WHARTON RM HOSPITALITY, LLC
TWO-PROPERTY HOTEL PORTFOLIO

INVESTMENT SUMMARY

$9,400,000
LIMITED LIABILITY COMPANY UNITS
OFFERED IN UNITS OF $100,000 EACH
PARTIAL UNITS AVAILABLE

Comfort Suites, Raleigh-Durham, NC

Holiday Inn Express, Montrose, CO

PLACEMENT AGENT:
NHCOHEN CAPITAL LLC
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NEW YORK, NY 10016
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JANUARY 8, 2016

NHCohen CAPITAL LLC MEMBER FINRA

WHARTON EQUITY PARTNERS

WHARTON RM HOSPITALITY, LLC

EXECUTIVE SUMMARY

Wharton RM Hospitality, LLC (the "Company") is in final negotiations to acquire two premium select service hotels comprising 247 rooms, located in Raleigh/Durham, NC and Montrose, CO (the "Properties"). Wharton Equity Partners (the "Sponsor" or "Wharton") is a New York City based real estate investment firm formed in 1987 (www.whartonequity.com).

Wharton is currently a minority partner in the hotels and will be acquiring a 100% interest in the Properties through a privately-negotiated transaction. Wharton expects to capitalize on its familiarity with the assets and facilitate a seamless transition to Company ownership. Interstate Hotels & Resorts ("Interstate"), the world's largest independent management company, will continue to manage the Properties.

The Company is acquiring assets that are benefitting from strong local demand, recent renovations, and professional hospitality management by Interstate. Upward trending performance at the Raleigh-Durham Comfort Suites suggests increasing market share in a dynamic market. The Montrose Holiday Inn Express & Suites maintains a dominant market position in a stable and growing commercial hub of western Colorado.

Hotels have historically performed well during inflationary periods due to flexibility in setting room rates. Within the lodging industry, the simpler business model of select service hotels (e.g., limited food and beverage, lighter payroll, efficient buildings with a smaller percentage of space dedicated to meetings and common areas) allows for more nimble operations in changing market conditions as compared with other lodging segments.

Quarterly distributions to investors are anticipated to be greater than 7% annually from inception, and the pre-tax equivalent annual yield is projected to average in excess of 13% over the anticipated five-year investment period.

Wharton is a diversified real estate investment firm and through affiliates has interests in over 20 hotels. Through nearly 30 years in operation, Wharton has been a fiduciary to leading institutions, family offices, and high net worth individuals.

INVESTMENT HIGHLIGHTS

- Strong and experienced sponsor in business since 1987
- Projected 7% initial distribution paid quarterly
- Attractive after-tax yields with favorable depreciation
- Inflation hedge & diversification - low correlation to stocks
- Upward trending cash flows aided by recent renovations
- Dynamic markets with diverse business and leisure drivers
- Sponsor experience with these hotels as current JV owner
- Acquiring direct / off-market and below replacement cost
- Interstate: proven manager of the hotels to remain in-place
- Select-service hotels: profitable operating model
- Prudent debt levels and debt term flexibility mitigate risks

PROPERTY DESCRIPTIONS

Comfort Suites: 5219 Page Road, Durham, NC	
Property:	Built 1998; 125 rooms; 1,800 SF meeting space
Location:	Research Triangle Park (2.5 mi.); RDU Airport (5 mi.)
Amenities:	Business center, gym, swimming pool, shuttle service
Renovation:	$700K in 2013 (rooms, lobby) & $750K from 2007-2012
•	Forbes #1 Top Place for Business and Careers (2014)
•	Three top universities - Duke, UNC, NC State within a half-hour
•	A top US economy 'mega-region' / 190 high-tech firms at RTP

Holiday Inn Express: 1391 S. Townsend Ave., Montrose, CO	
Property:	Built 1997; 122 rooms; 5,990 SF meeting space
Location:	Gateway to Telluride; regional airport hub
Amenities:	Business center, gym, pools, shuttle, nearby retail
Renovation:	$2.5MM (2013); rooms, lobby, meeting space, pool
•	Most rooms and best amenities in the area lodging market
•	Holiday Inn Express - one of the world's leading hotel brands
•	Montrose Airport - direct flights to major cities throughout the US

OVERVIEW

Introduction: Wharton RM Hospitality, LLC (the "Company"), an affiliate of Wharton Equity Partners ("Wharton" or the "Sponsor"), is in final negotiations to acquire the 100% fee simple interest in two premium select service hotels: the 125-room Comfort Suites in Raleigh-Durham, NC (the "Raleigh-Durham Property"), and the 122-room Holiday Inn Express & Suites in Montrose, CO (the "Montrose Property") (collectively, the "Properties"). The combined purchase price for the Properties is $21.0 million. The purchase represents an opportunity to acquire two high quality, recently-renovated hotels in markets experiencing growing demand from both business and leisure travelers. The hotels were constructed in 1998 and 1997, respectively, and underwent a combined $3.2 million in renovation and property improvements from 2012 to 2013.

Affiliates of Wharton currently own minority interests in the Properties. This relationship (i) enabled Wharton to pre-empt a broad-based marketing process of the Properties and (ii) allows for a smooth post-closing transition and continued execution of an effective in-place business plan. Wharton also has an established relationship with the Properties' current hotel management company, Interstate Hotels & Resorts (the world's largest independent management company), which will continue to manage the Properties after the acquisition.

Professional management and marketing together with favorable hotel market factors should result in increasing income and distributions. A financing of the Properties will be completed at acquisition on the most advantageous terms available.

Offering: $9,400,000 in Limited Liability Company interests, offered in 94 units of $100,000 with partial units accepted at the Manager's discretion. Affiliates of the Sponsor will purchase 5% of the investor interests on the same terms as other investors.

Advisor / Sponsor: Wharton RM Hospitality, LLC, an affiliate of Wharton Equity Partners

Purchase Price: $21,000,000 (Raleigh-Durham Property: $9,500,000; Montrose: $11,500,000).

The Purchase Prices were negotiated independently of a pre-existing relationship with current ownership. Third party appraisals support a favorable acquisition price which reflects a discount to replacement cost.

