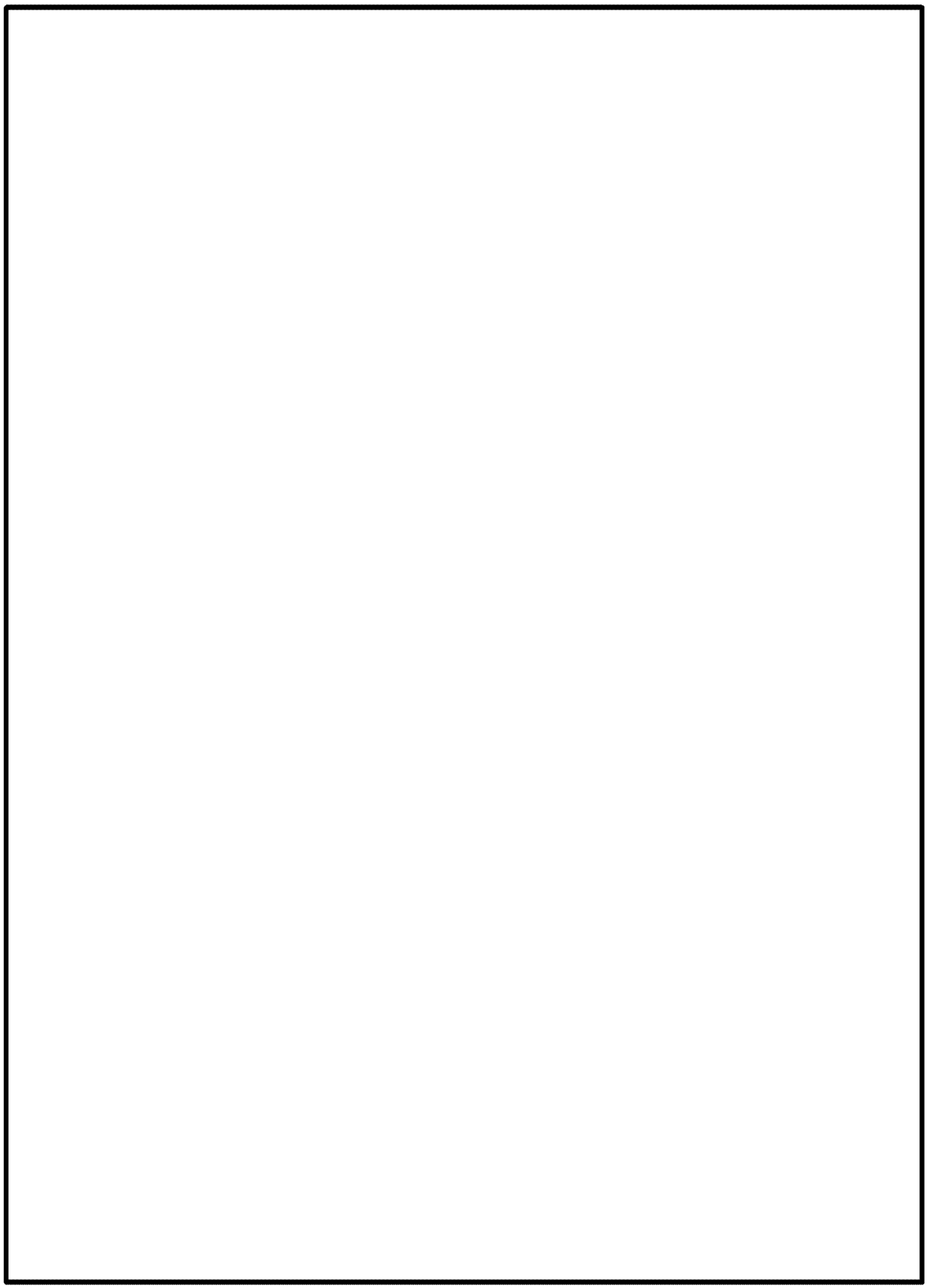
Table 2-6 shows reproduces the actual multipliers from Table I-5 of the RIMS II model for **Raleigh-Durham** area that is used in the calculations in this report.

Table 2-6. Print Screen Reproduction of Actual Multipliers Used



(b)(4)

3. Introduction and Scope of Work



[redacted]

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(b)(4)

6. Economic Parameters for Wake, Durham, Johnston and Orange County

Raleigh Durham County Group Population and Households

The size of the market area, measured by population and households, has changed from **2000** through the forecast year as follows:

Table 6-1. Population and Households

Year	Population	Households

Table 6-2. Population and Households Continued

Raleigh Durham County Group Population by Age

Table 6-3. Distribution of Population by Age

(b)(4)

Raleigh Durham County Group Population by Education



Table 6-4. Population by Education



Raleigh Durham County Group Population by Race/Ethnicity

Currently, the racial composition of the population in the market area breaks down as follows:

Table 6-5. Population by Race/Ethnicity





(b)(4)

Raleigh Durham County Group Population by Employment



Table 6-6. Population by Employment



And by occupational status:

Table 6-7. Population by Occupational Status





(b)(4)

(b)(4)

Raleigh Durham County Group Income

Table 6-8. Population by Income

Raleigh Durham County Group Housing

Table 6-9. Residence MCD/County to Workplace MCD/County Commuter Flows for North Carolina:2000 Sorted by Workplace State-County

Source: U.S. Census Bureau
Internet Release date: July 25, 2003

(b)(4)

7. Economic Impact of Medical Office Building

A. Construction Expenditures

Table 7-1 shows the line-item construction and development budget. The construction budget is comprised of 2012 cost estimates created from RS MEANS construction data. Detailed information about RS MEANS construction costs are available in the project business plans including a breakdown of expenses by major construction categories.