Projected Closing: March 31, 2016

Investment Thesis: The Sponsor's familiarity with the Properties, coupled with Interstate's continuity as hotel manager, is expected to provide a smooth transition for the execution of the Sponsor's business plan. Upward trending operating performance, dynamic markets, and $3.2 million in recent renovations provide a stable base for continued growth, bolstered by Wharton's asset management oversight.

As an investment class, real estate can be a tax-efficient source of income while providing portfolio diversification and inflation protection. Its low historical correlation to stocks and bonds can reduce portfolio volatility. Other advantages include capital preservation and the opportunity for capital appreciation.

Select-service hotels have an efficient operating model, characterized by reduced staffing, less reliance on food and beverage revenues, and optimally sized property. These factors tend to raise operating margins and result in more predictable cash flows. The Properties are expected to benefit from their established franchise brands' reservation systems, loyalty programs, and marketing scale.

The Properties demonstrate a stable performance history with prospects for growing revenues through the investment period which will be driven by exceptional management and increasing demand for select service accommodations in the subject markets.

The Sponsor, Wharton Equity Partners, is a diversified real estate investment firm formed in 1987, and will provide asset management and supervisory services for the Company. Wharton has operated in a similar capacity on behalf of leading institutions, family offices, and high net worth individuals for nearly 30 years. The firm has deep experience in the hospitality industry, and affiliates currently have interests in over 20 hotels.

Distributions: Distributions net to investors are projected to commence in excess of 7.0%. Due to favorable tax depreciation schedules associated with hotel ownership, pre-tax equivalent returns over the anticipated five year holding period are expected to average greater than 13.0%. (Please see Exhibit B for projected returns.)

Note: THE ABBREVIATED INFORMATION ABOVE IS NECESSARILY INCOMPLETE IN MANY IMPORTANT RESPECTS AND IS QUALIFIED BY THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM, WHICH MUST BE CAREFULLY REVIEWED IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DESCISION.

THIS IS NOT AN OFFER. THIS OFFERING MATERIAL IS SUBJECT TO AMENDMENT. NO OFFER MAY BE MADE, AND NO DEPOSIT OR SUBSCRIPTION AGREEMENT MAY BE ACCEPTED, EXCEPT IN ACCORD WITH THE CONFIDENTIAL PRIVATE PLACMENT MEMORANDUM.

HOTEL INDUSTRY

National Market:

National hotel market fundamentals are strong, with consensus among industry leading research firms PKF, STR, and PwC that occupancy, ADR, and RevPAR will continue improving through 2016, as reflected in the chart at right.[1] These trends, coupled with modest projected additions of new properties due to more stringent lending requirements should contribute to sustained positive market fundamentals over the next several years.

2016: % Change vs. 2015			
	PKF	STR	PwC
Supply	1.8%	1.4%	2.0%
Demand	2.2%	2.2%	2.1%
Occupancy	0.4%	0.8%	0.1%
ADR	5.9%	5.2%	5.8%
RevPAR	6.3%	6.0%	5.9%

Catalysts for Hotel Demand

- Current levels of corporate profits and corresponding business travel expenditures continue to drive both transient and group demand
- The leisure segment is improving, marked by increasing real personal income, strong consumer confidence, and lower gas prices
- Group demand is rebounding, with healthy increases in bookings supplementing demand growth and allowing for rate increases
- Positive trends in international travel to the US are expected to continue for the foreseeable future

Select-Service Hotels:

Hotels are broadly categorized as: limited-service, full-service, or select-service. Select service hotels, the Properties' segment, offer a selection of services and amenities characteristic of full-service properties, but in moderation. Such properties may operate with reduced staffing, limit restaurant services and offer less conference facilities that may otherwise increase overhead costs and room rates. In-room amenities, however, can approach those levels found at full-service hotels. The better operating efficiencies of select-service hotels (e.g., less maintenance, lower payrolls, and smaller physical properties) result in higher profit margins and more consistent cash flows.

Branded select service hotels with strong franchisors, as in the case of the Properties' Comfort Suites and Holiday Inn Express & Suites, are experiencing growing demand among both guests and investors. Aspects such as efficient design, streamlined operations, room consistency, guest value and experience, brand reservation systems, loyalty programs, and global marketing capabilities often translate to higher occupancy, margins, and net operating income.

Comfort Suites is noted for its large rooms, free breakfasts, and pools and/or fitness centers at each of its 600+ locations. Guests earn 'Choice Privileges' points through parent Choice Hotels (www.choicehotels.com), which owns ten other brands and has over 6,000 locations worldwide. Holiday Inn Express is a practical, reasonably-priced brand that offers fitness centers, pools, and business centers at most of its 2,300+ locations worldwide. Parent company Intercontinental Hotels Group (www.ihg.com) is the world's largest hotel company with nine brands and 700,000+ rooms, all which honor IHG Rewards Club points.

[1] Revenue per available room ("RevPAR") equates to occupancy multiplied by the average daily room rate ("ADR")

PROPERTIES AND MARKETS

Property Description:

COMFORT SUITES RALEIGH-DURHAM

The 125-room Raleigh-Durham Property was built in 1998 with concrete construction and features an attractive all-brick façade. The five-story hotel is visible from I-40, and is well-located less than one mile from the interchange of I-40 and I-540 (Raleigh's circumferential road). The hotel is approximately 2.5 miles from Research Triangle Park; five miles from the RDU Airport; 10 miles from the PNC Arena; 10 miles from downtown Durham; and 15 miles from downtown Chapel Hill and downtown Raleigh.

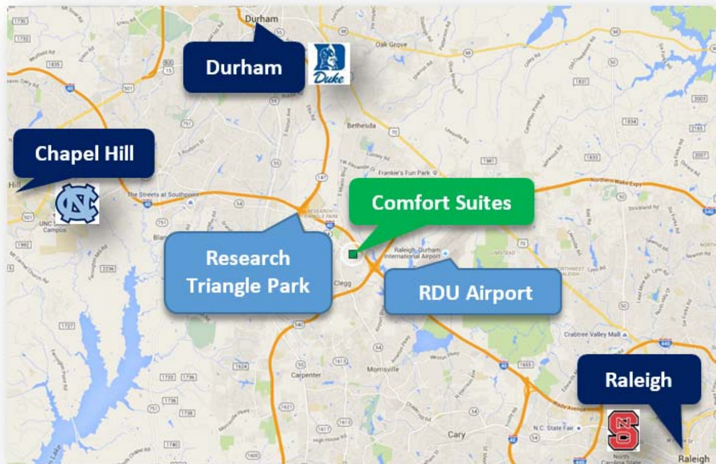
Two meeting rooms combine to form a function room that accommodates 200 people. Hotel amenities include a business center, gym, pool, free breakfast, and shuttle service to the airport and to local area shopping and restaurants. The hotel offers uncommon features for a select service hotel, including oversized rooms and suites, and a terrace level lounge area on the second floor. The accommodation mix consists of 52 kings, 53 queens, 13 suites, and 7 ADA rooms.