Table 7-1. Medical Office Building Construction and Development Summary Budget

Budget	Total ($)

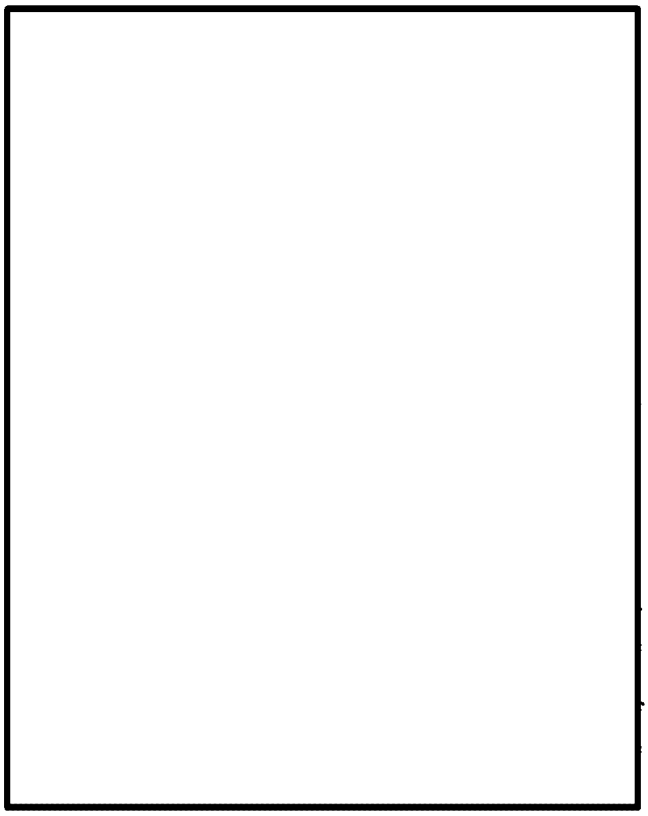
(b)(4)

Project Construction and Development Costs (Detailed Line-Item of Summary Budget)

The below budget of development costs is a detailed line-item budget to further itemize construction hard costs listed in Table 7-1 for RIMS II analysis. Construction costs are explained in detail using RS MEANS data in each project Business Review.

Development Costs	Soft Costs	Hard Costs	Land Costs	Total Dev Costs

Turner Construction Index



Quarter	Index	△%

Year	Average Index	△%

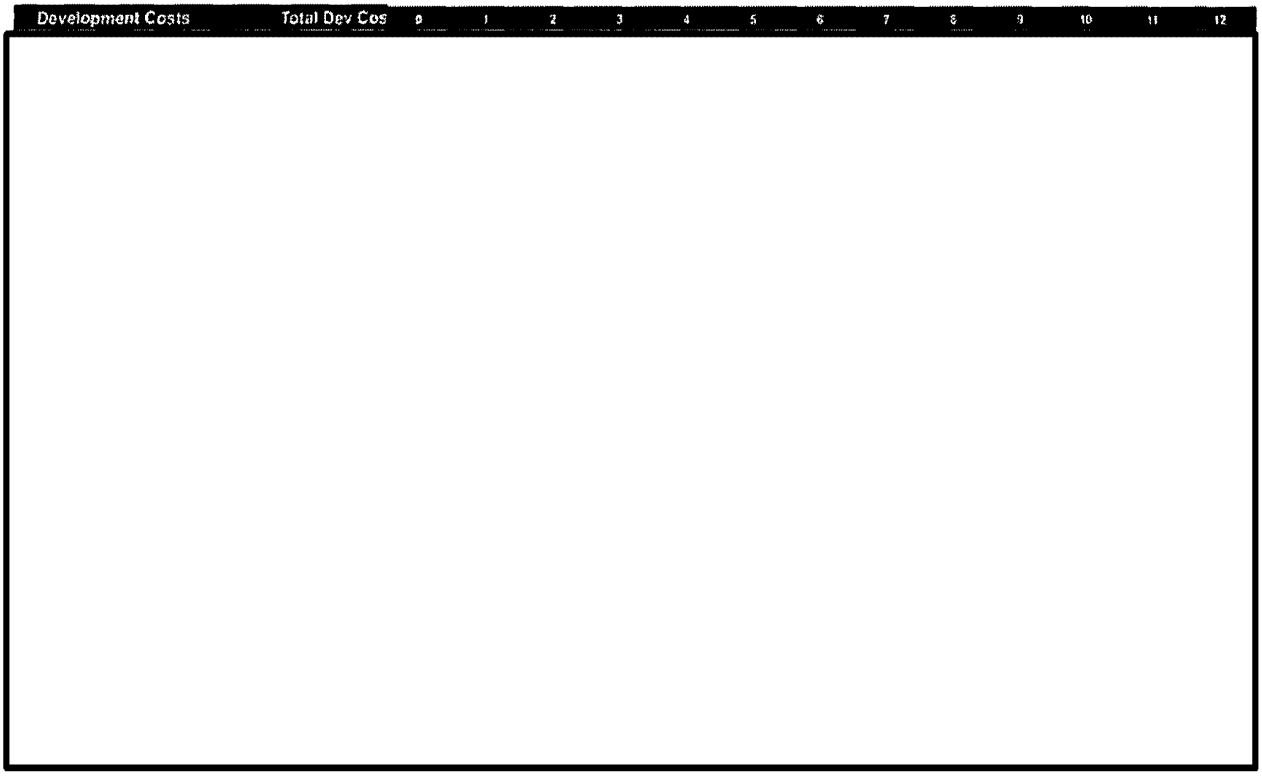
Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

Turner

(b)(4)

Project Construction Timeline of Job Creation





(b)(4)

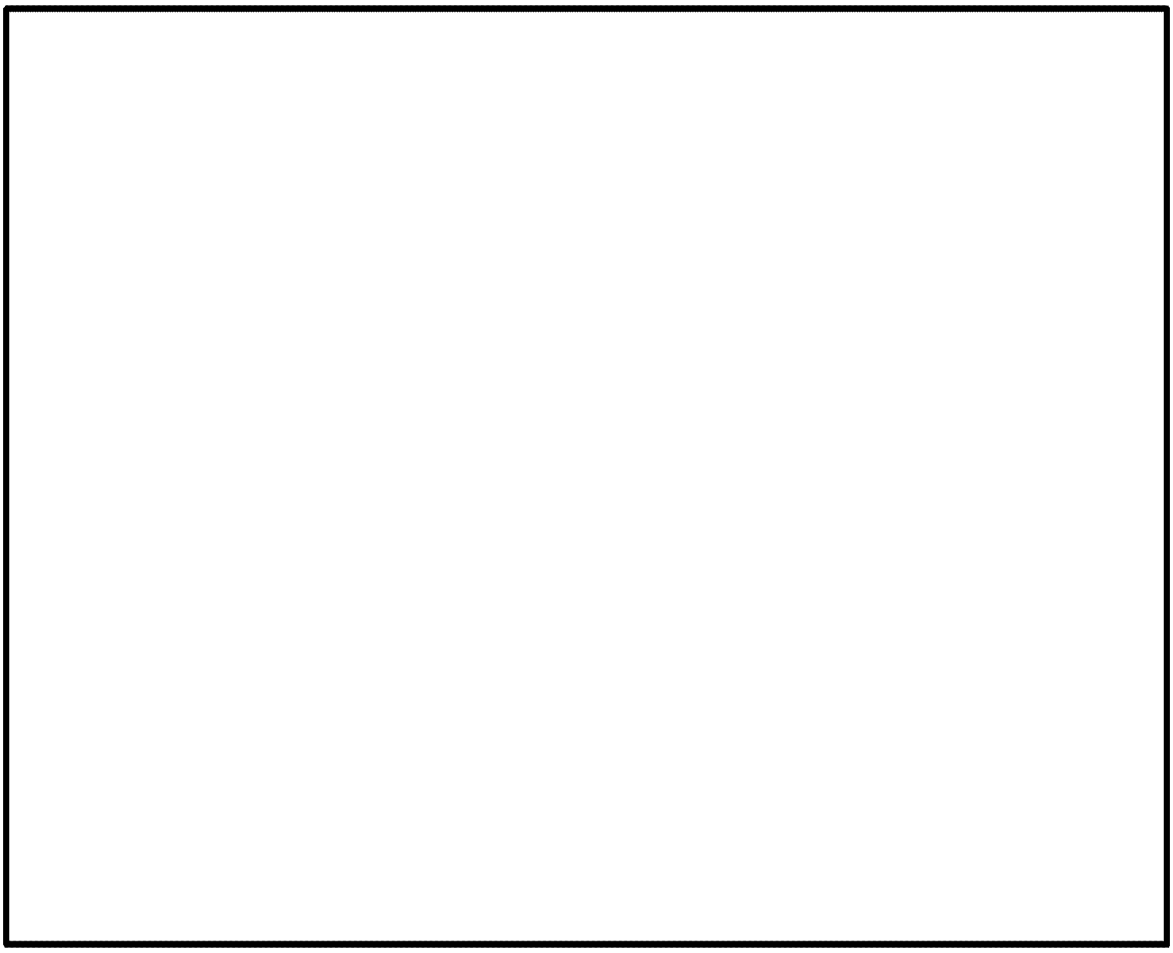


Table 7-2. Increase in Employment, Output and Earnings, Construction Costs for Medical Office, Indirect and Induced Jobs Only			
Industry Group	**Employment**	**Output**	**Earnings**

Summary:

(b)(4)

Summary: Table 7-3 shows that the average output per new worker will be about [redacted] with average annual earnings of abou[redacted]

Table 7-3. Output and Earnings Per New Worker, Construction Costs for Medical Office, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl

(b)(4)

B. Architectural and Engineering Statistics for Medical Office Building

Table 7-4. Increase in Employment, Output and Earnings for Architectural and Engineering Costs of Medical Office Building, Indirect and Induced Jobs Only			
Industry Group	**Employment**	**Output**	**Earnings**

Summary:

calculate the indirect and induced job creation for architectural expenditures. A complete listing of the multiplier tables are available attached as Appendix D of this economic analysis.

Summary: Table 7-5 shows that the average output per new worker for architectural and engineering costs will be about [redacted] with average annual earnings of about [redacted]

Table 7-5. Output and Earnings Per New Worker, for Architectural and Engineering Costs of Medical Office Building, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
[redacted]			

(b)(4)

C. Summary Statistics for Medical Office Building

The final two tables in this section show the economic impact of the construction and architectural and engineering costs of the medical office building.

Table 7-6. Increase in Employment, Output and Earnings for Construction and Architectural and Engineering Costs of Medical Office Building

Industry Group	Employment	Output	Earnings

Summary: Table 7-6 shows there will be approximately [redacted] total new indirect and induced jobs created by the construction and architectural and engineering costs of the medical office building. Total output will increase by about [redacted] with household earnings up by about [redacted]

(b)(4)

Summary: Table 7-7 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 7-7. Output and Earnings Per New Worker, Construction and Architectural and Engineering Costs for Medical Office, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
[redacted]			

(b)(4)

8. Economic Impact of Hotel

This section is organized as follows. After the usual construction tables, the economic impacts are shown for he architectural and engineering costs of the hotel and summary tables for combined construction and architectural and engineering.

(b)(4)

A. Construction Expenditures

[redacted]

Table 8-1. Detailed Construction and Development Budget for Hotel

[redacted]

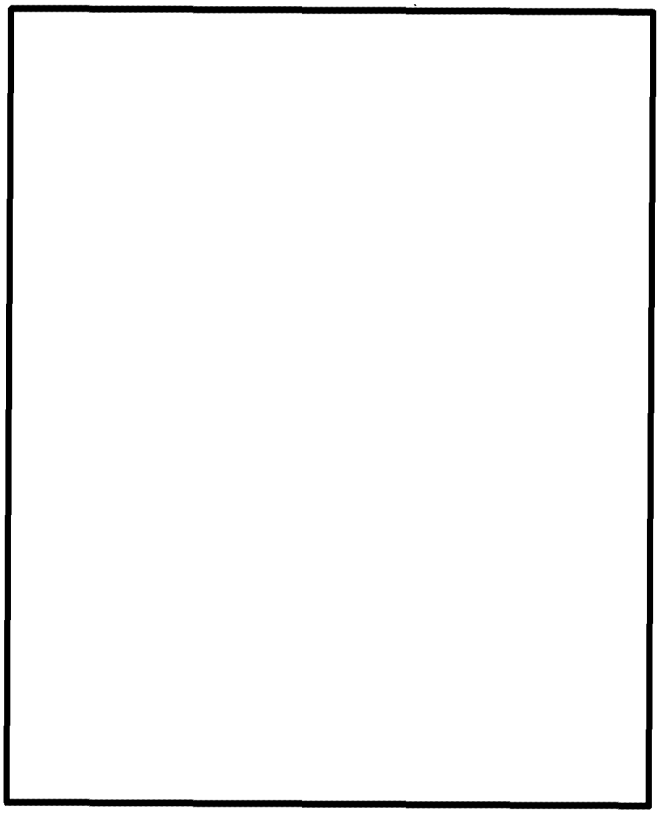
(b)(4)

Project Construction and Development Costs (Detailed Line-Item of Summary Budget)

The below budget of development costs is a detailed line-item budget to further itemize construction hard costs listed in Table 8-1 for RIMS II analysis. Construction costs are explained in detail using RS MEANS data in each project Business Review.