Approximately $700,000 in renovations were completed in 2013, including refurbishment of public areas, guestroom furniture, administrative and support areas, as well as upgrades and replacements of mechanical systems and equipment. An annual furniture, fixtures and equipment (FF&E) replacement program is in place under current ownership.

The Comfort Suites franchise agreement runs through 2022 and includes a franchisee-held option to terminate the agreement in 2017. Sponsor will explore several options, including early renewal / extension, rebranding the hotel to capitalize on demand from other brands, or selling the Raleigh-Durham Property in advance of expiration to afford optionality to a new buyer.

Raleigh-Durham Market:

The Comfort Suites is located in Durham at the nexus of the Triangle Region, so-called for the geographical situation, proximities, and shared economies of Raleigh, Durham and Chapel Hill. The region is home to the state capital, has a diverse and growing economic base, and consistently rates as one of the best places to live and work in the US. The area is a key part of one of the main 'mega-regions' expected to power the US economy in the coming decades.



The Raleigh Durham International Airport ("RDU") is located five miles from the Comfort Suites. RDU recently underwent a major expansion, now housing operations for 10 major airlines. In 2014 RDU served 9.5 million passengers, and with further expansion, planned passenger capacity is expected to double by 2020. Research Triangle Park ("RTP"), located 2.5 miles from the hotel, is the world's largest and most successful R&D business park, and a main hub for high technology and biotechnology activities. The Triangle Region also has a stable university base, anchored by UNC Chapel Hill, Duke University, and N.C. State, which are each located within a 20-minute drive of the Comfort Suites.

The area's universities have significant collaboration with RTP in computer and medical-device-related high tech research and manufacturing. These ventures have generated $2.5 billion of federal R&D funding in each of the past few years, created more than 400 start-ups, and designed various new products and processes. Such activities have contributed to the region's strong job growth of approximately 2.5% annually over the past several years, and are expected to continue to bolster the local economy going forward. The medical industry is another major local economic driver that dovetails with the local university base. One of Durham's largest employers, Duke Medical Center, is located approximately 10 miles from the Comfort Suites.

The area's strengths in medical, education, and technology sectors have the added advantage of tending to be among the more steady sectors through boom-and-bust economic cycles. Such resilience was demonstrated during the downturn that began in 2008, in which Durham sustained 23% fewer job losses than the US on average, according to the Bureau of Labor Statistics. Durham was also quicker to recover lost jobs, regaining its pre-recession peak employment in the first quarter of 2013, while the US had not recovered pre-recession peak employment until June 2014.

Raleigh-Durham Accolades and Area Highlights

- Top 10 Great Cities for Raising Families (Kiplinger's)
- #1 Strongest Job Market in the Nation (Manpower)
- #3 Best Places for Business and Careers (Forbes)
- #4 of America's Brainiest Places to Live (CNN Money)
- Top Public Schools for Mid-to-Large Metros (Great Schools)

Research Triangle Park (RTP)

RTP, the nation's largest R&D park, is located 2.5 miles from the Comfort Suites. RTP houses over 190 firms employing 60,000 workers, including IBM, Cisco, Fidelity, NetApp, Credit Suisse, RTI, Glaxo, and the Environmental Protection Agency.

Raleigh-Durham International Airport (RDU)

RDU, located within five miles of the Comfort Suites, served 9.5 million travelers in 2014, with airlines including Delta, United, American and JetBlue. Terminal 1 was recently renovated, and a $570 million 32-gate Terminal 2 project is underway.

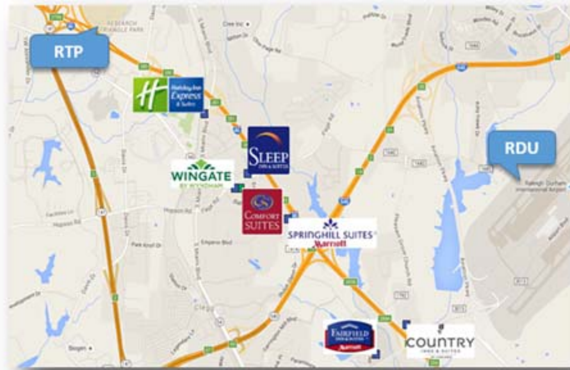
University Life

NC State (Raleigh), UNC Chapel Hill, and Duke University (Durham) are each within 20 minutes of the hotel. While these are the best known, there are a total of 15 universities and 10 colleges in the Triangle Region, fueling its innovation economy.

Shopping and Dining

Shopping center Brier Creek Commons is located five miles from the hotel, featuring big box retailers, boutiques, and several bar and restaurant options. Triangle Town and Streets at Southpoint are two other nearby retail centers with dining options.

Competitive Set: Local hotel market fundamentals are strong, with a favorable supply and demand outlook. Limited availability of suitable hotel building sites and a lack of available brands in the competitive area are expected to keep supply in check.



The STR report below summarizes key hotel industry metrics for the subject property and competitive hotels in the market area. The report compares occupancy, ADR, and RevPAR. Over the past year RevPAR has been increasing at the subject property disproportionately to its competitive set, largely due to occupancy gains. The Index scores for each of the three metrics are the subject property's results divided by the competitive set. Index scores in the 80's and 90's, coupled with the Comfort Suite's momentum, suggest opportunity for further penetration. The Raleigh-Durham Property's 125 rooms represent 18.3% of the 683 room competitive set.

Comfort Suites RDU/RTP - November 2015 STR Report Results

	Occupancy (%)			ADR			RevPAR		
	Subject	Comp Set	Index	Subject	Comp Set	Index	Subject	Comp Set	Index
Running 3 Month	74.0%	74.7%	99.0	$80.38	$ 88.33	91.0	$59.50	$ 66.01	90.1
Running 12 Month	67.7%	72.9%	92.9	$81.39	$ 87.97	92.5	$55.09	$ 64.10	85.9

The chart below isolates the property's performance over the past four years. The effects of 2013 renovations, amplified by positive market factors, are apparent in 2014 and 2015 results. (2015 year-end financials were not available as of this presentation and reflect a combination of actual and projected performance.)

Comfort Suites RDU/RTP Operating & Financial Summary: 2012-2015

	2012 Actual	2013 Actual	2014 Actual	2015 Act. / Proj.
ADR	$ 76.89	$ 71.42	$ 80.26	$ 82.46
Occ %	57.9%	63.5%	65.4%	64.8%
RevPAR	$ 44.52	$ 45.35	$ 52.49	$ 53.43
Total Revenue	$ 2,109,263	$ 2,147,803	$ 2,472,204	$ 2,540,100
Gross Operating Profit	$ 880,052	$ 774,410	$ 916,728	$ 1,029,745
NOI	$ 618,421	$ 506,618	$ 619,488	$ 714,499

Wharton has conservatively underwritten the projections, assuming an average of 3% ADR growth and 1% occupancy growth for the five-year projection period. Wharton has anticipated an increase in property taxes based on a review by its property tax consultants. Reserves are projected for renovations, working capital, and furniture, fixtures, and equipment (FF&E) to allow for future improvements.

Property Description:

MONTROSE HOLIDAY INN EXPRESS & SUITES

The 122-room Holiday Inn Express & Suites was built in 1997 with concrete construction and an attractive exterior. It is set amidst the scenic San Juan Mountains in Montrose, CO, the primary commercial and tourist hub of Western Colorado. Montrose is the gateway to the famed Telluride ski and resort area 60 miles south. The hotel offers access to area demand generators with visibility and access from US 550 via US 50, the major thoroughfare.

The hotel has 6,000 sf of meeting space, and its market-leading amenities include a business center, gym, indoor and outdoor pool, shuttle service, and an adjacent (independently-owned) retail center. The hotel also features a two-story lobby lounge. The accommodation mix is 45 kings, 62 queens, 10 suites, and five ADA rooms.

During 2012 and 2013, the hotel underwent a comprehensive renovation and upgrade to latest brand standards. Approximately $2.5 million has been invested in new room furniture, fixtures and equipment. Significant improvements and reconfigurations were made to most areas of the hotel, as well as to the property's exterior, base building, and building systems.

The Holiday Inn Express & Suites franchise agreement runs through 2021. Sponsor will explore several options, including early renewal / extension, rebranding the hotel to capitalize on demand from other brands, or selling the Montrose Property in advance of expiration to afford optionality to a new buyer.

Montrose Market:

The Holiday Inn Express is located in Montrose, the county seat of Montrose County, Colorado. Montrose first developed in the 19th century as a regional shipping center during the westward expansion of railroads. The mineral-rich San Juan Mountains added mining relevance, and by the early 20th century Montrose became a major regional agricultural hub.

Today, Montrose's local economy has a diverse base, including private industry, government, healthcare and higher education. Tourism and recreation are also important to the local economy. Aided by Montrose Regional Airport, and the town's location along US Highway 550, Montrose has become a regional transportation hub for several resort areas including Telluride. The above map shows the national (and international) reach of Montrose's airport, with colored lines signifying direct flights.

Population in Montrose is steadily rising, having grown 30% cumulatively over the past ten years. Clean air, mountain views, ample recreation venues, low crime rates, and an average 320 days of sunshine a year contribute positively to Montrose's high quality of life standards. While families and millennials are moving to Montrose, it has become a particular magnet for retirees, and 42% of Montrose residents are aged 45 or older.

Outdoor recreation opportunities abound, with residents and tourists taking advantage of skiing, river rafting, wildlife watching tours, hunting, visiting working cattle ranches, exploring old mines, and playing on five golf courses. Montrose also has a growing assortment of restaurants and shopping venues, craft shows, art walks, farmers' markets, festivals, mountain bike races, and various other events. The Valley Symphony and Valley Symphony Chorus add to the cultural attractions. Harkening to Montrose's 19th century roots, Victorian homes add to the city's ambience and charm.

Montrose Highlights

Population: Montrose County's population has increased by 23% in the past decade. Montrose was recently ranked the 18th fastest growing US 'micropolitan' area, with population growth attributable to its unique and progressive business atmosphere, friendly people, and excellent quality of life. According to the US Census Bureau, population is projected to roughly double to approximately 75,000 by 2030.

Air Transportation: Montrose Regional Airport, located three miles from the Holiday Inn Express, offers direct flights to several major cities. It is served by Delta, United, and American. In inclement weather, flights scheduled to land in Telluride are often diverted to Montrose which generates room night demand. Travelers tend to book Telluride trips through Montrose, given more direct flights and average Montrose room rates less than half of those of Telluride.

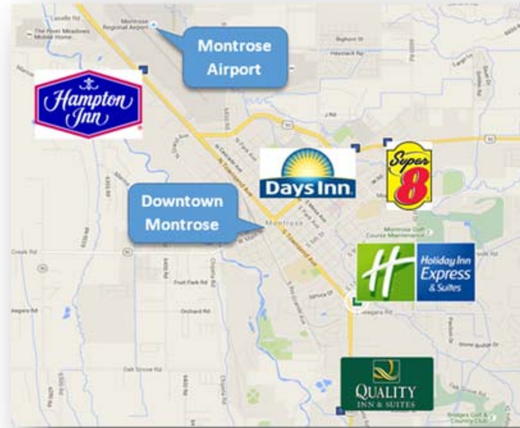
Industry: Montrose County is home to 70+ manufacturing companies, including:

- Russell Stover: 400+ workers / one of the larger local employers - 0.5 mi.
- Western Skyways: piston and turbine engine overhauling facility - 4.6 mi.
- Scott Fly Rod: internationally known fly fishing rod company - 3.0 mi.
- Ross Reels: well-known fly-fishing reel manufacturer - 2.5 mi.