Development Costs ($)	Soft Costs	RS MEANS Hard Costs	Land Costs	Total Dev Costs

Turner Construction Index



Quarter	Index	Δ%

Year	Average Index	Δ%

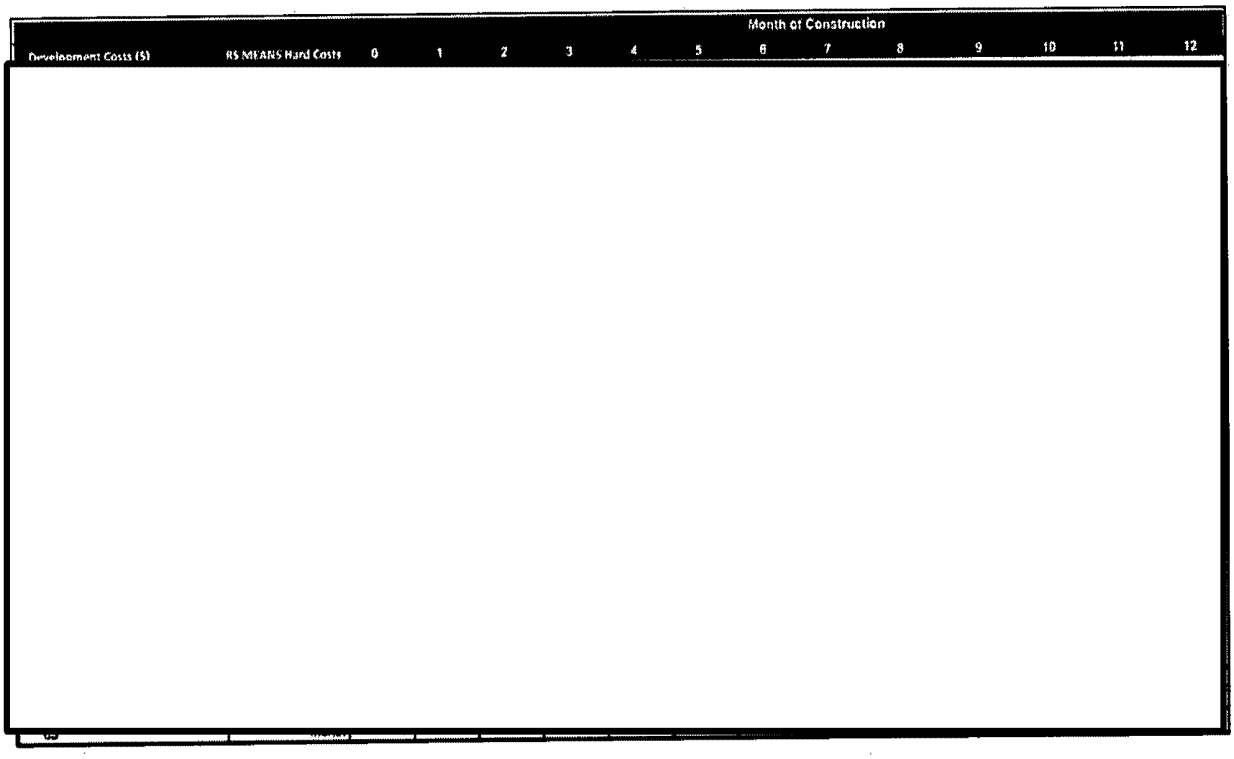
Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

(b)(4)

Turner

Project Construction Timeline of Job Creation





(b)(4)

The detailed industry results for the economic impact of construction hard costs are given in Tables 8-2 and 8-3. The hard costs for construction were calculated by totaling the RS MEANS costs with the laundry equipment and site work line-items from the summary development budget totaling [redacted] This number was entered into the RIMS model using th[redacted] multiplier providing the following:

Table 8-2. Increase in Employment, Output, and Earnings, Construction of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings

Summary: [redacted]

(b)(4)

Summary: Table 8-3 indicates that output per new worker would be about [redacted] while average annual earnings would be about [redacted]

Table 8-3. Output and Earnings Per New Worker, Construction of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
[redacted]			

(b)(4)

(b)(4)

B. Architectural and Engineering Expenditures

Tables 8-4 and 8-5 two tables in this section show the economic impact of the architectural and engineering costs associated with the development of the hotel. [redacted] was taken from the development budget and entered into the RIMS II model with a multiplier of [redacted] The two tables in this section show the economic impact of the architectural and engineering costs associated with the limited-service hotel for only indirect and induced job creation.

(b)(4)

Table 8-4. Increase in Employment, Output, and Earnings, Architecture & Engineering of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
[redacted]			

Summary: [redacted]

(b)(4)

[redacted]

Summary: Table 8-5 shows the average output per new worker would be about [redacted] with average household earnings of about [redacted]

Table 8-5. Output and Earnings Per New Worker, Architecture & Engineering of 125 Room Limited Service Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

C. Summary Statistics for Hotel

The final two tables in this section show the combined economic impact of the construction hard costs and architectural and engineering costs associated with the development of the 125-room limited-service hotel.

Table 8-6. Increase in Employment, Output, and Earnings for Construction and Architectural and Engineering Costs of Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings

Summary: Table 8-6 shows that there would be about [redacted] new indirect and induced jobs created from the construction of the hotel. Total output would increase by about [redacted] with household earnings up by [redacted]

(b)(4)

(b)(4)

Summary: Table 8-7 shows the average output per new worker would be about [redacted] with average household earnings of abou[redacted]

Table 8-7. Output and Earnings Per New Worker for Construction and Architectural and Engineering Costs of Hotel, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

9. Economic Impact of Retail Shopping Center

A. Construction Expenditures

Table 9-1. Detailed Construction and Development Budget for Retail Shopping Center	
Retail Development Budget	**($)**