Colorado Mesa University: The Colorado Mesa University Montrose Campus is located one mile from the hotel. The campus provides a variety of associate and bachelor degree programs. Formerly known as Mesa State College, it was renamed and granted university status in 2011. The university has since grown in enrollment, academic programs, and facilities, as have related bookings at the Holiday Inn Express. Continued growth should strengthen this demand driver.

A view from Montrose Bridges - one of five golf courses in Montrose

Competitive Set: Local hotel market occupancy levels evidence strong demand and the Holiday Inn Express is outperforming its competitive set. Very limited new supply is expected for western Colorado during the projected investment period, and industry experts predict continued revenue gains for existing hotels.



The Holiday Inn Express's dominant market position is expressed in the STR report results below, which compares occupancy, ADR, and RevPAR for the subject property and its competitive set. The Montrose Property maintains high index scores (calculated as the Montrose Property's results divided by the competitive set average) for each of the three metrics. Demand from both leisure and business segments remains strong. The Montrose Property's 122 rooms is 35% of the 350 room comp set, with its largest and best meeting facilities a key differentiating factor.

Holiday Inn Express Montrose - November 2015 STR Report Results

	Occupancy (%)			ADR			RevPAR		
	Subject	Comp Set	Index	Subject	Comp Set	Index	Subject	Comp Set	Index
Running 3 Month	70.3%	55.8%	126.0	$99.17	$ 91.50	108.4	$69.74	$ 51.09	136.5
Running 12 Month	70.2%	56.8%	123.5	$97.96	$ 88.90	110.2	$68.78	$ 50.53	136.1

The chart below isolates the subject property's performance over the past four years, with 2013 renovations and positive market forces resulting in strong growth in recent years. (2015 year-end financials were not available as of this presentation and reflect a combination of actual and projected performance.)

Holiday Inn Express Montrose Operating & Financial Summary: 2012-2015

	2012 Actual	2013 Acutal	2014 Actual	2015 Act. / Proj.
ADR	$ 89.67	$ 94.97	$ 96.43	$ 99.70
Occ %	59.1%	57.5%	63.7%	68.2%
RevPAR	$ 52.99	$ 54.61	$ 61.43	$ 68.00
Total Revenue	$ 2,512,770	$ 2,545,303	$ 2,872,912	$ 3,167,174
Gross Operating Profit	$ 984,986	$ 948,057	$ 1,135,205	$ 1,345,302
NOI	$ 648,977	$ 612,231	$ 724,852	$ 914,162

Wharton has conservatively underwritten the projections, assuming an average of 3% ADR growth and 1% occupancy growth for the five-year projection period. Wharton has anticipated an increase in property taxes based on a review by its property tax consultants. Reserves are projected for renovations, working capital, and furniture, fixtures, and equipment (FF&E), to allow for future improvements.

MANAGEMENT

Property Manager: The Company will retain Interstate Hotels and Resorts (www.interstatehotels.com) to manage and market the Properties in exchange for a management fee equal to 3.5% of total revenues. Interstate is a leading global hotel management company with 440 hotels and 79,000 rooms under management throughout the U.S. and world. Its rich history spanning 55 years of innovation, consistency and success is unmatched in the hospitality industry, making Interstate the preferred hotel management company of major global brands. Interstate consistently delivers results for real estate investors, ownership groups, publicly-traded REITs, privately held companies, and private equity funds.

INTERSTATE
HOTELS & RESORTS

Asset Manager: Wharton will oversee the Company's hotels from a proactive asset management platform, with the objective to maximize revenues and profitability. Wharton will actively supervise all operating elements including strategic planning, budgeting, and managing the general managers of the Properties. Wharton will have real-time access to Interstate's property management software from which to monitor rates, bookings, financial and operating metrics. Wharton's sophisticated supervision and management of investments has been fine-tuned over decades as an owner/operator, in which time Sponsor has been a fiduciary to leading institutions and high net worth individuals.

Supervision and Reporting: Wharton or its designee will supervise the affairs of the Company. The Sponsor shall provide an investment update letter to investors on a quarterly basis. Investors will also be provided an annual report and tax information concerning the Company. NHCohen Partners, an affiliate of the Placement Agent, will provide Investment Supervision on behalf of the Members.

OFFERING

Placement: \$9,400,000 in Limited Liability Company interests, offered in 94 units of \$100,000 each, with partial units accepted at Manager's discretion. Affiliates of the Sponsor will purchase 5% of the investor interests on the same terms as other investors.

The Manager is authorized to admit any subscriber who purchases more than \$2,000,000 of units in a separate member class on different terms, so long as there is no adverse effect on non-separate member class subscribers or their cash distribution or tax shelter.

Projected Closing Date: March 31, 2016

Purchase Price of the Properties: \$21,000,000

Mortgage Financing: It is anticipated that acquisition loans will be obtained in the aggregate approximate amount of $14,190,000, reflecting a 66.0% loan to cost (purchase price plus reserves for capital expenditures / renovations). The loans are expected to include amortization on a 25-year self-liquidating schedule and carry interest rates of approximately 4.5%. Initial debt service coverage ratio (available cash flow before debt payments, divided by the debt payment) is expected to exceed 1.8x. The Sponsor believes the prospective acquisition financing terms to be advantageous. Wharton may secure interest-only debt payments for the initial year, which would supplement reserves at the Properties and/or be distributable at the discretion of Wharton.

Proceeds of the Offering: Wharton projects the Company's sources and uses of funds to be approximately as follows:

Sources	
Members' Investments (includes Sponsor contribution)	$ 9,400,000
Debt	14,190,000
Total Sources	**$ 23,590,000**

Uses	
Purchase Price	$ 21,000,000
NHCohen Equity Placement Fee	530,160
Reserves for Capital Expenditures / Renovations	500,000
Wharton Equity Partners Acquisition Fee	315,000
Mortgage Costs, Fees, and Lender Legal	302,850
Working Capital and Contingency	326,987
Purchaser Legal and Marketing	200,000
Lender Mandated Tax and Insurance Reserves	151,839
Franchise Application Fees	100,000
Title Insurance, Formation and Searches	88,750
PCA/ESA, Permits, Survey, Transfer & Recording	74,414
Total Uses	**$ 23,590,000**

Quarterly Distributions: The Company intends to make distributions to investors quarterly.