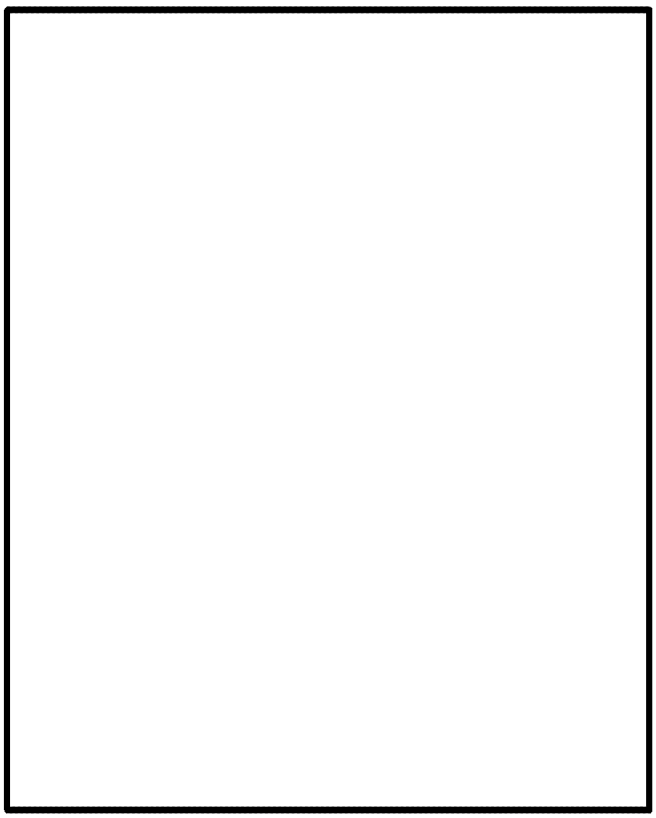
(b)(4)

Project Construction and Development Costs (Detailed Line-Item of Summary Budget)

The below budget of development costs is a detailed line-item budget to further itemize construction hard costs listed in Table 9-1 for RIMS II analysis. For the retail project, RS MEANS construction cost estimates are broken down into two categories separating construction costs of the grocery store anchor tenant and the in-line retail space construction. Construction costs are explained in detail using RS MEANS data in each project Business Review.

Development Costs	Soft Costs	Land Costs	Anchor Hard Costs	In-Line Hard Costs	Total Dev Costs

Turner Construction Index



Quarter	Index	△%

Year	Average Index	△%

Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

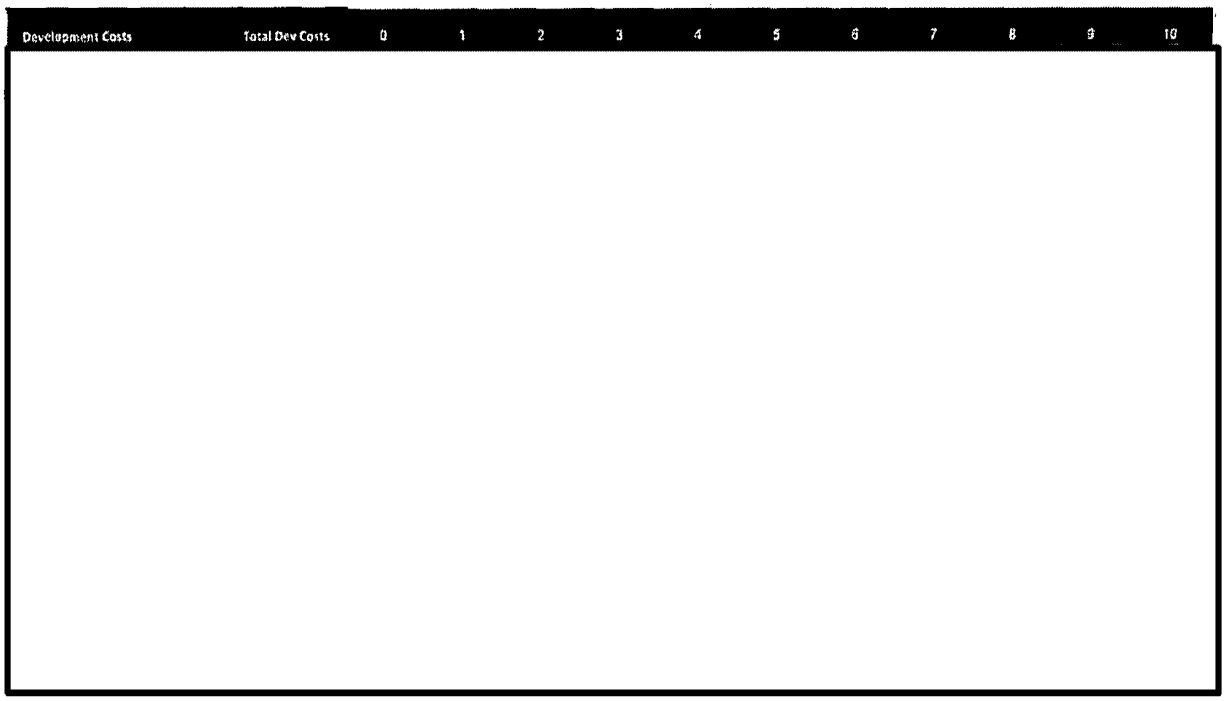
Turner

(b)(4)

(b)(4)

Project Construction Timeline of Job Creation





(b)(4)

(b)(4)

The detailed industry results for the economic impact of construction hard costs are given in Tables 9-2 and 9-3. The hard costs for construction were calculated by totaling the RS MEANS costs combined with the tenant improvements and site work line-items from the summary development budget totaling [redacted] This number was entered into the RIMS model using the [redacted] multiplier providing the following:

Table 9-2. Increase in Employment, Output, and Earnings, Construction Costs for Retail Shopping Center, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
[redacted]			

Summary: [redacted]

(b)(4)

Summary: Table 9-3 shows that the average output per new worker will be about [redacted] with average annual earnings of about [redacted]

Table 9-3. Output and Earning Per New Worker, Construction Costs for Retail Shopping Center, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

B. Architectural and Engineering Expenditures

Table 9-4. Increase in Employment, Output, and Earnings, Architectural and Engineering Costs of Retail Shopping Center, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings

Summary:

calculate the indirect and induced job creation for architectural expenditures. A complete listing of the multiplier tables are available attached as Appendix C of this economic analysis.

Summary: Table 9-5 shows that the average output per new worker would be about [redacted] with average annual earnings of about [redacted]

Table 9-5. Output and Earnings Per New Worker, Architectural and Engineering Costs of Retail Shopping Center, Indirect and Induced Jobs Only

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

C. Summary Statistics for Retail Shopping Center

The final two tables in this section show the effects of the construction of the retail shopping center.

Table 9-6. Increase in Employment, Output, and Earnings, Construction and Architectural and Engineering Costs of Retail Shopping Center

Industry Group	Employment	Output	Earnings

Summary: Table 9-6 shows there would be about [redacted] indirect and induced new jobs created from the construction and architectural and engineering costs from the development of the retail shopping center. Total output would increase about [redacted] while household earnings would increase by about [redacted]

(b)(4)

(b)(4)

Summary: Table 9-7 shows that the average output per new worker would be abou [redacted] with average annual earnings of about [redacted]

Table 9-7. Output and Earnings Per New Worker, Construction and Architectural and Engineering Costs of Retail Shopping Center

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

(b)(4)

10. Economic Impact of Residential Apartment Community

[redacted]

Tables 10-2 and 10-3 show the increase in employment, output, and earnings for [redacted] million in hard construction expenditures.

A. Construction Expenditures

Table 10-1. Detailed Construction and Development Budget for Apartment Community

Multifamily Development Budget

[redacted]

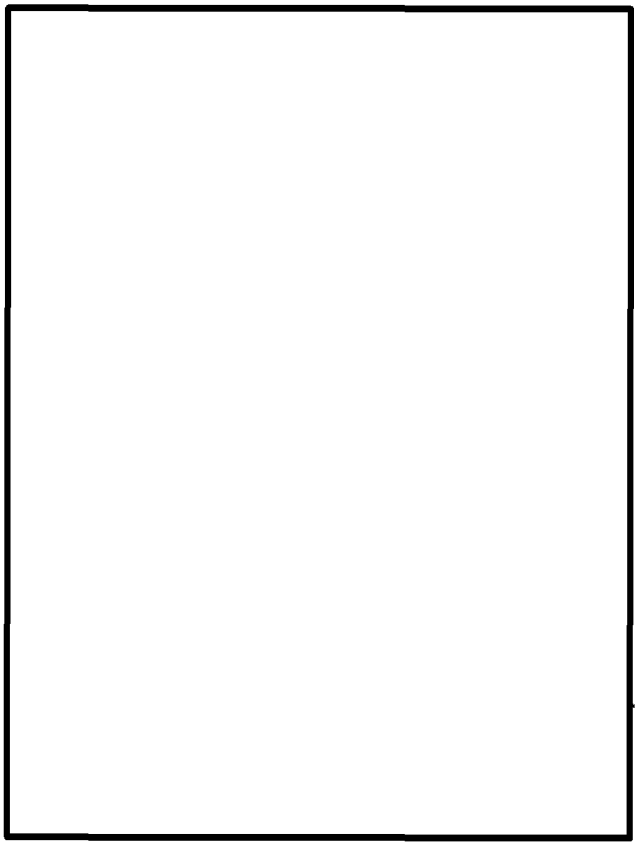
(b)(4)

Project Construction and Development Costs (Detailed Line-Item of Summary Budget)

The below budget of development costs is a detailed line-item budget to further itemize construction hard costs listed in Table 10-1 for RIMS II analysis. Construction costs are explained in detail using RS MEANS data in each project Business Review.

Development Costs ($)	Soft Costs	RS MEANS Hard Costs	Land Costs	Total Dev Costs

Turner Construction Index



Quarter	Index	△%

Year	Average Index	△%

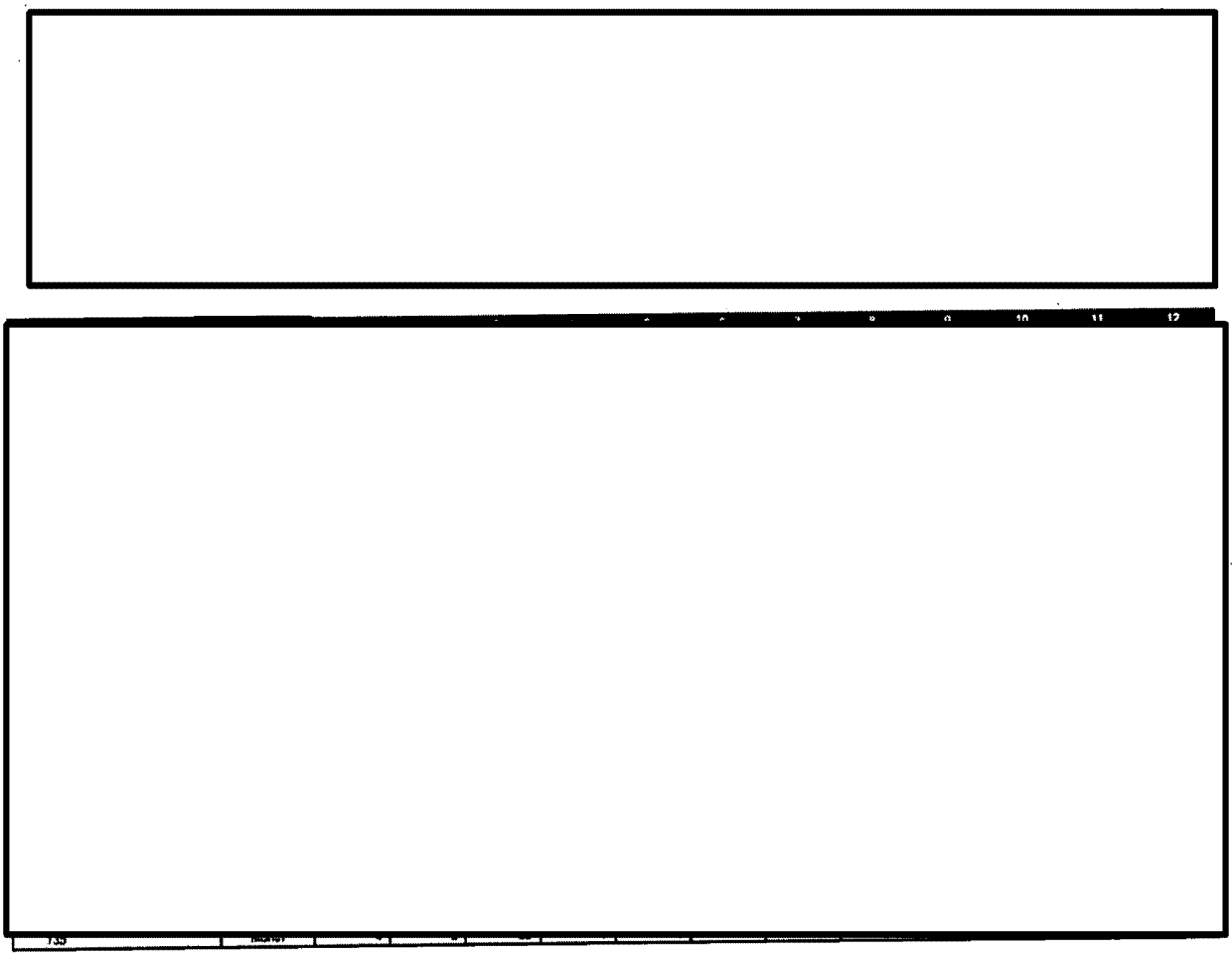
Turner's Building Cost Index is determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices and the competitive condition of the marketplace.