Preferred Return: Investors are entitled to a 7% annual cumulative compounded "priority" return on their outstanding investment ("Preferred Return").

Cash Flow From Operations: Cash flow available for distributions from the operations of the Properties shall be distributed:

(i) 100% to Investors until they have received their Preferred Return; then,
(ii) 80% to the Investors and 20% to the Sponsor.

Proceeds From Capital Transactions: Net proceeds from a sale or refinancing of the Properties will be distributed:

(i) 100% to Investors until they have received any unpaid Preferred Return; then,
(ii) 100% to Investors until they have received a return of their outstanding investment; then,
(iii) 80% to Investors and 20% to Sponsor until the Investors have received a cumulative compounding return (IRR) of 12%, then,
(iv) 70% to Investors and 30% to Sponsor.

Compensation to The Sponsor: The Sponsor or its affiliates shall receive the following compensation in connection with the transaction:

(i) An acquisition fee of 1.5% of the purchase price of the Properties paid at Closing;
(ii) An annual asset management fee in the amount of 0.5% of Purchase Price; and
(iii) A disposition fee of 1.0% of the gross sales proceeds.

The Sponsor will be reimbursed for all reasonable expenses incurred in the acquisition and supervision of the Properties, including but not limited to travel, due diligence, and partnership administration costs (e.g., accounting, filing fees).

Placement Agent: The Placement Agent for the Offering is NHCohen Capital LLC ("NHCohen"), a broker-dealer registered with the SEC and FINRA, an affiliate of NHCohen Partners LLC. The Placement Agent shall earn a fee of 6% of capital raised from the Offering. NHCohen is dedicated to identifying and structuring investment opportunities through private placement programs that harness the many potential benefits of direct ownership of income-producing real estate. The firm was formed to provide high net worth individuals, family entities, registered investment advisors, trusts and institutions that are accredited investors, the advantages of real estate ownership through a simplification of the investing process. The investment opportunities are intended to provide cash distributions, partial tax shelter such as depreciation and pass-through income/loss, protection against inflation and tax deferred distributions from periodic refinancing.

SPONSOR

Sponsor: The Sponsor is an affiliate of Wharton Equity Partners (www.whartonequity.com), a New York City-based real estate investment firm founded in 1987 by Peter C. Lewis. Under Mr. Lewis' stewardship, Wharton has developed an opportunistic investment style with deep operational experience across a broad array of asset types, and honed over numerous business cycles. The ability to navigate changing economic climates has enabled Wharton to generate strong risk-adjusted returns for the institutions, family offices and high net worth individuals who have been investors of the firm for nearly three decades.

Over the years, Wharton has owned, and operated rental apartments, hotels, office buildings, and self-storage properties. Among its activities, Wharton acquired nearly 6,500 multifamily units valued at approximately $500 million, and over 8,500 self-storage units. With respect to its development activities, the company has been one of the larger developers of for-sale, lifestyle residential communities in the New York Tri-State market. Additionally, Wharton, through its Miami office, is in the planning stages of over 2.5 million square feet of mixed use development projects in downtown Miami and in the Midtown sub-market.

Wharton has extensive experience investing in the lodging sector, ranging from full service convention hotels to limited service assets. Its expertise includes investment management, asset management, and the negotiation of franchise, management and joint venture agreements with a range of major hotel companies, partners and operators. The firm's track record includes the acquisition, renovation and repositioning of the full-service 365-room Hilton Hotel in downtown Lexington, KY and the acquisition of the 405-room Sheraton Miami Airport Hotel. Wharton, through affiliates, is also associated with investments in a national portfolio of select service hotels, franchised under brands including Holiday Inn Express, Hampton Inn, Comfort Suites and Marriott Courtyard. This 23-hotel portfolio (including the Properties) spans twelve states, comprising over 2,500 guestrooms.

INVESTOR SUITABILITY

Investor Suitability Standards:

The offer and sale of the Units are being made in reliance on an exemption from the registration requirements of the Securities Act of 1933 and will be sold only to Accredited Investors as defined in Rule 501 of Regulation D under such Act. Accredited Investors include (1) an individual whose net worth, together with that of his or her spouse, including investments and all property and other assets excluding the primary residence, exceeds $1,000,000; (2) an individual who had annual income in the two most recent years in excess of $200,000 individually (or $300,000 with spouse) and reasonably expects income at that level in the current year; (3) an individual who is serving as a director or executive director of the issuer or its management entity; (4) a corporation, partnership, company, or similar entity all of whose owners (shareholders, partners, members) are Accredited Investors; (5) a corporation, partnership, company, trust or similar entity which has $5,000,000 of gross assets and other investment activities and which was not formed for the purpose of making this investment; (6) a grantor trust created by and for Accredited Investor(s); (7) a trust with an institutional trustee such as a bank which signs the subscription documents; and (8) an institution such as a bank.

There are additional persons and entities that may qualify as Accredited Investors. Please contact NHCohen Capital LLC for further information.

	Investment in the Units involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. The investment will be sold only to investors who (i) purchase a minimum of One Unit for a purchase price of $100,000, except that the Company may permit certain investors to purchase less than a full Unit, in its sole discretion, and (ii) represent in writing that they meet the investor suitability requirements established by the Manager and as may be required under federal law. Please carefully review the Confidential Private Placement Memorandum and all Exhibits and attachments thereto.
Placement Agent:	NHCohen Capital LLC, 2 Park Avenue, 14th Floor, New York, NY 10016 (212) 498-6960 is a SEC registered broker-dealer and a member of FINRA.
Investment Risks:	INVESTING IN REAL ESTATE INVOLVES A SUBSTANTIAL DEGREE OF RISK, WHICH MAY INCLUDE FLUCTUATIONS IN PROPERTY MARKETS, CAPITAL MARKETS AND INTEREST RATES. A COMPREHENSIVE EVALUATION AND DETAILED REVIEW IS REQUIRED OF ALL INVESTOR DOCUMENTS, INCLUDING THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM. NO ASSURANCE IS PROVIDED IN THIS INVESTMENT SUMMARY THAT ANY INVESTMENT STRATEGY WILL RESULT IN A PROFIT OR PROTECT AGAINST A LOSS. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. THIS INVESTMENT MAY NOT BE SUITABLE FOR ALL INVESTORS. DUE TO THE SPECULATIVE NATURE OF THE INVESTMENT, AN INVESTOR SHOULD NOT INVEST UNLESS THEY CAN WITHSTAND THE LOSS OF THEIR ENTIRE INVESTMENT. THE INVESTMENT IS ILLIQUID, THEREFORE, AN INVESTOR SHOULD NOT INVEST IF THEY ANTICIPATE THAT THEY MAY REQUIRE ANY OR ALL OF THEIR INVESTMENT RETURNED TO THEM WITHIN THE PRESCRIBED HOLDING PERIOD. PLEASE SEE THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM FOR THE RISK FACTORS TO BE CONSIDERED WHEN EVALUATING THIS INVESTMENT.
Note:	THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM IS THE SOLE MEANS FOR OFFERING THIS INVESTMENT. NEITHER THE SPONSOR, NOR THE PLACEMENT AGENT PROVIDE ASSURANCE THAT ANY INVESTMENT STRATEGY DESCRIBED HEREIN WILL RESULT IN A PROFIT OR PROTECT AGAINST A LOSS. THE ABBREVIATED INFORMATION ABOVE IS NECESSARILY INCOMPLETE IN MANY IMPORTANT RESPECTS AND IS QUALIFIED BY THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM, WHICH MUST BE CAREFULLY REVIEWED IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION. THIS IS NOT AN OFFER. THIS OFFERING MATERIAL IS SUBJECT TO AMENDMENT. NO OFFER MAY BE MADE, AND NO DEPOSIT OR SUBSCRIPTION AGREEMENT MAY BE ACCEPTED, EXCEPT IN ACCORD WITH THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM.

EXHIBIT A

WHARTON
EQUITY PARTNERS

Wharton RM Hospitality, LLC

Cash Flow Projections (1)

		Year 1		Year 2		Year 3		Year 4		Year 5
ADR	$	92.70	$	95.69	$	98.79	$	101.75	$	104.53
Occ %		70.3%		71.0%		71.7%		72.5%		73.2%
RevPAR	$	65.39	$	68.17	$	71.07	$	73.94	$	76.71
Revenue										
Rooms	$	5,895,234	$	6,146,022	$	6,425,071	$	6,665,739	$	6,915,723
Other		244,896		253,528		263,184		271,717		281,295
Total Revenue		6,140,130		6,399,550		6,688,255		6,937,456		7,197,018
Dept. Expenses										
Rooms	$	1,586,438	$	1,642,360	$	1,704,912	$	1,760,188	$	1,822,234
Other		75,460		78,120		81,095		83,725		86,676
Total Departmental Expenses	**$**	**1,661,899**	**$**	**1,720,480**	**$**	**1,786,007**	**$**	**1,843,912**	**$**	**1,908,910**
Departmental Profit	**$**	**4,478,231**	**$**	**4,679,070**	**$**	**4,902,248**	**$**	**5,093,544**	**$**	**5,288,108**
Undist. Expenses										
Administrative & General	$	566,189	$	590,147	$	608,248	$	625,586	$	643,465
Marketing		324,130		337,787		352,987		366,139		379,796
Energy		254,231		260,586		267,101		273,779		280,623
Property Operation & Maintenance		206,967		212,141		217,445		222,881		228,453
Royalty & Mktg Fees		530,571		553,142		578,256		599,916		622,415
Total Undistributed Expenses	**$**	**1,882,088**	**$**	**1,953,804**	**$**	**2,024,037**	**$**	**2,088,301**	**$**	**2,154,752**
Gross Operating Profit		2,596,144		2,725,265		2,878,210		3,005,243		3,133,356
Management Fees		214,905		223,984		234,089		242,811		251,896
Income Before Fixed	**$**	**2,381,239**	**$**	**2,501,281**	**$**	**2,644,122**	**$**	**2,762,432**	**$**	**2,881,460**
Fixed Expenses										
RE Taxes	$	291,730	$	337,818	$	347,953	$	358,391	$	369,143
Insurance		78,909		81,277		83,715		86,226		88,813
FFE Reserve		245,605		255,982		267,530		277,498		287,881
Total Fixed Charges	**$**	**616,244**	**$**	**675,077**	**$**	**699,198**	**$**	**722,116**	**$**	**745,837**
NOI		1,764,995		1,826,204		1,944,924		2,040,316		2,135,624
Asset Management Fee		105,000		105,000		105000		105,000		105,000
Partnership Administrative Expense		50,000		50,000		50,000		50,000		50,000
Cash Flow Before Debt Service		1,609,995		1,671,204		1,789,924		1,885,316		1,980,624
Debt Service (2)		946,472		946,472		946,472		946,472		946,472
Net Cash Flow	$	663,523	$	724,733	$	843,452	$	938,845	$	1,034,152

Note
(1) Above cash flow projections do not reflect any benefit from the sale of the Property; no assurance can be given the projections shown will in fact be achieved.
(2) Debt service is estimated and is subject to negotiation with lender(s).

EXHIBIT B

WHARTON EQUITY PARTNERS

Wharton RM Hospitality, LLC

Investment Analysis (1) (2) (3)

Assumptions		
Tax Rate:	42.2%	(A)
Tax Income Coverage:	75.0%	(B)

	Investment	Operating Cash Distributions	Less: Tax	Income After Tax	Pre-Tax Yield	After-Tax Yield	Pre-Tax Equivalent Distribution	Less: Tax	Income After Tax	Pre-Tax Equivalent Yield (C)
Initial	$ 100,000									
Year 1		**$ 7,051**	**$ 743**	**$ 6,307**	**7.1%**	**6.3%**	**$ 10,908**	**$ 4,600**	**$ 6,307**	10.9%
Year 2		7,568	798	6,770	7.6%	6.8%	11,708	4,938	6,770	11.7%
Year 3		**8,578**	**904**	**7,674**	**8.6%**	**7.7%**	**13,271**	**5,597**	**7,674**	13.3%
Year 4		9,390	990	8,400	9.4%	8.4%	14,527	6,126	8,400	14.5%
Year 5		**10,205**	**1,076**	**9,129**	**10.2%**	**9.1%**	**15,787**	**6,658**	**9,129**	15.8%
Total:	$ 100,000	$ 42,792	$ 4,512	$ 38,281	42.8%	38.3%	$ 66,200	$ 27,919	$ 38,281	66.2%
Average:		**$ 8,558**	**$ 902**	**$ 7,656**	**8.6%**	**7.7%**	**$ 13,240**	**$ 5,584**	**$ 7,656**	13.2%

General Notes:

(1) The above projections do not reflect any potential distributions from an eventual sale of the Property.