Turner

(b)(4)

(b)(4)

Project Construction Timeline of Job Creation



(b)(4)

Tables 10-2 and 10-3 show the detailed industry results of these construction expenditures.

Table 10-2. Increase in Employment, Output and Earnings, Construction Costs for Apartment Community, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings

Summary:

(b)(4)

[redacted]

Summary: Table **10-3** shows that average output per new worker would be about [redacted] while average annual household earnings would be abou[redacted]

Table 10-3. Output and Earnings Per New Worker, Construction Costs for Apartment Building, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings
[redacted]			

(b)(4)

B. Architectural and Engineering Expenditures

Table 10-4. Increase in Employment, Output, and Earnings, Architectural & Engineering Costs for Apartment Community, Indirect and Induced Jobs Only

Industry Group	Employment	Output	Earnings

Summary:

(b)(4)

Summary: Table 10-7 shows that the average output per new worker would be about [redacted] with average annual household earnings of abou[redacted]

Table 10-7. Output and Employment Per New Worker, Construction of Apartment Building

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

C. Economic Impact of Total Project

The final two tables summarize the economic impact of construction costs and architectural and engineering costs of the apartment community for indirect and induced jobs.

Table 10-6. Increase in Employment, Output, and Earnings, Construction and Architectural and Engineering Costs of Apartment Building

Industry Group	Employment	Output	Earnings

Summary: Table 10-6 shows there would be abou[redacted]ew jobs created, with total output rising about [redacted] and household earnings up about [redacted]

(b)(4)

(b)(4)

Summary: Table 10-7 shows that the average output per new worker would be about [redacted] with average annual household earnings of abou[redacted]

Table 10-7. Output and Employment Per New Worker, Construction of Apartment Building

Industry Group	Employment	Output/Empl	Earnings/Empl
[redacted]			

(b)(4)

Economic Analysis Appendix C: Copies of RIMS II Tables



RIMS II Table 1-1 Final Demand Output Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

Table 1.1 Final Demand Output Multipliers - detailed industries
Region: Raleigh-Durham Benchmark (Type II)
Series: 2002 U.S. Benchmark I-O data and 2008 Regional Data
[Dollars]
Note: This table has been transposed.

[redacted]

RIMS II Table 1-2 Final Demand Earnings Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

Table 1.2 Final Demand Earnings Multipliers - detailed industries
Region: Raleigh-Durham Benchmark (Type II)
Series: 2002 U.S. Benchmark I-O data and 2008 Regional Data
[Dollars]
Note: This table has been transposed.

[redacted]

RIMS II Table 1-3 Final Demand Employment Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

Table 1.3 Final Demand Employment Multipliers - detailed industries
Region: Raleigh-Durham Benchmark (Type II)
Series: 2002 U.S. Benchmark I-O data and 2008 Regional Data
[Jobs]
Note: This table has been transposed.

[redacted]

(b)(4)

RIMS II Table 1-5 Total Multipliers – detailed industries

Only NAICS codes used in the RIMS II model for the ERDRC economic analysis have been included in this table.

Print Screen Reproduction of Actual Multipliers Used
RIMS II Multipliers (2002/2008) Table 1.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Detailed Industry, Raleigh Durham Area (Type II)

WELLS FARGO

November 14, 2012

(b)(4)

To Whom It May Concern:

[redacted]

Thank you,

Cristy Ramsey
Business Relationship Manager
Assistant Vice President

Together we'll go far



ENCORE ENTERPRISES, INC.

5005 LBJ FREEWAY, SUITE 1200 * DALLAS, TX 75244
PHONE: 214-259-7000 * FAX: 214-259-7001
WEBSITE: www.encore.bz

RECEIVED
MAY 22 2013

Via US Express Overnight Mail (EI279863513US)

May 10, 2013

The Honorable David Price
United States House of Representatives
2162 Rayburn House Office Building
Washington, DC 20515

Re: Encore Raleigh/Durham Regional Center Application (ERDRC)
(RCW1201850576)

Dear Representative Price:

I respectfully request your help in obtaining a status update on Encore Raleigh/Durham's ('ERDRC') Employment Based Fifth Preference (EB-5) application (I-924), which is currently pending before the USCIS/California Service Center. ERDRC applied for Regional Center designation with the USCIS on December 20, 2011, but now, more than 16 months later, the application is still pending. I also bring to your attention the fact that ERDRC's application has taken longer than the usual processing time of nine months as publicized on the USCIS agency's website.

ERDRC has been organized to attract foreign capital through the EB-5 program, with the intention of developing multiple, new commercial enterprises ("NCEs") and job creating entities ("JCEs") located in one or more of the four contiguous counties within the Raleigh-Durham region. The counties include Durham, Johnston, Orange and Wake, and the cities of Raleigh, Cary, Durham and Chapel Hill. The EB-5 investment capital will be used for construction and operation of four projects, including a medical office building; a neighborhood retail center; a limited service hotel; and a multifamily residential property.

(b)(4) Based on assumed investment of [redacted] f EB-5 capital, ERDRC has estimated that more tha[redacted]ew jobs will be created from these new projects. The jobs include those in construction as well as from permanent operational activities occurring within the Regional Center. Given the jobs-creation potential of this Regional Center within North Carolina's 4th Congressional District and the surrounding region, your help in determining the status of this application is greatly appreciated.