(2) No assurance can be given that these projected distributions will be achieved; actual amounts may vary from these projected amounts.

(3) Above fiscal year projections are based on a 12/31/15 closing; actual closing is anticipated to be during the first quarter of 2016.

Tax Notes:

(A) After tax income was computed based on a combined federal and New York State tax rate of 42.2%

(B) Assumes 25% of operating cash distributions are subject to taxation.

(C) The Pre-Tax Equivalent Return is computed as after-tax return divided by (1-tax rate).

EXHIBIT C

WHARTON EQUITY PARTNERS

Representative Transactions of Affiliates of Wharton Equity Partners

Hotels:

406-Room Sheraton Miami Airport Hotel and Executive Center: $70 million acquisition of the only hotel on the grounds of the Miami International Airport. Extensive renovation planned for common areas, meeting spaces and rooms. Full service hotel, with direct access to downtown Miami in approximately 20 minutes via the Metrorail which is located adjacent to the property. The transaction is a joint venture among Wharton, a public hospitality REIT, and a major NYC private equity fund;

360-Room Hilton Lexington Downtown Hotel, Lexington, Kentucky: Approximately $45 million acquisition and re-development of 360-room hotel from The Blackstone Group. Wharton re-positioned the hotel through implementation of a $15 million property improvement program (PIP), and rebranded the property from a Radisson to a Hilton;

Select Service Hotel Portfolio: In 2011, Wharton identified the select service lodging sector as offering a compelling opportunity, and participated in the creation of an acquisition and investment management platform to acquire its first hotel that year. Following the first investment, entities affiliated with Wharton proceeded to assemble interests in a portfolio of select service hotels franchised under premium brands, which now totals 23 hotels across 13 states, representing over $200 million in aggregate investment. 21 of the 23 hotels are managed by Interstate, who will continue to manage the Properties. Wharton affiliates provide supervisory investment management, debt and equity structuring and investor relations services.

Residential - Existing Rental Properties:

Southeast Multifamily Portfolio: $250 million purchase of a portfolio of over 4,100 units located across 8 states. The off-market transaction was closed within 30 days of contract signing, including a 30-day due diligence period. The company is overseeing an approximately $20 million budget to renovate the interior of units, in addition to improving the common areas of the properties. HSBC provided a $200 million loan to acquire and improve the assets;

Pooler (Savannah), Georgia: $45 million purchase of a new, Class A 326-unit property located in a sub-market of Savannah, Georgia. Wharton pre-empted a marketing process and received a discounted price, by offering to assume lease-up risk for the asset. Debt for the transaction was provided by Freddie Mac.

Commercial:

Development of 20,000 Square Foot Boutique Retail Property; Design District, Miami: Wharton Equity acquired the land, located on NE 2nd Avenue in the Design District, on an off-market transaction from a local owner. The firm has designed and will construct the property, which is aimed at upscale retailers. Situated adjacent to I-195, the property will serve as an iconic gateway into the Design District, highly visible by the 150,000 cars per day that travel on the roadway. The development is a joint venture between Wharton and the personal account of the founder of a significant European hedge fund;

250,000 Square Foot Office Building, Lexington, KY: Acquisition of office building in downtown Lexington, KY. Wharton renovated common areas and elevators, and upgraded mechanical systems. Repositioned former first floor vacant bank space by bringing in retailer Joseph A. Banks as anchor tenant;

New York City Industrial Properties: Wharton acquired and re-developed two industrial properties in midtown Manhattan in combined $80 million transaction. The properties, located at 305 East 61st and 444 West 55th Street, primarily provide art storage and supporting logistical services.

Mixed Use – Development:

2.2 Acre Development Site, Downtown Miami: Wharton purchased a note secured by the property and obtained free and clear title within six months after acquisition of the note. The company is in planning stages on a mixed use development of up to a 2 million square foot on the site. Wharton partnered with a $15 billion hedge fund, on the acquisition. The note was acquired on an all-cash basis with a 10 day due diligence period and 10 day closing;

500,000 Square Foot Mixed Use Development, Midtown, Miami: Wharton is under development on an 18-story high rise, which will include approximately 60,000 square feet of retail at the base of the building and 194 rental units above. The project is being developed in joint venture with a major New York real estate family office.

For-Sale Residential - Development:

The Preserve at Somers, Somers, New York: a 188-home, $115 million (sell-out) residential development project located in northern Westchester. The project required the installation of over three miles of sewer lines to connect to an off-site sewer plant, and the construction of an on-site water system, including a water tower. The development was sold out in under three years;

The Preserve at Rye, Rye, New York: an approximately $40 million (sell-out) sub-division on the 30-acre site of the former Walker Laboratory, owned by the Memorial Sloan Kettering Cancer Institute. Designed site plan and navigated approval process through the City of Rye and other agencies. The 38 homes sold-out within one year.

Additional Note: Please read carefully the Confidential Private Placement Memorandum and all Exhibits and supplements thereto (the "Memorandum") before deciding to subscribe.

You should examine the suitability of this type of investment in the context of your own needs, investment objectives, and financial capabilities and should make your own independent investigation and decision as to suitability and as to the risk and potential gain involved. Also, you are encouraged to consult with your own attorney, accountant, financial consultant or other business or tax advisor regarding the risks and merits of the proposed investment.

This Offering of Units (the "Offering") is limited to investors who certify that they meet all of the qualifications set forth in the Memorandum. If you meet these qualifications and desire to purchase Units, then please complete, execute and deliver the Subscription Agreement which will be delivered upon requesting the Confidential Private Placement Memorandum.

Please contact the Placement Agent, NHCohen Capital LLC with any question.

PLACEMENT AGENT:
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