Please feel free to contact me directly at 214-259-7021 if you need additional information or clarification.

Best regards,

Kevin R. Rogers
Senior Managing Director

cc: USCIS/California Service Center
Attn: District Director
24000 Avila Road, 2nd Floor
Laguna Niguel, California 92677

Department of Homeland Security
U.S. Citizenship and Immigration Services

I-797, Notice of Action

THE UNITED STATES OF AMERICA

RECEIPT NUMBER		CASE TYPE 1924
RCW1201850576		Application for Regional Center Under the Immigrant Investor Pilot Program
RECEIVED DATE January 18, 2012	APPLICATION TYPE: A (INITIAL)	REGIONAL CENTER NAME ENCORE RALEIGH/DURHAM REGIONAL CENTER
NOTICE DATE January 18, 2012	PAGE 1 of 1	REGIONAL CENTER ID ID1201850576
BRIAN GRAHAM STRASBURGER & PRICE LLP RE: ENCORE RALEIGH/DURHAM REGIONAL CENTER 600 CONGRESS AVE STE 1600 AUSTIN TX 78701		NOTICE TYPE: Receipt Notice

Receipt Notice - This notice confirms that USCIS has accepted your "Application for Regional Center Under the Immigrant Investor Pilot Program" (Form I-924) for processing. This notice does not grant any immigration status or benefit. This notice does not grant any immigration status or benefit.

Processing Time – The current processing time for this type of case is estimated at 120 days. Unlike many other USCIS case types, verification or tracking of this case is not available on our website. We will notify you by mail when we make a decision on this case or if we need further evidence to establish your eligibility for the regional center designation.

Unique Identifier – In the top portion of this Notice, you will find a unique identifier that has been assigned to your Form I-924. Unlike a receipt number which changes with every filing, this unique identifier is *permanently* assigned to your approved or prospective regional center, and will be associated with any future request to amend the regional center. Please refer to your regional center's unique identifier as well as to the Form I-924 receipt number in all subsequent correspondence with USCIS regarding this application.

E-Mail Communication Regarding Your Pending Form I-924 Application – USCIS has established a direct e-mail communication tool to facilitate communication between USCIS and those applicants with pending Form I-924s. Form I-924 applicants may use the e-mail communication process to correspond with USCIS regarding pending Form I-924 applications, to include questions that may arise if USCIS issues a Request for Evidence (RFE) or a Notice of Intent to Deny (NOID). USCIS may also reach out to Form I-924 applicants via e-mail to informally ask for clarification on certain issues in order to facilitate USCIS' review, understanding, and adjudication of the Form I-924 application. USCIS may also e-mail a courtesy copy of the RFE or NOID to the e-mail address listed on the I-924 and, if applicable, to the e-mail address listed on the Form G-28 associated with the application.

Please use the following table to determine which email address has been assigned to your Form I-924.

If your unique identifier ends in the number:	Then please utilize this email address:
0, 1, or a 2	CSC-EB5-RCID0-2@dhs.gov
3, 4, or 5	CSC-EB5-RCID3-5@dhs.gov
6 or 7	CSC-EB5-RCID6-7@dhs.gov
8 or 9	CSC-EB5-RCID8-9@dhs.gov

Example: If a regional center's unique identifier is IDxxxxxxxxx0, then the regional center's Form I-924 has been assigned to email account CSC-EB5-RCID0-2@dhs.gov, as the unique identifier ends in "0".

E-Mail "Subject Line" Advisory - Please ensure that the subject line in your email correspondence contains the following information in this order: (1) Regional Center Unique Identifier; (2) Receipt Number; (3). Regional Center Name. Doing so will facilitate USCIS' timely handling of and response to your email correspondence.

E-mail Scope - This e-mail communication tool is to be used solely to facilitate communication between applicants with a pending Form I-924 and USCIS. The scope of the communication must relate to matters concerning the pending Form I-924. The direct e-mail communication initiative it is not a forum for general policy and legal questions about adjudicative procedures or decisions, or for questions relating to either "Immigrant Petition by Alien Entrepreneur" (Form I-526), "Petition by Entrepreneur to Remove Conditions" (Form I-829), or any "Appeal or Motion" (Form I-290B). USCIS will not respond to e-mails received concerning issues unrelated to the currently pending Form I-924. For more information about how to make other EB-5 inquiries, visit the EB-5 Inquiries page on the USCIS website (www.uscis.gov). USCIS will not respond to e-mails received concerning issues unrelated to the currently pending Form I-924 via this email communication process.

General Questions - USCIS has a page entitled EB-5 Inquiries at www.uscis.gov that outlines how the public may make other inquiries on EB-5 related matters, to include inquiries that you may have after the Form I-924 has been adjudicated. This page clarifies the EB-5 inquiries that are appropriate to send to the general EB-5 mailbox (at uscis.immigrantinvestorprogram@dhs.gov), and other avenues that can be used to send questions or inquires to USCIS that are not suitable for the general EB-5 mailbox.

Attorney Or Accredited Representative - If a valid Form G-28 is associated with the Form I-924, USCIS will need to have a viable Form G-28 e-mail address for the legal representative in order to use the e-mail process to correspond with the Form I-924 applicant. If a valid Form G-28 is associated with the Form I-924 applicant, but USCIS does not have a viable Form G-28 e-mail address, then one will need to be obtained prior to USCIS sending any out-going e-mail correspondence to the applicant which discuss issues related to the Form I-924. In such circumstance, the legal representative should provide an updated Form G-28 with a valid e-mail address by sending a pdf of a fully executed Form G-28 to the EB-5 mailbox at uscis.immigrantinvestorprogram@dhs.gov.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

U.S. CITIZENSHIP & IMMIGRATION SVC
CALIFORNIA SERVICE CENTER
P.O. BOX 30111
LAGUNA NIGUEL CA 92607-0111
Customer Service Telephone: (800) 375-5283

COPY

RECEIPT NUMBER		CASE TYPE 1924
RCW1201850576		Application for Regional Center Under the Immigrant Investor Pilot Program
RECEIVED DATE January 18, 2012	APPLICATION TYPE: A (INITIAL)	REGIONAL CENTER NAME ENCORE RALEIGH/DURHAM REGIONAL CENTER
NOTICE DATE January 18, 2012	PAGE 1 of 1	REGIONAL CENTER ID ID1201850576
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